

The following is the text of a letter, summary of values and valuation certificates, prepared for inclusion in this Prospectus, received by the Directors from Sallmanns (Far East) Limited, an independent valuer, in connection with their valuations as of September 30, 2004 of our property interests.



Sallmanns

西門

Corporate valuation and consultancy

www.sallmanns.com

22/F Siu On Centre
188 Lockhart Road
Wan Chai
Hong Kong
Tel: (852) 2169 6000
Fax: (852) 2528 5079

December 3, 2004

The Directors
Air China Limited
9/F, Blue Sky Mansion
28 Tianzhu Road
Zone A, Tianzhu Airport Industrial Zone
Shunyi District
Beijing, China

Dear Sirs,

In accordance with your instructions to value the properties in which Air China Limited (the “Company”) and its subsidiaries (hereinafter together referred to as the “Group”) have interests, we confirm that we have carried out inspections from March 2004 to August 2004, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the values of the property interests as at September 30, 2004 (the “date of valuation”).

Our valuations of the property interests represent the market value which we would define as intended to mean “the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently, and without compulsion.”

Land

The concept of freehold and leasehold land does not exist in China. Private land ownership in China was abolished in the collectivization movement during the 1950’s. Since then, the only form of ownership in land has been ‘socialist public ownership’ of which there are two generic types: state-owned and collectively owned. Land was ‘allocated’ free of charge by the state to the designated users (commonly state-owned enterprises) for an indefinite period. The users in return could not in any way transfer the land to other parties. Normally, when dealing with the valuation of such land, we will deem it to have ‘no commercial value.’

In January 1995 the “PRC, Administration of Urban Real Property Law” came into effect, reinforcing previous legislation and establishing land as a commodity. By possessing ‘land use

rights' users, including state-owned enterprises, could assign, lease or mortgage land. Normally, to obtain such land use rights, a premium had to be paid whereupon the 'allocated' land could be reclassified as 'granted' land. The land is granted by the State and the premium is based upon the standard land prices (which are periodically reviewed) set by the Land Administration Bureau. Such land can be valued by reference to the standard land prices in each locality and prices paid in the market for it.

In occasional cases on a discretionary basis, allocated land held by certain state-owned enterprises can be authorised by the State to be contributed or transferred to the listing entity in return for shares. Such land we have termed '*Authorised land*' (授權經營土地). Under this system the holding (parent) company is granted a land use rights certificate for no fixed term, which it may then assign to the listing entity. The listing company may then apply for this to be converted into a normal land use rights certificate for a fixed term, without payment of additional premium. It is the usual practice for the holding company to give undertakings to assist the listing entity to obtain the finalized certificates within a definite time frame, to be responsible for any costs, losses, claims, charges or expenses arising from the application of the finalized certificates. Upon obtaining the certificates, the listing company would be entitled to transfer, lease or mortgage the land.

For property nos. 8-33 and 36-43 in Group I, no. 54 and nos. 59-64 in Group IV and properties in Group III, we have valued the property interests by direct comparison approach assuming sale of the property interests in their existing state with the benefit of immediate vacant possession and by making reference to comparable sale transactions as available in the relevant market.

We have valued the property interests in Group II by the investment method by taking into account the net rental income of the property derived from the existing tenancy with due allowance for the reversionary income potential of the tenancy, which is then capitalised into the value at an appropriate capitalisation rate.

Where, due to the nature of the buildings and structures constructed on property nos. 1 to 7, 34, 35 in Group I and nos. 53, 55 to 58 and 65 to 68 in Group IV, there are no market sales comparables, the property interests have been valued on the basis of their depreciated replacement cost.

Depreciated replacement cost is defined as "an estimate of the Market Value for the existing use of the land, plus the current gross replacement (reproduction) costs of the improvements, less allowances for physical deterioration and all relevant forms of obsolescence and optimization." This method has been used due to the lack of an established market upon which to base comparable transactions and is a method of using current replacement costs to arrive at the value to the business in occupation of the property as existing at the valuation date.

In valuing the property interests which are currently under construction, we have valued them on the basis of their prevailing cost level and status of construction as at the date of valuation and we have assumed that all consents, approvals and licences from the relevant government authorities for their development have been granted without any onerous conditions or undue delay, which might affect their values.

The summary of the values of the property interests held by the Group in respect of its valuation basis is set out as follows:

	<u>Sub-total of Capital Value</u>	<u>Sub-total of Capital Value attributable to the Group</u>
	RMB	RMB
Existing Use Value		
Group I — Property interests held and occupied by the Company in the PRC:		
Ref. Nos. 8-33, 36-43	65,135,000	65,135,000
Group II — Property interests held by the Company for investment in the PRC:		
Ref. Nos. 44-47	10,787,000	10,787,000
Group III — Overseas property interests held and occupied by the Company		
Ref. Nos. 48-52	116,705,000	116,705,000
Group IV — Property interests held and occupied by the Company's subsidiaries in the PRC		
Ref. Nos. 54, 59-64	21,185,000	12,957,000
Depreciated Replacement Cost		
Group I — Property interests held and occupied by the Company in the PRC:		
Ref. Nos. 1-7, 34, 35	3,013,426,000	3,013,426,000
Group IV — Property interests held and occupied by the Company's subsidiaries in the PRC		
Ref. Nos. 53, 55-58, 65-68	751,873,000	543,494,000
Grand total:	3,979,111,000	3,762,504,000

We have attributed no commercial value to the property interests in Groups V and VI, which are rented by the Group, due either to the short-term nature of the leases or the prohibition against assignment or sub-letting or otherwise due to the lack of substantial profit rents.

Our valuations have been made on the assumption that the owner sells the property interests on the open market in their existing state without the benefit of a deferred terms contract, leaseback, joint venture, management agreement or any similar arrangement which would serve to affect the values of the property interests.

No allowance has been made in our report for any charges, mortgages or amounts owing on any of the property interests valued nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the properties are free from encumbrances, restrictions and outgoings of an onerous nature, which could affect their values.

In valuing the property interests, we have complied with all the requirements contained in Chapter 5 and Practice Note 12 to the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited; the RICS Appraisal and Valuation Standards (5th Edition) published by the Royal Institution of Chartered Surveyors, effective from May 2003 except in so

far as the division between freehold, long leasehold and short leasehold properties applies; and the Hong Kong Guidance Notes on the Valuation of Property Assets (2nd Edition) published by the Hong Kong Institute of Surveyors in March 2000.

We have relied to a very considerable extent on the information given by the Group and have accepted advice given to us on such matters as tenure, planning approvals, statutory notices, easements, particulars of occupancy, lettings, and all other relevant matters.

We have been shown copies of various title documents including State-owned Land Use Rights Certificates, Building Ownership Certificates, Real Estate Title Certificates and other title documents relating to the property interests in the PRC, Japan as well as Germany and have made relevant enquiries. Where possible, we have examined the original documents to verify the existing titles to the property interests and any material encumbrances that might be attached to the properties or any lease amendments which may not appear on the copies handed to us. We have relied considerably on the advice given by the Company's PRC legal adviser — Haiwen & Partners, concerning the validity of the Group's titles to the property interests in the PRC.

We have not carried out detailed site measurements to verify the correctness of the site areas in respect of the properties but have assumed that the site areas shown on the documents and official site plans handed to us are correct. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations. No on-site measurement has been taken.

We have inspected the exterior and, where possible, the interior of the properties. However, no structural survey has been made, but in the course of our inspection, we did not note any serious defects. We are not, however, able to report whether the properties are free of rot, infestation or any other structural defects. No tests were carried out on any of the services.

No mining, geological or other investigations have been undertaken to certify that the sites are free from any defects as to foundations. We have assumed that the load bearing qualities of the site of each property are sufficient to support the buildings constructed thereon.

We have made enquiries of the Group in order, so far as reasonably possible, to establish the potential existence of contamination arising out of previous or present uses of any of the sites and any adjoining sites. Our enquiries have provided no evidence that there is a significant risk of contamination in respect of any of the properties. Therefore, as instructed, we have assumed that the land and buildings comprising each property subject to our valuation are not affected by contamination or adverse environmental matters sufficient to affect value. Commensurate with this assumption we have made no allowance in our valuations for any effect in respect of actual or potential contamination of land or buildings.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Group. We have also sought confirmation from the Group that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view, and we have no reason to suspect that any material information has been withheld.

Neither the whole nor any part of this valuation report or any reference thereto may be included in any published document, circular or statement or be published in any way without our written approval of the form and the context in which it may appear.

Unless otherwise stated, all monetary figures stated in this report are in Renminbi (RMB). The exchange rates adopted in our valuation are approximately RMB 1 = Yen\$13.368 and RMB 1 = 0.098 EUR which were approximately the prevailing exchange rates as at the date of valuation.

Our valuations are summarised below and the valuation certificates are attached.

Yours faithfully,
for and on behalf of
SALLMANN (FAR EAST) LIMITED
Paul L. Brown
BSc FRICS FHKIS
Director

Note: Paul L. Brown is a Chartered Surveyor who has 21 years of experience in the valuation of properties in the PRC and 24 years of property valuation experience in Hong Kong, the United Kingdom and the Asia-Pacific region.

SUMMARY OF VALUES

Group I — Property interests held and occupied by the Company in the PRC

<u>No.</u>	<u>Property</u>	<u>Capital value attributable to the Group as at September 30, 2004</u>
		RMB
1.	Land, various buildings and structures adjoining Beijing Capital International Airport Shunyi District Beijing, The PRC	1,480,899,000
2.	Land, various buildings and structures adjoining Chengdu Shuangliu International Airport Shuangliu County Chengdu City Sichuan Province, The PRC	682,919,000
3.	Land and a building adjoining Guiyang Longdongbao Airport Guiyang City Guizhou Province, The PRC	157,896,000
4.	Land, various buildings and structures adjoining Inner Mongolia Baita Airport Hohhot City Inner Mongolia Autonomous Region, The PRC	97,146,000
5.	Land, various buildings and structures adjoining Chongqing Jiangbei International Airport Chongqing, The PRC	244,262,000
6.	Land, various buildings and structures adjoining Tianjin Binhai International Airport Tianjin, The PRC	224,854,000
7.	Land, various buildings and structures adjoining Hangzhou Xiaoshan International Airport Hangzhou City Zhejiang Province, The PRC	101,644,000
8.	Units 55, 57 and 59 on Level 4 of Block 11 Chaoshan Street Lixia District Jinan City Shandong Province, The PRC	1,356,000
9.	Portions of Levels 1, 2 and 11 of Huili Block 111 Yan'an San Road Shinan District Qingdao City Shandong Province, The PRC	3,908,000

APPENDIX V**PROPERTY VALUATION**

<u>No.</u>	<u>Property</u>	<u>Capital value attributable to the Group as at September 30, 2004</u> RMB
10.	14 residential units of Blocks 1 and 6 Tianzhu Residential Area Xiping Street, Shunyi District Beijing, The PRC	No commercial value
11.	19 residential units of Block 7 of Area I Nanzuyuan Residential Area Shunyi District Beijing, The PRC	No commercial value
12.	12 residential units of Blocks 209, 210, 211 and 313 Shaoyaoju Beili, Chaoyang District Beijing, The PRC	4,515,000
13.	Room 803 of Block 33 Guangximen Beili, Chaoyang District Beijing, The PRC	No commercial value
14.	Room M603 of Jingbao Garden No. 183 Andingmenwai Avenue Chaoyang District Beijing, The PRC	1,217,000
15.	14 residential units of Entrance East of Block 8 Shengang Garden Xinggui Road, Beihai City Guangxi Zhuang Autonomous Region The PRC	1,616,000
16.	6 residential units of Zone 2 No.20 Honggang Road Ganjingzi District, Dalian City Liaoning Province, The PRC	938,000
17.	Room 1 on Level 1, Rooms C, D, E and F on Level 2 and car parking lots B23 and B24 of Jinquan Garden No. 31 Jinquan Road Gulou District, Fuzhou City Fujian Province, The PRC	3,845,000
18.	Rooms 601 to 608 No.3, San Jie, Huangshi Garden Baiyun District Guangzhou City Guangdong Province, The PRC	2,668,000

APPENDIX V**PROPERTY VALUATION**

<u>No.</u>	<u>Property</u>	<u>Capital value attributable to the Group as at September 30, 2004</u> RMB
19.	Room 502 No. 6 Bairongyuan Jichang Road Baiyun District, Guangzhou City Guangdong Province, The PRC	431,000
20.	An office unit of Cargo Building No. 112 Xingyun Road Baiyun District, Guangzhou City Guangdong Province, The PRC	No commercial value
21.	Portions of Levels 9 and 10 Jin'an Building No. 300 Dongfeng Road Central Guangzhou City Guangdong Province, The PRC	No commercial value
22.	Portions of Levels 1 to 4 Kunlun Commercial Building No. 11 Lishun Street Harbin City Heilongjiang Province, The PRC	3,184,000
23.	Rooms 401 and 402 of Zone 5 of Block 6 Huatai Garden No. 119 Guanxing Road Guanshang District Kunming City Yunnan Province, The PRC	538,000
24.	Rooms A1 and A2 on Level 1 and Rooms B1, B2, C1, C2 on Level 14 of Huangpu Building No. 2 Huangpu Road Xuanwu District Nanjing City Jiangshu Province, The PRC	3,782,000
25.	17 residential units No. 28 of Alley 125, Lingyuan Road Minhang District Shanghai, The PRC	9,943,000
26.	Rooms 201, 202 and 102 No. 20 of Alley 18, Huqingping Road Changning District Shanghai, The PRC	1,684,000

APPENDIX V**PROPERTY VALUATION**

<u>No.</u>	<u>Property</u>	<u>Capital value attributable to the Group as at September 30, 2004</u> RMB
27.	Rooms 201, 301, 401, 402, 403 and Carport no. 9 of Yixiang Garden No.85, Changqing Beili Xiamen City Fujian Province, The PRC	1,949,000
28.	Rooms 05 and 08 on Level 6 Huicheng Apartment Building No.6 Hubin Road Central Xiamen City Fujian Province, The PRC	1,324,000
29.	Rooms 13 and 14 on Level 2 Huicheng Commercial Centre No.837 Xiahe Road Xiamen City Fujian Province, The PRC	501,000
30.	Levels 1 and 2 of the retail portion of Caixia House Huguang Estate Hubin Road East Xiamen City Fujian Province, The PRC	7,728,000
31.	Rooms 401, 402, 501, 502 and 701 of Zone 2 of Block 7 Xinglong Xincun Residential Area Huli District Xiamen City Fujian Province, The PRC	No commercial value
32.	Rooms 2, 4, 6 and 8 of Zone 4 No.76 Dahaiyang Road Yantai City Shandong Province, The PRC	912,000
33.	Rooms 6B, 6C, 6D, 6E and 6G on Level 6 of Jinghuage Jingfu Estate Binhe Road, Futian District Shenzhen City Guangdong Province, The PRC	1,475,000
34.	Land and an office building No.80 Jianxin Bei Road Jiangbei District Chongqing, The PRC	23,806,000

APPENDIX V**PROPERTY VALUATION**

<u>No.</u>	<u>Property</u>	<u>Capital value attributable to the Group as at September 30, 2004</u> RMB
35.	A parcel of land on which is erected a composite building No.113 Nanjing Road Heping District Tianjin, The PRC	No commercial value
36.	Room 703 of Block 51 Dongyuan Xincun Residential Area Tiyuchang Road Xiacheng District Hangzhou City Zhengjiang Province, The PRC	367,000
37.	Room 601 of Zone 19 of Block 6 Jinyuan Residential Area Xiacheng District, Hangzhou City Zhengjiang Province, The PRC	612,000
38.	Room 401 of Zone 2 Block 35 Dongyuan Residential Area Tiyuchang Road Xiacheng District Hangzhou City Zhengjiang Province, The PRC	503,000
39.	Rooms 101 and 201 of Zone 1 of Block 13 and 3 underground car parking lots of Block 25 Genyuan Residential Area Tiyuchang Road Xiacheng District Hangzhou City Zhengjiang Province, The PRC	3,147,000
40.	Room 602 of Zone 4 of Block 13 Datieguan Xincun Residential Area Xiacheng District Hangzhou City Zhengjiang Province, The PRC	302,000
41.	Unit 4-3 on Level 4 No.97 Zhaohui Road Xiacheng District, Hangzhou City Zhengjiang Province, The PRC	4,433,000

APPENDIX V**PROPERTY VALUATION**

<u>No.</u>	<u>Property</u>	Capital value attributable to the Group as at September 30, 2004 RMB
42.	Rooms 5 and 6 on Level 1 of Block Yi Nan Si Section, Yihuan Road Chengdu City Sichuan Province, The PRC	678,000
43.	Rooms 3 and 4 on Level 1 of Block Jia, Nan Si Section 4, Yihuan Road Chengdu City Sichuan Province, The PRC	1,579,000
Sub-Total:		<hr/> 3,078,561,000 <hr/>

Group II — Property interests held by the Company for investment in the PRC

<u>No.</u>	<u>Property</u>	Capital value attributable to the Group as at September 30, 2004 RMB
44.	The whole of Level 7 of Nanyi Block No. 2 Lingshiguan Road Si Duan, Renmin Road South Wuhou District, Chengdu City Sichuan Province, The PRC	3,398,000
45.	Rooms 1210 and 1212 of Huada Commercial Building No. 266 Wuhouci Street Wuhou District, Chengdu City Sichuan Province, The PRC	1,341,000
46.	Portions of Levels 1 and 3 of a composite building No. 167/177 Zhongshan San Road Chongqing, The PRC	3,148,000
47.	Portions of Levels 1 to 3 of a commercial building Hongmin Road Dongsheng Town, Chengdu City Sichuan Province, The PRC	2,900,000
Sub-Total:		<hr/> 10,787,000 <hr/>

Group III — Overseas property interests held and occupied by the Company

<u>No.</u>	<u>Property</u>	<u>Capital value attributable to the Group as at September 30, 2004</u> RMB
48.	Air China Building 2-5-2 Toranomom, Minato-ku, Tokyo, Japan.	113,597,000
49.	Nordendstrasse.66 Moerfelden-Walldorf Germany	3,108,000
50.	7331 St. Ablans Road Richmond British Columbia, Canada	No commercial value
51.	485 Broadway Long Beach, Nassau County New York, U.S.A.	No commercial value
52.	Im Geisbaum 7, Egelsbach Germany	No commercial value
Sub-Total:		<u>116,705,000</u>

Group IV — Property interests held and occupied by the Company's subsidiaries in the PRC

<u>No.</u>	<u>Property</u>	<u>Capital value attributable to the Group as at September 30, 2004</u> RMB
53.	A portion of a building adjoining Beijing Capital International Airport Shunyi District Beijing, The PRC	25,025,000
54.	A residential unit on Level 15 of Block 3 Area 4 Anhui Li, Chaoyang District Beijing, The PRC	333,000
55.	A factory building The Industrial Processing Area of Junbu Town Puning City Guangdong Province, The PRC	No commercial value
56.	A parcel of land, various buildings and structures adjoining Beijing Capital International Airport Shunyi District Beijing, The PRC	146,693,000

APPENDIX V**PROPERTY VALUATION**

<u>No.</u>	<u>Property</u>	<u>Capital value attributable to the Group as at September 30, 2004</u> RMB
57.	A parcel of land, various buildings and structures adjoining Tianjin Binhai International Airport Tianjin, The PRC	67,781,000
58.	Land, various buildings and structures adjoining Beijing Capital International Airport Shunyi District Beijing, The PRC	281,871,000
59.	44 residential units of Blocks Xin-3, 15 to 21 Area 1 Nanzuyuan Residential Area Shunyi District Beijing, The PRC	No commercial value
60.	16 residential units of Mingduyuan Residential Area Houshayu Town, Shunyi District Beijing, The PRC	11,944,000
61.	4 residential units of Blocks 10 and 16 Area A, Daxiyangcheng, Wangjing Residential Area Chaoyang District Beijing, The PRC	No commercial value
62.	11 residential units of Block 207 Pingleyuan Residential Area Chaoyang District Beijing, The PRC	No commercial value
63.	3 residential units, a commercial unit and 2 garages located at Fangcao Street Hi-Tech Development Zone Chengdu City Sichuan Province, The PRC	281,000
64.	Room 306 of Block 1 of Taohuayuan, Wanke Chengshi Garden Shunyi District, Beijing, The PRC	399,000
65.	Land, various buildings and structures adjoining Beijing Capital International Airport Shunyi District, Beijing, The PRC	15,177,000
66.	A parcel of land, various buildings and structures Qinggang Village Dongsheng Town Shuangliu County Chengdu City, Sichuan Province, The PRC	3,059,000
67.	A parcel of land, a building and structures Qinggang Village Dongsheng Town Shuangliu County, Chengdu City Sichuan Province, The PRC	No commercial value

APPENDIX V**PROPERTY VALUATION**

<u>No.</u>	<u>Property</u>	<u>Capital value attributable to the Group as at September 30, 2004</u> RMB
68.	A parcel of land, various buildings and structures Changle Village Baijia Town Shuangliu County, Chengdu City Sichuan Province, The PRC	3,888,000
	Sub-Total:	<u>556,451,000</u>

Group V — Property interests rented and occupied by the Group in the PRC

<u>No.</u>	<u>Property</u>	<u>Capital value attributable to the Group as at September 30, 2004</u> RMB
69.	157 properties leased by the Group in the PRC	No commercial value
	Sub-Total:	<u>Nil</u>

Group VI — Property interests rented and occupied by the Group in overseas countries

<u>No.</u>	<u>Property</u>	<u>Capital value attributable to the Group as at September 30, 2004</u> RMB
70.	245 properties leased by the Group in overseas countries/regions	No commercial value
	Sub-Total:	<u>Nil</u>
	Grand-Total:	<u><u>3,762,504,000</u></u>

VALUATION CERTIFICATE

Group I — Property interests held and occupied by the Company in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at September 30, 2004 RMB
1.	Land, various buildings and structures adjoining Beijing Capital International Airport Shunyi District Beijing The PRC	<p>The property comprises the following 3 parts:</p> <p>Part A: Part A includes 28 parcels of land with a total area of approximately 1,046,556.27 sq.m. on which are constructed 97 buildings and 40 ancillary structures with a total gross floor area of approximately 226,510.33 sq.m., mainly completed in various stages between 1970 and 2002.</p> <p>Part A also comprises a building which was still under construction as at the date of valuation. The estimated total construction cost upon completion is approximately RMB 255,430,000, of which approximately RMB 162,667,000 has been spent up to the valuation date. The total gross floor area of the building will be 44,798 sq.m. upon completion. The building is scheduled to be completed in December 2004.</p>	<p>Parts A and B are currently occupied by the Company mainly as offices, dormitories, canteens, hangars, warehouse and other aviation logistics support facilities.</p> <p>Part C is currently occupied by the Company as staff quarters.</p>	1,480,899,000

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at September 30, 2004 RMB
		<p>Part B: Part B includes 5 buildings erected on the land adjoining the land of Part A with a total gross floor area of approximately 4,227.94 sq.m., mainly completed in various stages between 1980 and 1997.</p>		
		<p>Part C: Part C includes 121 residential units with a total gross floor area of approximately 5,945.43 sq.m., mainly completed in various stages between 1970 and 1993.</p>		

Notes:

- Pursuant to 25 State-owned Land Use Rights Certificates, the land use rights in respect of 25 parcels of land of Part A with a total site area of approximately 764,470.07 sq.m. have been allocated to Air China International Corporation, the predecessor of the Company, for civil airport purposes. The land use rights of the 25 parcels of land were authorised to China National Aviation Holding Company (“CNAHC”), a shareholder of the Company, to operate (the “Authorised Land”).
- Pursuant to 3 State-owned Land Use Rights Certificates, the land use rights in respect of 3 parcels of land of Part A with a total site area of approximately 282,086.20 sq.m. have been granted to Air China International Corporation for terms of 50 years expiring on July 1, 2045, and June 23, 2053, respectively, for industrial and composite purposes (the “Granted Land”).
- Pursuant to 19 Building Ownership Certificates, 97 buildings in respect of the buildings of Part A and property No. 53 with a total gross floor area of approximately 232,760.36 sq.m. (including the area of 6,250.03 sq.m. of property No. 53, which is occupied by a wholly-owned subsidiary of the Company) are owned by Air China International Corporation.
- Pursuant to a Construction Work Planning Permit and a Construction Commencement Permit in respect of the building under construction of Part A, Air China International Corporation has obtained relevant approvals to construct the building.
We are of the opinion that the capital value of the building (excluding the land) under construction after the construction has been completed would be RMB 255,430,000 assuming that all the future construction work will be undertaken fully in accordance with the current construction plan.
- We have not been provided with any relevant title certificate for the buildings of Part B. As such, we have attributed no commercial value to them.
- For the buildings of Part C, we have been provided with various Building Ownership Certificates under the name of Air China International Corporation in respect of the units of Part C with a total gross floor area of approximately 5,481.85 sq.m. We have not been provided with any title document for the remaining units with a total gross floor area of 463.58 sq.m. of Part C. As the Company has not provided any proper land title documents to the units of Part C, we have attributed no commercial value to them.

7. For reference purposes, we are of the opinion that the capital value of the buildings of Part B and C (excluding the land) as at the date of valuation would be RMB 8,732,000 assuming all relevant title certificates have been obtained.
8. In preparing our valuation, we have assumed that all conditions have been properly met and that no further charges are due.
9. We have been provided with a legal opinion regarding the property interests by the Company's PRC legal adviser, which contains, inter alia, the following:
 - i. CNAHC has the legal rights to contribute the land use rights in respect of the Authorised Land and the Granted Land to the Company as equity capital.
 - ii. The Land Use Rights Certificates in respect of the above 28 parcels of land and the Building Ownership Certificates in respect of the buildings with a total gross floor area of approximately 226,510.33 sq.m. under the name of the Company are under application. There is no legal impediment for the Company to obtain these title certificates. There is no land premium payable for the Company to obtain the Land Use Rights Certificates. Upon obtaining these Land Use Rights Certificates, the Company can legally own, transfer or lease the land use rights. Upon obtaining these Building Ownership Certificates, the Company can legally own the building ownership and freely lease, transfer or mortgage the buildings.
 - iii. For the buildings of Part C with proper Building Ownership Certificates, the Building Ownership Certificates under the name of the Company are under application. The Company can legally occupy the buildings and can freely lease, transfer or mortgage the buildings upon obtaining relevant Land Use Rights Certificates.
 - iv. The buildings which have not been granted proper title certificates under the name of the predecessor of the Company can be occupied and used by the Company as they are invested by CNAHC as contribution asset. However, the Company can not transfer, lease or mortgage them before obtaining relevant title certificates.
 - v. CNAHC has undertaken to cooperate with the Company to fulfil the title changing formalities for the Land Use Rights Certificates and Building Ownership Certificates currently under the name of Air China International Corporation within a year and 6 months, respectively, to apply and obtain the Building Ownership Certificates for the buildings currently without title certificates within a year after the incorporation of the Company and apply the Building Ownership Certificate under the Company's name for the building under construction within a year after the building is completed. CNAHC will be responsible for and indemnify the Company against any costs, expenses, or claims caused by the title changing registration, the interference with CNAHC's capital contribution to the Company with the land and buildings and any other loss of the Company incurred consequently.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at September 30, 2004
				RMB
2.	Land, various buildings and structures adjoining Chengdu Shuangliu International Airport Chengdu City Sichuan Province The PRC	<p>The property comprises 15 parcels of land with a total site area of approximately 828,564.54 sq.m. on which are constructed 204 buildings and other ancillary structures with a total gross floor area of approximately 322,883.61 sq.m., mainly completed in various stages between 1984 and 2003.</p> <p>The property also comprises a building of which the construction was pending. The estimated total construction cost upon completion is approximately RMB 30,940,000, of which approximately RMB 11,082,000 has been spent up to the valuation date. The total gross floor area of the building will be 6,704 sq.m. upon completion.</p>	The property is currently occupied by the Company mainly as offices, dormitories, canteens, hangars, warehouse, and other aviation logistics support facilities except for the buildings with a total gross floor area of approximately 6,721.40 sq.m. which are rented to various independent third parties.	682,919,000

Notes:

- Pursuant to 14 State-owned Land Use Rights Certificates, the land use rights in respect of 14 parcels of land with a total site area of approximately 812,073.63 sq.m. have been allocated to Air China International Corporation, the predecessor of the Company, for civil airport, education and industrial purposes. The land use rights of the 14 parcels of land were authorised to China National Aviation Holding Company (“CNAHC”), a shareholder of the Company, to operate (the “Authorised Land”).

2. Pursuant to a State-owned Land Use Rights Certificate, the land use rights in respect of a parcel of land with a site area of approximately 16,490.91 sq.m. have been granted to Air China International Corporation for a term of 50 years expiring on May 18, 2049 for industrial purposes (the “Granted Land”).
3. Pursuant to 62 Building Ownership Certificates, 202 buildings with a total gross floor area of approximately 319,961.38 sq.m. are owned by Air China International Corporation. As confirmed by Air China International Corporation, these Building Ownership Certificates also include the buildings with a total gross floor area of 2,237.53 sq.m. which have been demolished.
4. We have been provided with a Construction Land Planning Permit in respect of the building under construction. It has not been confirmed whether the Company will continue the construction of the building. We have attributed no commercial value to the building. For reference purposes, we are of the opinion that the capital value of the building (excluding the land) as at the date of valuation would be RMB 4,693,000.
5. We have not been provided with relevant title certificates for the 2 buildings with a total gross floor area of approximately 2,922.23 sq.m. As such, we have attributed no commercial value to them. For reference purposes, we are of the opinion that the capital value of the building (excluding the land) as at the date of valuation would be RMB 8,646,000 assuming all relevant title certificates have been obtained.
6. Pursuant to 4 tenancy agreements entered into between Southwest Branch of Air China International Corporation and 4 independent parties (the “lessees”), the buildings with a total gross floor area of approximately 6,721.40 sq.m. are rented to the lessees at a total annual rental of RMB 114,500 for the terms with the latest expiry date on September 2, 2006.
7. In preparing our valuation, we have assumed that all conditions have been properly met and that no further charges are due.
8. We have been provided with a legal opinion regarding the property interests by the Company’s PRC legal adviser, which contains, inter alia, the following:
 - i. CNAHC has the legal rights to contribute the land use rights in respect of the Authorised Land and the Granted Land to the Company as equity capital.
 - ii. The Land Use Rights Certificates in respect of the above 15 parcels of land and the Building Ownership Certificates in respect of the buildings with a total gross floor area of approximately 319,961.38 sq.m. under the name of the Company are under application. There is no legal impediment for the Company to obtain these title certificates. There is no land premium payable for the Company to obtain these Land Use Rights Certificates. Upon obtaining the Land Use Rights Certificates, the Company can legally own, transfer or lease the land use rights. Upon obtaining these Building Ownership Certificates, the Company can legally own the building ownership and freely lease, transfer, or mortgage the buildings.
 - iii. The buildings, which have not been granted any proper title certificates under the name of the predecessor of the Company, can be occupied and used by the Company as they are invested by CNAHC as contribution asset. However, the Company can not transfer, lease and mortgage them before obtaining relevant title certificates.
 - iv. CNAHC has undertaken to cooperate with the Company to fulfil the title changing formalities for the Land Use Rights Certificates and Building Ownership Certificates currently under the name of Air China International Corporation within a year and 6 months, respectively, to apply and obtain the Building Ownership Certificates for the buildings currently without title certificates within a year after the incorporation of the Company and apply the Building Ownership Certificate under the Company’s name for the building under construction within a year after the building is completed. CNAHC will be responsible for and indemnify the Company against any costs, expenses, or claims caused by the title changing registration, the interference with CNAHC’s capital contribution to the Company with the land and buildings and any other loss of the Company incurred consequently.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at September 30, 2004
				RMB
3.	Land and a building adjoining Guiyang Longdongbao Airport Guiyang City Guizhou Province The PRC	The property comprises 2 parcels of land with a total site area of approximately 469,016.17 sq.m. on which is constructed a building with a total gross floor area of approximately 12,057.51 sq.m. completed in 2003.	The property is currently occupied by the Company mainly as offices and other aviation logistics support facilities.	157,896,000

Notes:

1. Pursuant to 2 State-owned Land Use Rights Certificates, the land use rights in respect of 2 parcels of land with a total site area of approximately 469,016.17 sq.m. have been allocated to Guizhou Branch of Air China International Corporation for transportation purposes. The land use rights of the 2 parcels of land were authorised to China National Aviation Holding Company ("CNAHC"), a shareholder of the Company, to operate (the "Authorised Land").
2. Pursuant to a Building Ownership Certificate- Zhu Fang Quan Zheng Nanming Zi Di No. 010024314, the building of the property with a gross floor area of approximately 12,057.51 sq.m. is owned by Guizhou Branch of Air China International Corporation.
3. In preparing our valuation, we have assumed that all conditions have been properly met and that no further charges are due.
4. We have been provided with a legal opinion regarding the property interests by the Company's PRC legal adviser, which contains, inter alia, the following:
 - i. CNAHC has the legal rights to contribute the land use rights in respect of the Authorised Land to the Company as equity capital.
 - ii. The Land Use Rights Certificates in respect of the above 2 parcels of land and the Building Ownership Certificate in respect of the building with a total gross floor area of approximately 12,057.51 sq.m. under the name of the Company are under application. There is no legal impediment for the Company to obtain these title certificates. There is no land premium payable for the Company to obtain the Land Use Rights Certificates. Upon obtaining the Land Use Rights Certificates, the Company can legally own, transfer or lease the land use rights. Upon obtaining the Building Ownership Certificate, the Company can legally own the building ownership and freely lease, transfer, or mortgage the building.
 - iii. CNAHC has undertaken to cooperate with the Company to fulfil the title changing formalities for the Land Use Rights Certificates and Building Ownership Certificates currently under the name of Air China International Corporation within a year and 6 months, respectively, after the incorporation of the Company. CNAHC will be responsible for and indemnify the Company against any costs, expenses, or claims caused by the title changing registration, the interference with CNAHC's capital contribution to the Company with the land and buildings and any other loss of the Company incurred consequently.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at September 30, 2004
				RMB
4.	Land, various buildings and structures adjoining Inner Mongolia Baita Airport Hohhot City Inner Mongolia Autonomous Region The PRC	The property comprises 9 parcels of land with a total site area of approximately 138,260.09 sq.m. on which are constructed 65 buildings and other ancillary structures with a total gross floor area of approximately 55,415.94 sq.m., mainly completed in various stages from 1968 to 2001.	The property is currently occupied by the Company mainly as offices, dormitories, canteens, hangars, warehouse and other aviation logistics support facilities except for the buildings with a total gross floor area of approximately 6,991.76 sq.m. which are rented to a connected party.	97,146,000

Notes:

1. Pursuant to 9 State-owned Land Use Rights Certificates, the land use rights in respect of 9 parcels of land with a total site area of approximately 138,260.09 sq.m. have been allocated to Inner Mongolia Branch of Air China International Corporation ("Inner Mongolia Branch") for civil airport purposes. The land use rights of the 9 parcels of land were authorised to China National Aviation Holding Company ("CNAHC"), a shareholder of the Company, to operate (the "Authorised Land").
2. Pursuant to 13 Building Ownership Certificates, 62 buildings with a total gross floor area of approximately 54,804.07 sq.m. are owned by Inner Mongolia Branch. As confirmed by Inner Mongolia Branch, these Building Ownership Certificates also include the buildings with a total gross floor area of 298.35 sq.m. which have been demolished.
3. We have not been provided with any title certificates for the remaining buildings with a total gross floor area of approximately 611.87 sq.m. As such, we have attributed no commercial to them. For reference purposes, we are of the opinion that the capital value of the buildings (excluding the land) as at the date of valuation would be RMB 119,000 assuming all relevant title certificates have been obtained.
4. Pursuant to a tenancy agreement entered into between a connected party of the Company (the "lessee") and Inner Mongolia Branch, the buildings with a total gross floor area of approximately 6,991.76 sq.m. are rented to the lessee at an annual rental of RMB 662,672 for a term of a year expiring on December 31, 2004.
5. In preparing our valuation, we have assumed that all conditions have been properly met and that no further charges are due.
6. We have been provided with a legal opinion regarding the property interests by the Company's PRC legal adviser, which contains, inter alia, the following:
 - i. CNAHC has the legal rights to contribute the land use rights in respect of the Authorised Land to the Company as equity capital.
 - ii. The buildings which have not been granted proper title certificates under the name of the predecessor of the Company can be occupied and used by the Company as they are invested by CNAHC as contribution asset. However, the Company can not transfer, lease or mortgage them before obtaining relevant title certificates.

- iii. The Land Use Rights Certificates in respect of the above 9 parcels of land and the Building Ownership Certificates in respect of the buildings with a total gross floor area of approximately 54,804.07 sq.m. under the name of the Company are under application. There is no legal impediment for the Company to obtain these title certificates. There is no land premium payable for the Company to obtain the Land Use Rights Certificates. Upon obtaining these Land Use Rights Certificates, the Company can legally own, transfer or lease the land use rights. Upon obtaining these Building Ownership Certificates, the Company can legally own the building ownership and freely lease, transfer, or mortgage the buildings.
- iv. CNAHC has undertaken to cooperate with the Company to fulfil the title changing formalities for the Land Use Rights Certificates and Building Ownership Certificates currently under the name of Air China International Corporation within a year and 6 months, respectively, to apply and obtain the Building Ownership Certificates for the buildings currently without title certificates within a year after the incorporation of the Company. CNAHC will be responsible for and indemnify the Company against any costs, expenses, or claims caused by the title changing registration, the interference with CNAHC's capital contribution to the Company with the land and buildings and any other loss of the Company incurred consequently.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at September 30, 2004 RMB
5.	Land, various buildings and structures adjoining Chongqing Jiangbei International Airport Chongqing The PRC	<p>The property comprises 8 parcels of land with a total site area of approximately 224,653.37 sq.m. on which are constructed 41 buildings and other ancillary structures with a total gross floor area of approximately 73,731.43 sq.m., mainly completed in various stages between 1985 and 2002.</p> <p>The property also comprises a building which was still under construction as at the date of valuation. The estimated total construction cost upon completion is RMB 5,880,000, of which approximately RMB 5,262,000 has been spent up to the valuation date. The gross floor area of the building will be approximately 3,067 sq.m. upon completion. The building is scheduled to be completed in December 2004.</p>	<p>The property is currently occupied by the Company mainly as offices, dormitories, canteens, hangars, warehouse and other aviation logistics support facilities except for the buildings with a total gross floor area of approximately 8,854.4 sq.m. which are rented to various parties.</p>	244,262,000

Notes:

- Pursuant to 8 State-owned Land Use Rights Certificates, the land use rights in respect of 8 parcels of land with a total site area of approximately 224,653.37 sq.m. have been allocated to China Southwest Airlines Chongqing Company (a former name of Chongqing Branch of Air China International Corporation) for industrial, composite,

civil airport purposes. The land use rights of the 8 parcels of land were authorised to China National Aviation Holding Company (“CNAHC”), a shareholder of the Company, to operate (the “Authorised Land”).

2. Pursuant to 41 Building Ownership Certificates, 40 buildings with a total gross floor area of approximately 73,161.43 sq.m. are owned by China Southwest Airlines Chongqing Company or China Southwest Airlines (the former name of Southwest Branch of Air China International Corporation).
3. Pursuant to a Construction Work Land Planning Permit and a Construction Commencement Permit in respect of the building under construction, relevant approvals have obtained to construct the building.

We are of the opinion that the capital value of the building (excluding the land) under construction after the construction has been completed would be RMB 5,880,000 assuming that all the future construction work will be undertaken fully in accordance with the current construction plan.

4. We have not been provided with any title certificate for the remaining building with a total gross floor area of approximately 570 sq.m. As such, we have attributed no commercial to it. For reference purposes, we are of the opinion that the capital value of the building (excluding the land) as at the date of valuation would be RMB 258,000 assuming all relevant title certificates have been obtained.
5. Pursuant to the tenancy agreement entered into between a connected party of the Company (the “lessee”) and Chongqing Branch of Air China International Corporation, a portion of a building with a gross floor area of approximately 104.40 sq.m. is rented to the lessee at an annual rental of RMB 22,550 for a term of a year expiring on December 31, 2004.
6. Pursuant to the tenancy agreements entered into between 2 independent parties (the “lessees”) and Chongqing Branch of Air China International Corporation, the buildings with a total gross floor area of approximately 8,750 sq.m. are rented to the lessees at a total annual rental of RMB 2,445,000 for a term of a year expiring on December 31, 2004.
7. In preparing our valuation, we have assumed that all conditions have been properly met and that no further charges are due.
8. We have been provided with a legal opinion regarding the property interests by the Company’s PRC legal adviser, which contains, inter alia, the following:
 - i. CNAHC has the legal rights to contribute the land use rights in respect of the Authorised Land to the Company as equity capital.
 - ii. The building, which has not been granted proper title certificates under the name of the predecessor of the Company, can be occupied and used by the Company as they are invested by CNAHC as contribution asset. However, the Company can not transfer, lease and mortgage them before obtaining relevant title certificate.
 - iii. The Land Use Rights Certificates in respect of the above 8 parcels of land and the Building Ownership Certificates in respect of the buildings with a total gross floor area of approximately 73,161.43 sq.m. under the name of the Company are under application. There is no legal impediment for the Company to obtain these title certificates. There is no land premium payable for the Company to obtain the Land Use Rights Certificates. Upon obtaining the Land Use Rights Certificates, the Company can legally own, transfer and lease the land use rights. Upon obtaining the Building Ownership Certificates, the Company can legally own the building ownership and freely lease, transfer, or mortgage the buildings.
 - iv. For the building under construction, there is no legal impediment to obtain relevant Building Ownership Certificate after it’s completion for the Company.
 - v. CNAHC has undertaken to cooperate with the Company to fulfil the title changing formalities for the Land Use Rights Certificates and Building Ownership Certificates currently under the name of Air China International Corporation within a year and 6 months, respectively, to apply and obtain the Building Ownership Certificates for the building currently without title certificate within a year after the incorporation of the Company and apply the Building Ownership Certificate under the Company’s name for the building under construction within a year after the building is completed. CNAHC will be responsible for and indemnify the Company against any costs, expenses, or claims caused by the title changing registration, the interference with CNAHC’s capital contribution to the Company with the land and buildings and any other loss of the Company incurred consequently.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at September 30, 2004 RMB
6.	Land, various buildings and structures adjoining Tianjin Binhai International Airport Tianjin The PRC	<p>The property comprises 6 parcels of land with a total site area of approximately 215,788.7 sq.m. on which are constructed 53 buildings and other ancillary structures with a total gross floor area of approximately 73,431.59 sq.m., mainly completed in various stages between 1970 and 2003.</p>	<p>The property is currently occupied by the Company mainly as offices, dormitories, canteens, hangars, warehouse and other aviation logistics support facilities.</p>	224,854,000
		<p>The property also comprises a building which was still under construction as at the date of valuation. The estimated total construction cost upon completion is approximately RMB 6,500,000, of which RMB 4,030,000 has been spent up to the valuation date. The total gross floor area of the building will be approximately 3,126.20 sq.m. upon completion. The building is scheduled to be completed in December 2004.</p>		
		<p>The property also includes 10 buildings adjoining Tianjin Binhai International Airport with a total gross floor area of approximately 5,754.42 sq.m., which are constructed on the land adjoining the above 6 parcels of land.</p>		

Notes:

1. Pursuant to 6 State-owned Land Use Rights Certificates, the land use rights in respect of 6 parcels of land with a total site area of approximately 215,788.7 sq.m. have been allocated to Tianjin Branch of Air China International Corporation (“Tianjin Branch”) for transportation purposes. The land use rights of the 6 parcels of land were authorised to China National Aviation Holding Company (“CNAHC”), a shareholder of the Company, to operate (the “Authorised Land”).
2. Pursuant to 5 Building Ownership Certificates, 63 buildings with a total gross floor area of approximately 79,186.01 sq.m. are owned by Tianjin Branch, of which 10 buildings with a total gross floor area of approximately 5,754.42 sq.m. are constructed on the land adjoining the Authorised Land.
3. Pursuant to a Construction Work Planning Permit and a Construction Commencement Permit in respect of the building under construction, Air China International Corporation has obtained relevant approvals to construct the building.

We are of the opinion that the capital value of the building (excluding the land) under construction after the construction has been completed would be RMB 6,500,000 assuming that all the future construction work will be undertaken fully in accordance with the current construction plan.

4. We have attributed no commercial value to the 10 buildings with a total gross floor area of approximately 5,754.42 sq.m. without relevant proper land title certificates. For reference purposes, we are of the opinion that the capital value of the buildings (excluding the land) as at the date of valuation would be RMB 3,598,000 assuming all relevant title certificates have been obtained.
5. In preparing our valuation, we have assumed that all conditions have been properly met and that no further charges are due.
6. We have been provided with a legal opinion regarding the property interests by the Company’s PRC legal adviser, which contains, inter alia, the following:
 - i. CNAHC has the legal rights to contribute the land use rights in respect of the Authorised Land to the Company as equity capital.
 - ii. The Land Use Rights Certificates in respect of the above 6 parcels of land and the Building Ownership Certificates in respect of the buildings with a total gross floor area of approximately 73,431.59 sq.m. under the name of the Company are under application. There is no legal impediment for the Company to obtain these title certificates. There is no land premium payable for the Company to obtain the Land Use Rights Certificates. Upon obtaining the Land Use Rights Certificates, the Company can legally own, transfer and lease the land use rights. Upon obtaining the Building Ownership Certificates, the Company can legally own the building ownership and freely lease, transfer, or mortgage the buildings.
 - iii. For the building under construction, there is no legal impediment to obtain relevant Building Ownership Certificate after it’s completion for the Company.
 - iv. CNAHC has undertaken to cooperate with the Company to fulfil the title changing formalities for the Land Use Rights Certificates and Building Ownership Certificates currently under the name of Air China International Corporation within a year and 6 months, respectively, to apply and obtain the Building Ownership Certificates for the buildings currently without title certificates within a year after the incorporation of the Company and apply the Building Ownership Certificate under the Company’s name for the building under construction within a year after the building is completed. CNAHC will be responsible for and indemnify the Company against any costs, expenses, or claims caused by the title changing registration, the interference with CNAHC’s capital contribution to the Company with the land and buildings and any other loss of the Company incurred consequently.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at September 30, 2004
				RMB
7.	Land, various buildings and structures adjoining Hangzhou Xiaoshan International Airport Hangzhou City Zhejiang Province The PRC	The property comprises a parcel of land with a site area of approximately 219,216 sq.m. on which are constructed 15 buildings and other ancillary structures with a total gross floor area of approximately 28,442.60 sq.m., mainly completed in various stages between 1997 and 2003.	The property is currently occupied by the Company mainly as offices, hangars, warehouse and other aviation logistics support facilities.	101,644,000

Notes:

1. Pursuant to a State-owned Land Use Rights Certificate-Xiao Guo Yong (2000) Zi Di No. 300005, the land use rights of the land with a site area of approximately 219,216 sq.m. have been allocated to Hangzhou Xiaoshan Airport Company Limited (Zhejiang Airlines) for parking apron and warehouse purposes.
2. For the buildings of the property, the relevant Building Ownership Certificates are under application. As such, we have attributed no commercial value to the buildings with a total gross floor area of approximately 28,442.60 sq.m. For reference purposes, we are of the opinion that the capital value of the buildings (excluding the land) as at the date of valuation would be RMB52,763,000 assuming all relevant title certificates have been obtained.
3. In preparing our valuation, we have assumed that all conditions have been properly met and that no further charges are due.
4. We have been provided with a legal opinion regarding the property interests by the Company's PRC legal adviser, which contains, inter alia, the following:
 - i. The land use rights of the property were authorised to China National Aviation Holding Company ("CNAHC"), a shareholder of the Company, to operate. CNAHC has the legal rights to contribute the land use rights of the property to the Company as equity capital.

As confirmed by Hangzhou Xiaoshan Airport Company Limited, the relevant rights of the land use rights of the property should be owned by CNAC Zhejiang Airlines, the former name of Zhejiang Branch of Air China International Corporation. So there is no legal impediment for CNAHC to apply for correcting the registered user on the Land Use Rights Certificate. After completing the formalities, the Company can apply for the Land Use Rights Certificate of the property land under its name.

- ii. As the buildings of the property without proper Building Ownership Certificates are invested to the Company by CNAHC as contribution assets, the Company may occupy and use the buildings. However, the buildings cannot be transferred, leased or mortgaged by the Company.
- iii. The Land Use Rights Certificate for the property and the Building Ownership Certificates in respect of the buildings under the name of the Company are under application. There is no land premium payable for the Company to obtain the Land Use Rights Certificates. Upon obtaining the Land Use Rights Certificate, the Company can legally own, transfer or lease the land use rights. Upon obtaining the Building Ownership Certificate, the Company can legally own the building ownership and freely lease, transfer, or mortgage the buildings.
- iv. CNAHC has undertaken to cooperate with the Company to fulfil the title changing formalities for the Land Use Rights Certificates currently under the name of Air China International Corporation within a year and to apply and obtain the Building Ownership Certificates for the buildings currently without title certificates within a year after the incorporation of the Company. CNAHC will be responsible for and indemnify the Company against any costs, expenses, or claims caused by the title changing registration, the interference with CNAHC's capital contribution to the Company with the land and buildings and any other loss of the Company incurred consequently.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at September 30, 2004
				RMB
8.	Units 55, 57 and 59 on Level 4 of Block 11 Chaoshan Street Lixia District Jinan City Shandong Province The PRC	The property comprises 3 office units on Level 4 of a 6-storey composite building completed in about 2000. The property has a total gross floor area of approximately 560.40 sq.m.	The property is currently vacant.	1,356,000

Notes:

1. Pursuant to a Building Ownership Certificate-Ji Fang Quan Zheng Li Zi Di No. 032407 dated August 23, 2000 issued by the Building Administrative Bureau of Jinan City, 3 units with a total gross floor area of approximately 560.40 sq.m. are owned by Air China International Corporation.
2. In preparing our valuation, we have assumed that all conditions have been properly met and that no further charges are due.
3. We have been provided with a legal opinion regarding the property interests by the Company's PRC legal adviser, which contains, inter alia, the following:
 - i. The Building Ownership Certificate of the property under the name of the Company is under application. After the Company obtains the Building Ownership Certificate, the Company can legally own the building ownership and freely lease, transfer or mortgage the property.
 - ii. CNAHC will be responsible for and indemnify the Company against any costs, expenses, or claims caused by the title changing registration, including any land premium to be paid if necessary when applying for the title changing registration, the interference with CNAHC's capital contribution to the Company with the property and any other loss of the Company incurred consequently.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at September 30, 2004
				RMB
9.	A portion of Levels 1, 2 and 11 of Huili Block 111 Yan'an San Road Shinan District Qingdao City Shandong Province The PRC	The property comprises a portion of Levels 1, 2 and 11 of a 15-storey composite building completed in about 1996. The property has a total gross floor area of approximately 831.42 sq.m.	The property is currently occupied by the Company as offices and staff quarters.	3,908,000

Notes:

1. Pursuant to a Real Estate Title Certificate — Qing Fang Di Quan Shi Zi Di No. 79002 issued by the People's Government of Qingdao City, the property with a total gross floor area of approximately 831.42 sq.m. is owned by Air China International Corporation.
2. In preparing our valuation, we have assumed that all conditions have been properly met and that no further charges are due.
3. We have been provided with a legal opinion regarding the property interests by the Company's PRC legal adviser, which contains, inter alia, the following:
 - i. The Real Estate Title Certificate of the property under the name of the Company is under application. After the Company obtains the Real Estate Title Certificate, the Company can legally own the building ownership and freely lease, transfer, or mortgage the property.
 - ii. CNAHC will be responsible for and indemnify the Company against any costs, expenses, or claims caused by the title changing registration, including any land premium to be paid if necessary when applying for the title changing registration, the interference with CNAHC's capital contribution to the Company with the property and any other loss of the Company incurred consequently.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at September 30, 2004
				RMB
10.	14 residential units of Blocks 1 and 6 Tianzhu Residential Area Xiping Street Shunyi District Beijing The PRC	The property comprises 14 residential units of 2 residential buildings completed in about 1991 and 1993, respectively. The property has a total gross floor area of approximately 766.58 sq.m.	The property is currently occupied by the Company as staff quarters.	No commercial value

Notes:

1. We have not been provided with any proper title certificate for the property. As such, we have attributed no commercial value to it. For reference purposes, we are of the opinion that the capital value of the property as at the date of valuation would be RMB1,686,000 assuming all relevant title certificates have been obtained.
2. We have been provided with a legal opinion regarding the property interests by the Company's PRC legal adviser, which contains, inter alia, the following:
 - i. Although there is no proper title certificate for the property under the name of the predecessor of the Company, the property can be occupied and used by the Company as it is invested by CNAHC as contribution asset. However, the Company cannot transfer, lease or mortgage them before obtaining relevant title certificates.
 - ii. CNAHC has undertaken to cooperate with the Company to apply and obtain the Building Ownership Certificates for the property under the Company's name within a year after the incorporation of the Company. CNAHC will be responsible for and indemnify the Company against any costs, expenses, or claims caused by the title registration, the interference with CNAHC's capital contribution to the Company with the property and any other loss of the Company incurred consequently.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at September 30, 2004
				RMB
11.	19 residential units of Block 7 of Area I Nanzhuyuan Residential Area Shunyi District Beijing The PRC	The property comprises 19 residential units of a 6-storey residential building completed in about 1994. The property has a total gross floor area of approximately 1,373.45 sq.m.	The property is currently occupied by the Company as staff quarters.	No commercial value

Notes:

1. Pursuant to a Building Ownership Certificate-Shun Guo Yi Zi Di No. 00749 issued by the State Land Resource and Building Administrative Bureau of Shunyi District of Beijing City, Block 7 of Area I of Nanzhuyuan Residential Area with a total gross floor area of approximately 4,142.5 sq.m. is owned by Air China International Corporation. As confirmed by the Company, some units of Block 7 with a total gross floor area of 2,769.05 sq.m. have been sold.
2. We have not been provided with any separate Building Ownership Certificates and relevant Land Use Rights Certificates in respect of the property under the name of the Company or Air China International Corporation. As such, we have attributed no commercial value to the property. For reference purposes, we are of the opinion that the capital value of the property as at the date of valuation would be RMB 3,022,000 assuming all proper title certificates have been obtained.
3. We have been provided with a legal opinion regarding the property interests by the Company's PRC legal adviser, which contains, inter alia, the following:
 - i. The property is invested to the Company by CNAHC as contribution assets. The Company can legally occupy and use the property and can legally lease, transfer or mortgage the property after obtaining the Land Use Rights Certificate and Building Ownership Certificate under its name.
 - ii. CNAHC has undertaken to cooperate with the Company to apply and obtain the Building Ownership Certificate for the property under the Company's name within a year after the incorporation of the Company. CNAHC will be responsible for and indemnify the Company against any costs, expenses, or claims caused by the title registration, the interference with CNAHC's capital contribution to the Company with the property and any other loss of the Company incurred consequently.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at September 30, 2004
				RMB
12.	12 residential units of Blocks 209, 210, 211 and 313 Shaoyaoju Beili Chaoyang District Beijing The PRC	The property comprises 2 units of Building No. 209, 7 units of Building No. 210, a unit of Building No. 313 and 2 units of Building No. 211 completed in about 1995. The property has a total gross floor area of approximately 942.76 sq.m.	The property is currently occupied by the Company as staff quarters.	4,515,000

Notes:

1. Pursuant to 3 Building Ownership Certificates- Jing Fang Quan Zheng Chao Guo 04 Zi Di Nos.01655 to 01657, 11 units with a total gross floor area of 868.23 sq.m. are owned by Air China International Corporation.
2. Pursuant to a Title Proof relating to Building No. 313 of Shaoyaoju Beili, Air China International Corporation owns the ownership of Building No. 313. The unit of the property in Building No. 313 has a gross floor area of 74.53 sq.m.
3. We have attributed commercial value to the 11 units with a total gross floor area of 868.23 sq.m. but no commercial value to the unit with a gross floor area of 74.53 sq.m. as there is no corresponding Building Ownership Certificate under the name of Air China International Corporation or the Company. For reference purposes, we are of the opinion that the capital value of the unit as at the date of valuation would be RMB 387,000 assuming all relevant title certificates have been obtained.
4. In preparing our valuation, we have assumed that all conditions have been properly met and that no further charges are due.
5. We have been provided with a legal opinion regarding the property interests by the Company's PRC legal adviser, which contains, inter alia, the following:
 - i. The Building Ownership Certificate for the 11 units under the name of the Company is under application. After obtaining the Building Ownership Certificate, the Company can own the building ownership and freely transfer, lease or mortgage these units.
 - ii. The property is invested to the Company by CNAHC as contribution assets. The Company can occupy and use the unit without Building Ownership Certificate.
 - iii. CNAHC has undertaken to cooperate with the Company to fulfill the title changing formalities for the Building Ownership Certificate currently under the name of Air China International Corporation within 6 months, to apply and obtain the Building Ownership Certificate for the unit with an area of 74.53 sq.m. under the Company's name within a year after the incorporation of the Company. CNAHC will be responsible for and indemnify the Company against any costs, expenses, or claims caused by the title registration, including any land premium to be paid if necessary when applying for the title changing registration, the interference with CNAHC's capital contribution to the Company with the property and any other loss of the Company incurred consequentially.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at September 30, 2004 RMB
13.	Room 803 of Block 33 Guangximen Beili Chaoyang District Beijing The PRC	The property comprises a residential unit on Level 8 of a residential building completed in about 1992. The property has a gross floor area of approximately 58.97 sq.m.	The property is currently occupied by the Company as staff quarters.	No commercial value

Notes:

1. For the property, there is no proper Building Ownership Certificate and Land Use Rights Certificate under the name of the Company or Air China International Corporation. As such, we have attributed no commercial value to the property. For reference purposes we are of the opinion that the capital value of the property as at the date of valuation would be RMB 295,000 assuming all relevant title certificates have been obtained.
2. Pursuant to a Title Proof relating to Building No. 33 of Guangximen Beili, Air China International Corporation owns the ownership of Building No. 33.
3. We have been provided with a legal opinion regarding the property interests by the Company's PRC legal adviser, which contains, inter alia, the following:
 - i. The property has been invested to the Company by CNAHC as contribution assets. The Company can legally occupy and use the property and can legally lease, transfer or mortgage the property after obtaining the Land Use Rights Certificate and Building Ownership Certificate under its name.
 - ii. CNAHC has undertaken to cooperate with the Company to apply and obtain the Building Ownership Certificate for the property under the Company's name within a year after the incorporation of the Company. CNAHC will be responsible for and indemnify the Company against any costs, expenses, or claims caused by the title registration, the interference with CNAHC's capital contribution to the Company with the property and any other loss of the Company incurred consequently.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at September 30, 2004
				RMB
14.	Room M603 of Jingbao Garden No. 183 Andingmenwai Avenue Chaoyang District Beijing The PRC	The property comprises a residential unit on Level 6 of a 12-storey residential building completed in about 1995. The property has a gross floor area of approximately 162.24 sq.m. The land use rights of the property have been granted for a term expiring on December 22, 2064.	The property is currently occupied by the Company as staff quarters.	1,217,000

Notes:

1. Pursuant to a Building Ownership Certificate-Jing Fang Quan Zheng Shi Dong Guo Zi Di No. 0370065 issued by the State Land Resource and Building Administrative Bureau of Beijing City, the property with a gross floor area of approximately 162.24 sq.m. is owned by Air China International Corporation. The land use rights of the property have been granted for a term expiring on December 22, 2064.
2. In preparing our valuation, we have assumed that all conditions have been properly met and that no further charges are due.
3. We have been provided with a legal opinion regarding the property interests by the Company's PRC legal adviser, which contains, inter alia, the following:
 - i. The Building Ownership Certificate of the property under the name of the Company is under application. There is no legal impediment for the Company to obtain this certificate. After the Company obtains the Building Ownership Certificate, the Company can legally own the building ownership and freely lease, transfer, or mortgage the property.
 - ii. CNAHC will be responsible for and indemnify the Company against any costs, expenses, or claims caused by the title changing registration, the interference with CNAHC's capital contribution to the Company with the property and any other loss of the Company incurred consequently.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at September 30, 2004
				RMB
15.	14 residential units of Entrance East of Block 8 Shengang Garden Xinggui Road Beihai City Guangxi Zhuang Autonomous Region The PRC	<p>The property comprises 14 residential units on Levels 1 to 7 of a 7-storey residential building completed in about 1997.</p> <p>The property has a total gross floor area of approximately 1,616.22 sq.m.</p> <p>The land use rights of the property have been granted for a term expiring on August 17, 2006.</p>	The property is currently occupied by the Company as staff quarters.	1,616,000

Notes:

1. Pursuant to a Building Ownership Certificate-Gui Fang Zheng Zi Di No. 0520794, the property with a total gross floor area of approximately 1,616.22 sq.m. is owned by China Southwest Airlines Chongqing Company (the former name of Chongqing Branch of Air China International Corporation).
2. Pursuant to a state-owned Land Use Rights Certificate-Bei Guo Yong (97) Zi Di 116145 dated October 14, 1997 issued by the Land Administrative Bureau of Beihai City, the land use rights of the property have been granted to China Southwest Airlines Chongqing Company for a term expiring on August 17, 2062 for residential uses.
3. In preparing our valuation, we have assumed that all conditions have been properly met and that no further charges are due.
4. We have been provided with a legal opinion regarding the property interests by the Company's PRC legal adviser, which contains, inter alia, the following:
 - i. The Building Ownership Certificate and the Land Use Rights Certificate of the property under the name of the Company are under application. There is no legal impediment for the Company to obtain these certificates. After the Company obtains these title certificates, the Company can legally own the building ownership and freely lease, transfer, or mortgage the property.
 - ii. CNAHC will be responsible for and indemnify the Company against any costs, expenses, or claims caused by the title changing registration and the interference with CNAHC's capital contribution to the Company with the property and any other loss of the Company incurred consequently.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at September 30, 2004
				RMB
16.	6 residential units of Zone 2 No. 20 Honggang Road Ganjingzi District Dalian City Liaoning Province The PRC	The property comprises 6 residential units on Level 5 and Level 6, respectively, of a 6-storey residential building completed in about 1994. The property has a total gross floor area of approximately 348 sq.m.	The property is currently occupied by the Company as staff quarters.	938,000

Notes:

1. Pursuant to 6 Building Ownership Certificates-Da Fang Quan Zheng Gan Dan Zi Di No. 2003800708 to 2003800712 and 2004800065, the property with a total gross floor area of approximately 348 sq.m. is owned by Air China International Corporation.
2. In preparing our valuation, we have assumed that all conditions have been properly met and that no further charges are due.
3. We have been provided with a legal opinion regarding the property interests by the Company's PRC legal adviser, which contains, inter alia, the following:
 - i. The Building Ownership Certificates of the property under the name of the Company are under application. After the Company obtains the Building Ownership Certificates, the Company can legally own the building ownership and freely lease, transfer, or mortgage the property.
 - ii. CNAHC will be responsible for and indemnify the Company against any costs, expenses, or claims caused by the title changing registration, including any land premium to be paid if necessary when applying for the title changing registration, the interference with CNAHC's capital contribution to the Company with the property and any other loss of the Company incurred consequently.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at September 30, 2004
				RMB
17.	Room 1 on Level 1, Rooms C, D, E, and F on Level 2 and car parking lots B23, B24 of Jinquan Garden No. 31 Jinquan Road Gulou District Fuzhou City Fujian Province The PRC	The property comprises a commercial unit on Level 1, 4 residential units on Level 2 and 2 car parking lots of a 9-storey composite building completed in about 1996. The property has a total gross floor area of approximately 694.81 sq.m. The land use rights of the property have been granted for a term expiring on April 8, 2064.	The property is currently occupied by the Company as staff quarters and sale offices.	3,845,000

Notes:

1. Pursuant to a State-owned Land Use Right Certificate-Rong Gu Guo Yong (2004) Di No. 111996, the land use rights of the property have been granted to Air China International Corporation for residential and commercial uses for a term expiring on April 8, 2064.

Pursuant to a Building Ownership Certificate- Rong Fang Quan Zheng R Zi Di No. 9902345, the property with a total gross floor area of approximately 694.81 sq.m. is owned by Air China International Corporation.
2. In preparing our valuation, we have assumed that all conditions have been properly met and that no further charges are due.
3. We have been provided with a legal opinion regarding the property interests by the Company's PRC legal adviser, which contains, inter alia, the following:
 - i. The Building Ownership Certificate of the property under the name of the Company is under application. There is no legal impediment for the Company to obtain the certificate. After the Company obtains the Building Ownership Certificate, the Company can legally own the building ownership and freely lease, transfer, or mortgage the property.
 - ii. CNAHC will be responsible for and indemnify the Company against any costs, expenses, or claims caused by the title changing registration and the interference with CNAHC's capital contribution to the Company with the property and any other loss of the Company incurred consequently.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at September 30, 2004
				RMB
18.	Rooms 601 to 608 No. 3 San Jie Huangshi Garden Baiyun District Guangzhou City Guangdong Province The PRC	The property comprises 8 office units on Level 6 of a 14-storey composite building completed in about 1995. The property has a total gross floor area of approximately 741.10 sq.m.	The property is currently occupied by the Company as offices.	2,668,000

Notes:

1. Pursuant to 8 Buildings Ownership Certificates- Sui Fang Di Chan Zheng Zi Di Nos. 0381597 to 0381600 and 0382000 to 0382004, the property with a total gross floor area of approximately 741.10 sq.m. is owned by China Southwest Airlines (a former name of Southwest Branch of Air China International Corporation).
2. In preparing our valuation, we have assumed that all conditions have been properly met and that no further charges are due.
3. We have been provided with a legal opinion regarding the property interests by the Company's PRC legal adviser, which contains, inter alia, the following:
 - i. The Building Ownership Certificate of the property under the name of the Company is under application. There is no legal impediment for the Company to obtain the certificate. After the Company obtains the Building Ownership Certificate, the Company can legally own the building ownership and freely lease, transfer, or mortgage the property.
 - ii. CNAHC will be responsible for and indemnify the Company against any costs, expenses, or claims caused by the title changing registration and the interference with CNAHC's capital contribution to the Company with the property and any other loss of the Company incurred consequently.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at September 30, 2004
				RMB
19.	Room 502 No. 6 Bairongyuan Jichang Road Baiyun District Guangzhou City Guangdong Province The PRC	The property comprises an office units on Level 5 a 10-storey composite building completed in about 1998. The property has a gross floor area of approximately 89.82 sq.m.	The property is currently occupied by the Company as office.	431,000

Notes:

1. Pursuant to a Real Estate Title Certificate-Yue Fang Di Zheng Zi Di No. C1218379, the property with a gross floor area of approximately 89.82 sq.m. is owned by CNAC Zhejiang Airlines (a former name of Zhejiang Branch of Air China International Corporation).
2. In preparing our valuation, we have assumed that all conditions have been properly met and that no further charges are due.
3. We have been provided with a legal opinion regarding the property interests by the Company's PRC legal adviser, which contains, inter alia, the following:
 - i. The Real Estate Certificate of the property under the name of the Company is under application. There is no legal impediment for the Company to obtain the certificate. After the Company obtains the Real Estate Title Certificate, the Company can legally own the building ownership and freely lease, transfer, or mortgage the property.
 - ii. CNAHC will be responsible for and indemnify the Company against any costs, expenses, or claims caused by the title changing registration and the interference with CNAHC's capital contribution to the Company with the property and any other loss of the Company incurred consequently.

VALUATION CERTIFICATE

<u>No.</u>	<u>Property</u>	<u>Description and tenure</u>	<u>Particulars of occupancy</u>	<u>Capital value in existing state as at September 30, 2004</u> RMB
20.	An office unit of Cargo Building No. 112 Xinyun Road Jichang Shiliuqiao Baiyun District Guangzhou City Guangdong Province The PRC	The property comprises an office unit on Level 3 of a 3-storey composite building completed in about 1994. The property has a gross floor area of approximately 226.72 sq.m.	The property is currently occupied by the Company as offices.	No commercial value

Notes:

1. We have not been provided with any title certificate for the property. As such, we have attributed no commercial value to it. For reference purposes, we are of the opinion that the capital value of the property as at the date of valuation would be RMB 1,020,000 assuming all relevant title certificates have been obtained.
2. We have been provided with a legal opinion regarding the property interests by the Company's PRC legal adviser, which contains, inter alia, the following:
 - i. Although there is no proper title certificate for the property under the name of the predecessor of the Company, the property can be occupied and used by the Company as it is invested by CNAHC as contribution asset. However, the Company cannot transfer, lease or mortgage them before obtaining relevant title certificate.
 - ii. CNAHC has undertaken to cooperate with the Company to apply and obtain the Building Ownership Certificate for the property under the Company's name within a year after the incorporation of the Company. CNAHC will be responsible for and indemnify the Company against any costs, expenses, or claims caused by the title registration, the interference with CNAHC's capital contribution to the Company with the land and buildings and any other loss of the Company incurred consequently.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at September 30, 2004
				RMB
21.	A portion of Levels 9 and 10 Jin'an Building No. 300 Dongfeng Zhong Road Yuexiu District Guangzhou City Guangdong Province The PRC	The property comprises a portion of Levels 9 and 10 of a 24-storey office building completed in about 1994. The property has a total gross floor area of approximately 1,053 sq.m.	The property is currently occupied by the Company as offices.	No commercial value

Notes:

1. We have not been provided with any proper title certificate for the property. As such, we have attributed no commercial value to it. For reference purposes, we are of the opinion that the capital value of the property as at the date of valuation would be RMB 13,478,000 assuming all relevant title certificates have been obtained.
2. We have been provided with a legal opinion regarding the property interests by the Company's PRC legal adviser, which contains, inter alia, the following:
 - i. Although there is no proper title certificate for the property under the name of the predecessor of the Company, the property can be occupied and used by the Company as it is invested by CNAHC as contribution asset. However, the Company cannot transfer, lease or mortgage them before obtaining relevant title certificate.
 - ii. CNAHC has undertaken to cooperate with the Company to apply and obtain the Building Ownership Certificates for the property under the Company's name within a year after the incorporation of the Company. CNAHC will be responsible for and indemnify the Company against any costs, expenses, or claims caused by the title registration, the interference with CNAHC's capital contribution to the Company with the land and buildings and any other loss of the Company incurred consequently.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at September 30, 2004 RMB
22.	Portions of Levels 1 to 4 Kunlun Commercial Centre No. 11 Lishun Street Nangang District Harbin City Heilongjiang Province The PRC	The property comprises a portion of Levels 1 to 4 of a 4-storey commercial building completed in about 1998. The property has a total gross floor area of approximately 636.89 sq.m. The land use rights of the property have been granted for a term expiring on August 6, 2045.	The property is currently occupied by the Company as offices and sales offices.	3,184,000

Notes:

1. Pursuant to a State-owned Land Use Right Certificate-Ha Guo Yang (2000) Zi Di No. 124961, the land use rights of the property have been granted for office uses for a term expiring on August 6, 2045.

Pursuant to a Building Ownership Certificate- Ha Fang Quan Zheng Kai Guo Zi Di No. 00010738, the property with a total gross floor area of approximately 636.89 sq.m. is owned by Air China International Corporation.
2. In preparing our valuation, we have assumed that all conditions have been properly met and that no further charges are due.
3. We have been provided with a legal opinion regarding the property interests by the Company's PRC legal adviser, which contains, inter alia, the following:
 - i. The Building Ownership Certificate and Land Use Rights Certificate of the property under the name of the Company are under application. There is no legal impediment for the Company to obtain the certificates. After the Company obtains the Building Ownership Certificate, the Company can legally own the building ownership and freely lease, transfer, or mortgage the property.
 - ii. CNAHC will be responsible for and indemnify the Company against any costs, expenses, or claims caused by the title changing registration and the interference with CNAHC's capital contribution to the Company with the property and any other loss of the Company incurred consequentially.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at September 30, 2004
				RMB
23.	Rooms 401 and 402 of Zone 5 of Block 6 Huatai Garden No. 119 Guanxing Road Guanshang District Kunming City Yunnan Province The PRC	The property comprises 2 residential units on Level 4 of a 7-storey residential building completed in about 1994. The property has a total gross floor area of approximately 215.32 sq.m.	The property is currently occupied by the Company as staff quarters.	538,000

Notes:

1. Pursuant to a Building Ownership Certificate- Kun Ming Shi Fang Quan Zheng Zi Di No. 200313951, the 2 residential units with a total gross floor area of approximately 215.32 sq.m. are owned by Kunming Sales Office of Air China International Corporation.
2. In preparing our valuation, we have assumed that all conditions have been properly met and that no further charges are due.
3. We have been provided with a legal opinion regarding the property interests by the Company's PRC legal adviser, which contains, inter alia, the following:
 - i. The Building Ownership Certificate of the property under the name of the Company is under application. There is no legal impediment for the Company to obtain the certificate. After the Company obtains the Building Ownership Certificate, the Company can legally own the building ownership and freely lease, transfer, or mortgage the property.
 - ii. CNAHC will be responsible for and indemnify the Company against any costs, expenses, or claims caused by the title changing registration, including any land premium to be paid if necessary when applying for the title changing registration, the interference with CNAHC's capital contribution to the Company with the land and buildings and any other loss of the Company incurred consequentially.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at September 30, 2004 RMB
24.	Rooms A1 and A2 on Level 1 and Rooms B1, B2, C1, C2 on Level 14 Huangpu Building No. 2 Huangpu Road Xuanwu District Nanjing City Jiangshu Province The PRC	The property comprises 2 commercial units on Level 1 and 4 office units on Level 14 of a 29-storey composite building completed in about 2000. The property has a total gross floor area of approximately 561.91 sq.m.	The property is currently occupied by the Company as office and sales offices.	3,782,000

Notes:

1. Pursuant to 2 Building Ownership Certificates- Ning Fang Quan Zheng Xuan Zhuan Zi Di No. 212505 and 212506, the units of the property with a total gross floor area of approximately 561.91 sq.m. are owned by Air China International Corporation.
2. Pursuant to a Commercial Property Purchase Agreement- Ning Fang Mai Mai Qi Zi No. 2001139410 and 20011394126, Air China International Corporation purchased the property with a total consideration of RMB 3,207,032.64.
3. In preparing our valuation, we have assumed that all conditions have been properly met and that no further charges are due.
4. We have been provided with a legal opinion regarding the property interests by the Company's PRC legal adviser, which contains, inter alia, the following:
 - i. The Building Ownership Certificates of the property under the name of the Company are under application. There is no legal impediment for the Company to obtain the certificates. After the Company obtains the Building Ownership Certificates, the Company can legally own the building ownership and freely lease, transfer, or mortgage the property.
 - ii. CNAHC will be responsible for and indemnify the Company against any costs, expenses, or claims caused by the title changing registration and the interference with CNAHC's capital contribution to the Company with the property and any other loss of the Company incurred consequently.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at September 30, 2004 RMB
25.	17 residential units No. 28 of Alley 125, Lingyuan Road Minhang District Shanghai The PRC	The property comprises 17 residential units on Level 6 of a 6-storey residential building completed in about 1995. The property has a total gross floor area of approximately 1,434.82 sq.m.	The property is currently occupied by the Company as staff quarters.	9,943,000

Notes:

1. Pursuant to a Real Estate Title Certificate- Hu Fang Di Min Zi 1998 Di No. 008926, the residential units with a total gross floor area of approximately 2,164.73 sq.m. are owned by Air China International Corporation, in which some units with a total gross floor area of 729.91 sq.m. have been sold.
2. In preparing our valuation, we have assumed that all conditions have been properly met and that no further charges are due.
3. We have been provided with a legal opinion regarding the property interests by the Company's PRC legal adviser, which contains, inter alia, the following:
 - i. The Real Estate Title Certificate of the property under the name of the Company is under application. After the Company obtains the Real Estate Title Certificates, the Company can legally own the building ownership and freely lease, transfer, or mortgage the property.
 - ii. CNAHC will be responsible for and indemnify the Company against any costs, expenses, or claims caused by the title changing registration, including any land premium to be paid if necessary when applying for the title changing registration, the interference with CNAHC's capital contribution to the Company with the property and any other loss of the Company incurred consequently.

VALUATION CERTIFICATE

<u>No.</u>	<u>Property</u>	<u>Description and tenure</u>	<u>Particulars of occupancy</u>	<u>Capital value in existing state as at September 30, 2004</u> RMB
26.	Rooms 201, 202 and 102 No. 20 of Alley 18 Huqingping Road Changning District Shanghai The PRC	The property comprises 3 residential units on Levels 1 and 2 of a 6-storey residential building completed in about 1994. The property has a total gross floor area of approximately 317.79 sq.m.	The property is currently occupied by the Company as staff quarters.	1,684,000

Notes:

1. Pursuant to 3 Real Estate Title Certificates- Hu Fang Di Chang Zi 2003 Di Nos. 017383, 017384 and 017368, 3 residential units with a total gross floor area of approximately 317.79 sq.m. are owned by Shanghai Office of Air China International Corporation (“Shanghai Office”).
2. In preparing our valuation, we have assumed that all conditions have been properly met and that no further charges are due.
3. We have been provided with a legal opinion regarding the property interests by the Company’s PRC legal adviser, which contains, inter alia, the following:
 - i. The Real Estate Title Certificates of the property under the name of the Company are under application. After the Company obtains the Real Estate Title Certificates, the Company can legally own the building ownership and freely lease, transfer, or mortgage the property.
 - ii. CNAHC will be responsible for and indemnify the Company against any costs, expenses, or claims caused by the title changing registration, including any land premium to be paid if necessary when applying for the title changing registration, the interference with CNAHC’s capital contribution to the Company with the property and any other loss of the Company incurred consequently.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at September 30, 2004
				RMB
27.	Rooms 201, 301, 401, 402, 403 and Car port no. 9 of Yixiang Garden No. 85 Changqing Beili Xiamen City Fujian Province The PRC	<p>The property comprises 5 residential units on Levels 2, 3, 4 and a garage of a 9-storey residential building completed in about 1994.</p> <p>The property has a total gross floor area of approximately 512.98 sq.m.</p> <p>The land use rights of the property has been granted for a term expiring on July 23, 2059 for residential uses.</p>	The property is currently occupied by the Company as staff quarters.	1,949,000

Notes:

1. Pursuant to 5 Real Estate Title Certificates-Xia Di Fang Zheng No. 00004583, 00004585 to 00004588, 5 residential units with a total gross floor area of approximately 512.98 sq.m. are owned by Air China International Corporation. It is also recorded that the land use rights of the property have been granted to Air China International Corporation for a term expiring on July 23, 2059 for residential uses.
2. In preparing our valuation, we have assumed that all conditions have been properly met and that no further charges are due.
3. We have been provided with a legal opinion regarding the property interests by the Company's PRC legal adviser, which contains, inter alia, the following:
 - i. The Real Estate Title Certificates of the property under the name of the Company are under application. There is no legal impediment for the Company to obtain the certificates. After the Company obtains the Real Estate Title Certificates, the Company can legally own the building ownership and freely lease, transfer, or mortgage the property.
 - ii. CNAHC will be responsible for and indemnify the Company against any costs, expenses, or claims caused by the title changing registration and the interference with CNAHC's capital contribution to the Company with the property and any other loss of the Company incurred consequently.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at September 30, 2004
				RMB
28.	Rooms 05 and 08 on Level 6 Huicheng Apartment Building No. 6 Hubin Road Central Xiamen City Fujian Province The PRC	<p>The property comprises 2 residential units on Level 6 of a 22-storey residential building completed in about 1992.</p> <p>The property has a total gross floor area of approximately 348.24 sq.m.</p> <p>The land use right of the property has been granted for a term expiring on May 13, 2057.</p>	The property is currently occupied by the Company as staff quarters.	1,324,000

Notes:

1. Pursuant to 2 Real Estate Title Certificates- Xia Di Fang Zheng Nos. 00268566 and 00268568, 2 residential units with a total gross floor area of approximately 348.24 sq.m. are owned by Air China International Corporation. It is also recorded that the land use rights of the property has been granted to Air China International Corporation for a term expiring on May 13, 2057 for residential uses.
2. In preparing our valuation, we have assumed that all conditions have been properly met and that no further charges are due.
3. We have been provided with a legal opinion regarding the property interests by the Company's PRC legal adviser, which contains, inter alia, the following:
 - i. The Real Estate Title Certificates of the property under the name of the Company are under application. There is no legal impediment for the Company to obtain the certificates. After the Company obtains the Real Estate Title Certificates, the Company can legally own the building ownership and freely lease, transfer, or mortgage the property.
 - ii. CNAHC will be responsible for and indemnify the Company against any costs, expenses, or claims caused by the title changing registration and the interference with CNAHC's capital contribution to the Company with the property and any other loss of the Company incurred consequently.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at September 30, 2004
				RMB
29.	Rooms 13 and 14 on Level 2 of Huicheng Commercial Centre No. 837 Xiahe Road Xiamen City Fujian Province The PRC	The property comprises 2 commercial units on Level 2 of a 22-storey composite building completed in about 1992. The property has a total gross floor area of approximately 278.37 sq.m. The land use right of the property has been granted for a term expiring on May 13, 2027.	The property is currently vacant.	501,000

Notes:

1. Pursuant to a Real Estate Title Certificate- Xia Di Fang Zheng No. 00268567, 2 units with a total gross floor area of approximately 278.37 sq.m. are owned by Air China International Corporation. It is also recorded that the land use rights of the property have been granted to Air China International Corporation for a term expiring on May 13, 2027 for business uses.
2. In preparing our valuation, we have assumed that all conditions have been properly met and that no further charges are due.
3. We have been provided with a legal opinion regarding the property interests by the Company's PRC legal adviser, which contains, inter alia, the following:
 - i. The Real Estate Title Certificate of the property under the name of the Company is under application. There is no legal impediment for the Company to obtain the certificate. After the Company obtains the Real Estate Title Certificate, the Company can legally own the building ownership and freely lease, transfer, or mortgage the property.
 - ii. CNAHC will be responsible for and indemnify the Company against any costs, expenses, or claims caused by the title changing registration and the interference with CNAHC's capital contribution to the Company with the property and any other loss of the Company incurred consequently.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at September 30, 2004
				RMB
30.	Levels 1 and 2 of the retail portion of Caixia House Huguang Estate Hubin Road East Xiamen City Fujian Province The PRC	The property comprises Level 1 and 2 of a 2-storey composite building completed in about 1994. The property has a total gross floor area of approximately 707.70 sq.m.	The property is currently occupied by the Company for sales office purposes.	7,728,000

Notes:

1. Pursuant to a State-owned Land Use Rights Certificate-Xia Guo Yong 95 Zi No. A15008, the land use rights of the property have been granted to Xiamen Office of Air China International Corporation (“Xiamen Office”)for commercial uses.
Pursuant to a Building Ownership Certificate-Kai Zi Di No. 15008, the property with a total gross floor area of approximately 707.7 sq.m. is owned by Xiamen Office.
2. In preparing our valuation, we have assumed that all conditions have been properly met and that no further charges are due.
3. We have been provided with a legal opinion regarding the property interests by the Company’s PRC legal adviser, which contains, inter alia, the following:
 - i. The Building Ownership Certificate of the property under the name of the Company is to be applied. There is no legal impediment for the Company to obtain the certificate. After the Company obtains the Building Ownership Certificate, the Company can legally own the building ownership and freely lease, transfer, or mortgage the property.
 - ii. CNAHC will be responsible for and indemnify the Company against any costs, expenses, or claims caused by the title changing registration and the interference with CNAHC’s capital contribution to the Company with the property and any other loss of the Company incurred consequently.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at September 30, 2004
				RMB
31.	Rooms 401, 402, 501, 502 and 701 of Zone 2 of Block 7 Xinglong Xincun Residential Area Huli District Xiamen City Fujian Province The PRC	<p>The property comprises 5 residential units on Levels 4, 5 and 7 of a 7-storey residential building completed in about 1994.</p> <p>The property has a total gross floor area of approximately 360 sq.m.</p>	The property is currently occupied by the Company as staff quarters.	No commercial value

Notes:

1. We have not been provided with any title certificate for the property. As such, we have attributed no commercial value to it. For reference purposes, we are of the opinion that the capital value of the property as at the date of valuation would be RMB720,000 assuming all relevant title certificates have been obtained.
2. We have been provided with a legal opinion regarding the property interests by the Company's PRC legal adviser, which contains, inter alia, the following:
 - i. Although there is no proper title certificate for the property under the name of the predecessor of the Company, the property can be occupied and used by the Company as it is invested by CNAHC as contribution asset. However, the Company cannot transfer, lease or mortgage them before obtaining relevant title certificates.
 - ii. CNAHC has undertaken to cooperate with the Company to apply and obtain the Building Ownership Certificates for the property under the Company's name within a year after the incorporation of the Company. CNAHC will be responsible for and indemnify the Company against any costs, expenses, or claims caused by the title registration, the interference with CNAHC's capital contribution to the Company with the property and any other loss of the Company incurred consequently.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at September 30, 2004
				RMB
32.	Rooms 2, 4, 6 and 8 of Zone 4 of No. 76 Dahaiyang Road Yantai City Shandong Province The PRC	<p>The property comprises 4 residential units on Levels 1 to 4 of a 6-storey residential building completed in about 1998.</p> <p>The property has a total gross floor area of approximately 325.84 sq.m.</p> <p>The land use rights of the property have been granted for a term expiring on December 31, 2065.</p>	The property is currently occupied by the Company as staff quarters.	912,000

Notes:

1. Pursuant to a State-owned Land Use Right Certificate-Yan Guo Yong (2003) Zi No. 91136, the land use rights of the property to an apportioned area of 684.92 sq.m. have been granted to Yantai Office Air China International Corporation (“Yantai Office”) for a term expiring on December 31, 2065 for residential use.
Pursuant to a Building Ownership Certificate- Yan Fang Quan Zheng Zhi Zi Di No. E142112, 4 residential units with a total gross floor area of approximately 325.84 sq.m. are owned by Yantai Office
2. In preparing our valuation, we have assumed that all conditions have been properly met and that no further charges are due.
3. We have been provided with a legal opinion regarding the property interests by the Company’s PRC legal adviser, which contains, inter alia, the following:
 - i. The Building Ownership Certificate of the property under the name of the Company is under application. There is no legal impediment for the Company to obtain the certificate. After the Company obtains the Building Ownership Certificate, the Company can legally own the building ownership and freely lease, transfer, or mortgage the property.
 - ii. CNAHC will be responsible for and indemnify the Company against any costs, expenses, or claims caused by the title changing registration and the interference with CNAHC’s capital contribution to the Company with the property and any other loss of the Company incurred consequently.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at September 30, 2004
				RMB
33.	Rooms 6B, 6C, 6D, 6E and 6G Jinghua Court of Jingfu Estate Binhe Road Futian District Shenzhen City Guangdong Province The PRC	The property comprises 5 residential units on Level 6 of a 28-storey residential building completed in about 1994. The property has a total gross floor area of approximately 461.06 sq.m. The land use rights of the property were granted for a term expiring on February 7, 2066.	The property is currently occupied by the Company as staff quarters.	1,475,000

Notes:

1. Pursuant to 5 Real Estate Title Certificates- Xia Fang Di Zheng Nos, 5223147, 5223148, 5223151, 5223152, 5223628, 5 units with a total gross floor area of approximately 461.06 sq.m. are owned by Shenzhen Office of Air China International Corporation ("Shenzhen Office"). It is also recorded that the land use rights of the property were granted for a term expiring on February 7, 2066 for residential uses.
2. In preparing our valuation, we have assumed that all conditions have been properly met and that no further charges are due.
3. We have been provided with a legal opinion regarding the property interests by the Company's PRC legal adviser, which contains, inter alia, the following:
 - i. The Real Estate Title Certificates of the property under the name of the Company are under application. There is no legal impediment for the Company to obtain the certificates. After the Company obtains the Real Estate Title Certificates, the Company can legally own the building ownership and freely lease, transfer, or mortgage the property.
 - ii. CNAHC will be responsible for and indemnify the Company against any costs, expenses, or claims caused by the title changing registration and the interference with CNAHC's capital contribution to the Company with the property and any other loss of the Company incurred consequently.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at September 30, 2004
				RMB
34.	Land and an office building No. 80 Jianxin Bei Road Jiangbei District Chongqing The PRC	The property comprises a parcel of land with a site area of 3,236 sq.m. on which is constructed a 3-storey composite building completed in about 1991. The building has a gross floor area of approximately 2,943 sq.m.	The property is currently occupied by the Company as offices and sale offices except for a portion of the property leased to a connected party.	23,806,000

Notes:

1. Pursuant to a State-owned Land Use Rights Certificate-Jiang Qu Guo Yong (93) Zi Di No. 40760, the land use rights of the property with a site area of approximately 3,236 sq.m. have been allocated to China Southwest Airlines Chongqing Company (the former name of Chongqing Branch of Air China International Corporation) for transportation uses. The land use rights of the land of the property were authorised to China National Aviation Holding Company ("CNAHC"), a shareholder of the Company, to operate (the "Authorised Land").
2. Pursuant to a Building Ownership Certificate-Fang Quan Zheng 103 Zi Di No. 015274, the building with a gross floor area of approximately 2,943 sq.m. is owned by China Southwest Airlines Chongqing Company.
3. Pursuant to a tenancy agreement entered into between China Aviation Tourism Company Chongqing Lanliao International Travel Agency (the "leasee") and Chongqing Branch of Air China International Corporation, a portion of the building of the property with a lease area of approximately 185 sq.m. was leased to the leasee for a term of a year commencing from January 1, 2004 to December 31, 2004 at a monthly rental of RMB3,700 exclusive of other charges or fees.
4. In preparing our valuations, we have assumed that all conditions have been properly met and that no further charges are due.
5. We have been provided with a legal opinion regarding the property interests by the Company's PRC legal adviser, which contains, inter alia, the following:
 - i. CNAHC has the legal rights to contribute the land use rights in respect of the land to the Company as equity capital.
 - ii. The Land Use Rights Certificate and the Building Ownership Certificate for the property under the name of the Company are under application. There is no legal impediment for the Company to obtain these title certificates. There is no land premium payable for the Company to obtain the Land Use Rights Certificates. Upon obtaining the Land Use Rights Certificate, the Company can legally own, transfer or lease the land use rights. Upon obtaining the Building Ownership Certificate, the Company can legally own the building ownership and freely lease, transfer, or mortgage the building.
 - iii. CNAHC has undertaken to cooperate with the Company to fulfil the title changing formalities for the Land Use Rights Certificates and Building Ownership Certificates currently under the name of Air China International Corporation within a year and 6 months, respectively, after the incorporation of the Company. CNAHC will be responsible for and indemnify the Company against any costs, expenses, or claims caused by the title changing registration, the interference with CNAHC's capital contribution to the Company with the land and buildings and any other loss of the Company incurred consequently.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at September 30, 2004
				RMB
35.	A parcel of land on which erected a composite building No. 113 Nanjing Road Heping District Tianjin The PRC	The property comprises a parcel of land with a site area of approximately 882.07 sq.m. on which is constructed a 6-storey composite building completed in about 1991. The property has a gross floor area of approximately 2,711.03 sq.m.	The property is currently occupied by the Company as offices.	No commercial value

Notes:

1. Pursuant to a State-owned Land Use Rights Certificate-Jin He Guo Yong (93) Zi Di No. 235, the land use rights of the property with a site area of approximately 882.07 sq.m. have been allocated to Tianjin Branch of Air China International Corporation for commercial uses.

Pursuant to a Building Ownership Certificate-Jin He Qi Zi Di No. 00185, the building with a gross floor area of approximately 2,711.03 sq.m. is owned by Tianjin Branch of Air China International Corporation.
2. In the course of our valuation, we have attributed no commercial value to the property for the reason that the Company or the predecessor of the Company has no legal rights to transfer the property. For reference purposes, we are of the opinion that the capital value of the building (excluding the land) as at the date of valuation would be RMB 6,425,000 assuming all proper title certificates have been obtained.
3. We have been provided with a legal opinion regarding the property interests by the Company's PRC legal adviser, which contains, inter alia, the following:
 - i. The Building Ownership Certificate of the property under the name of the Company is under application. The Company is applying for granting the land use rights of the property. There is no legal impediment for the Company to obtain the Building Ownership Certificate under its name after the land premium is paid. After the Company obtains the Building Ownership Certificate and the granted Land Use Rights Certificate, the Company can legally own the building ownership and freely lease, transfer, or mortgage the property.
 - ii. CNAHC will be responsible to and indemnify the Company against any costs, expenses, or claims caused by the Building Ownership Certificate changing registration, the interference with CNAHC's capital contribution to the Company with the building and any other loss of the Company incurred consequently.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at September 30, 2004
				RMB
36.	Room 703 of Block 51 Dongyuan Xincun Residential Area Tiyuchang Road Xiacheng District Hangzhou City Zhengjiang Province The PRC	The property comprises a residential unit on Level 7 of a 7-storey residential building completed in about 1993. The property has a gross floor area of approximately 66.81 sq.m.	The property is currently occupied by the Company as staff quarters.	367,000

Notes:

1. Pursuant to a Building Ownership Certificate-Hang Fang Xia Yi Zi No. 0027375, the unit with a gross floor area of approximately 66.81 sq.m. is owned by CNAC Zhejiang Airlines (the former name of Zhejiang Branch of Air China International Corporation).
2. In preparing our valuation, we have assumed that all conditions have been properly met and that no further charges are due.
3. We have been provided with a legal opinion regarding the property interests by the Company's PRC legal adviser, which contains, inter alia, the following:
 - i. The Building Ownership Certificate of the property under the name of the Company is under application. After the Company obtains the Building Ownership Certificate, the Company can legally own the building ownership and freely lease, transfer, or mortgage the property.
 - ii. CNAHC will be responsible for and indemnify the Company against any costs, expenses, or claims caused by the title changing registration, including any land premium to be paid if necessary when applying for the title changing registration, the interference with CNAHC's capital contribution to the Company with the property and any other loss of the Company incurred consequently.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at September 30, 2004
				RMB
37.	Room 601 of Zone 19 of Block 6 located at Jinyuan Residential Area Xiacheng District Hangzhou City Zhengjiang Province The PRC	The property comprises a residential unit on Level 6 of a 7-storey building completed in about 1998. The property has a gross floor area of approximately 107.31 sq.m.	The property is currently occupied by the Company as staff quarters.	612,000

Notes:

1. Pursuant to a Building Ownership Certificate- Hang Fang Xia Yi Zi No. 0005453, the unit with a gross floor area of approximately 107.31 sq.m. is owned by CNAC Zhejiang Airlines (the former name of Zhejiang Branch of Air China International Corporation).
2. In preparing our valuation, we have assumed that all conditions have been properly met and that no further charges are due.
3. We have been provided with a legal opinion regarding the property interests by the Company's PRC legal adviser, which contains, inter alia, the following:
 - i. The Building Ownership Certificate of the property under the name of the Company is under application. After the Company obtains the Building Ownership Certificate, the Company can legally own the building ownership and freely lease, transfer, or mortgage the property.
 - ii. CNAHC will be responsible for and indemnify the Company against any costs, expenses, or claims caused by the title changing registration, including any land premium to be paid if necessary when applying for the title changing registration, the interference with CNAHC's capital contribution to the Company with the property and any other loss of the Company incurred consequently.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at September 30, 2004
				RMB
38.	Room 401 of Zone 2 of Block 35 Dongyuan Residential Area Tiyuchang Road Xiacheng District Hangzhou City Zhengjiang Province The PRC	The property comprises a residential unit on Level 4 of a 7-storey residential building completed in about 1998. The property has a gross floor area of approximately 77.4 sq.m.	The property is currently occupied by the Company as staff quarters.	503,000

Notes:

1. Pursuant to a Building Ownership Certificate- Hang Fang Xia Zi No. 0001867, the unit with a gross floor area of approximately 77.4 sq.m. is owned by CNAC Zhejiang Airlines (the former name of Zhejiang Branch of Air China International Corporation).
2. In preparing our valuation, we have assumed that all conditions have been properly met and that no further charges are due.
3. We have been provided with a legal opinion regarding the property interests by the Company's PRC legal adviser, which contains, inter alia, the following:
 - i. The Building Ownership Certificate of the property under the name of the Company is under application. After the Company obtains the Building Ownership Certificate, the Company can legally own the building ownership and freely lease, transfer, or mortgage the property.
 - ii. CNAHC will be responsible for and indemnify the Company against any costs, expenses, or claims caused by the title changing registration, including any land premium to be paid if necessary when applying for the title changing registration, the interference with CNAHC's capital contribution to the Company with the property and any other loss of the Company incurred consequently.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at September 30, 2004
				RMB
39.	Room 101 and 201 of Zone 1 of Block 13 and 3 underground car parking lots of Block 25 Genyuan Residential Area Tiyuchang Road Xiacheng District Hangzhou City Zhengjiang Province The PRC	The property comprises 2 office units on Levels 1, 2 and a garage of a 7-storey residential building completed in about 1998. The property has a total gross floor area of approximately 399.23 sq.m.	The property is currently occupied by the Company as offices.	3,147,000

Notes:

1. Pursuant to 3 Buildings Ownership Certificates- Hang Fang Xia Yi Zi Nos. 0004419, 0015063 and 0015064, the units with a total gross floor area of approximately 399.23 sq.m. are owned by CNAC Zhejiang Airlines (the former name of Zhejiang Branch of Air China International Corporation).
2. In preparing our valuation, we have assumed that all conditions have been properly met and that no further charges are due.
3. We have been provided with a legal opinion regarding the property interests by the Company's PRC legal adviser, which contains, inter alia, the following:
 - i. The Building Ownership Certificates of the property under the name of the Company are under application. After the Company obtains the Building Ownership Certificates, the Company can legally own the building ownership and freely lease, transfer, or mortgage the property.
 - ii. CNAHC will be responsible for and indemnify the Company against any costs, expenses, or claims caused by the title changing registration, including any land premium to be paid if necessary when applying for the title changing registration, the interference with CNAHC's capital contribution to the Company with the property and any other loss of the Company incurred consequently.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at September 30, 2004
				RMB
40.	Room 602 of Zone 4 of Block 13 Building Datieguan Xincun Residential Area Xiacheng District Hangzhou City Zhengjiang Province The PRC	The property comprises a residential unit on Level 6 of a 7-storey building completed in about 1998. The property has a gross floor area of approximately 73.60 sq.m.	The property is currently occupied by the Company as staff quarters.	302,000

Notes:

1. Pursuant to a Building Ownership Certificate- Hang Fang Xia Yi Zi No. 0007050, the unit with a gross floor area of approximately 73.60 sq.m. is owned by CNAC Zhejiang Airlines (the former name of Zhejiang Branch of Air China International Corporation).
2. In preparing our valuation, we have assumed that all conditions have been properly met and that no further charges are due.
3. We have been provided with a legal opinion regarding the property interests by the Company's PRC legal adviser, which contains, inter alia, the following:
 - i. The Building Ownership Certificate of the property under the name of the Company is under application. After the Company obtains the Building Ownership Certificate, the Company can legally own the building ownership and freely lease, transfer, or mortgage the property.
 - ii. CNAHC will be responsible for and indemnify the Company against any costs, expenses, or claims caused by the title changing registration, including any land premium to be paid if necessary when applying for the title changing registration, the interference with CNAHC's capital contribution to the Company with the property and any other loss of the Company incurred consequently.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at September 30, 2004
				RMB
41.	Unit 4-3 on Level 4 No. 97 Chaohui Road Xiacheng District Hangzhou City Zhengjiang Province The PRC	The property comprises an office unit on Level 4 of a building completed in about 2001. The property has a total gross floor area of approximately 598.99 sq.m.	The property is currently occupied by the Company as offices.	4,433,000

Notes:

1. Pursuant to a Building Ownership Certificate- Hang Fang Xia Yi Zi No. 0089733, the units with a total gross floor area of approximately 1,519.57 sq.m. are owned by CNAC Zhejiang Airlines (the former name of Zhejiang Branch of Air China International Corporation) in which some units with a total gross floor area of 920.58 sq.m. have been sold.
2. In preparing our valuation, we have assumed that all conditions have been properly met and that no further charges are due.
3. We have been provided with a legal opinion regarding the property interests by the Company's PRC legal adviser, which contains, inter alia, the following:
 - i. The Building Ownership Certificate of the property under the name of the Company is under application. There is no legal impediment for the Company to obtain the certificate. After the Company obtains the Building Ownership Certificate, the Company can legally own the building ownership and freely lease, transfer, or mortgage the property.
 - ii. CNAHC will be responsible for and indemnify the Company against any costs, expenses, or claims caused by the title changing registration and the interference with CNAHC's capital contribution to the Company with the property and any other loss of the Company incurred consequently.

VALUATION CERTIFICATE

<u>No.</u>	<u>Property</u>	<u>Description and tenure</u>	<u>Particulars of occupancy</u>	Capital value in existing state as at September 30, 2004 RMB
42.	Rooms 5 and 6 on Level 1 of Block Yi Nan Si Section Yihuan Road Chengdu City Sichuan Province The PRC	The property comprises 2 commercial units on Level 1 of a 7-storey composite building completed in about 1991. The property has a total gross floor area of approximately 74.50 sq.m.	The property is currently occupied by an independent party for commercial purposes.	678,000

Notes:

1. Pursuant to a Building Ownership Certificate- Shi Fang Chan Zi Di No. 0077102, 2 units with a total gross floor area of approximately 74.50 sq.m. are owned by China Aviation Chengdu Aircraft Maintenance and Engineering Corporation, currently a department of Southwest Branch of Air China International Corporation.
2. Pursuant to a tenancy agreement entered into between an independent party (the "lessee") and Chengdu Lanrui Shiye Company (the "lessor"), the property is rented to the lessee for a term commencing from March 30, 2004 and expiring on March 29, 2005 at a monthly rental of RMB 3,000 exclusive of other charges.
3. As advised by Southwest Branch of Air China International Corporation, it approved the lessor to lease the property.
4. In preparing our valuation, we have assumed that all conditions have been properly met and that no further charges are due.
5. We have been provided with a legal opinion regarding the property interests by the Company's PRC legal adviser, which contains, inter alia, the following:
 - i. The Building Ownership Certificate of the property under the name of the Company is under application. After the Company obtains the Building Ownership Certificate, the Company can legally own the building ownership and freely lease, transfer, or mortgage the property.
 - ii. CNAHC will be responsible for and indemnify the Company against any costs, expenses, or claims caused by the title changing registration, including any land premium to be paid if necessary when applying for the title changing registration, the interference with CNAHC's capital contribution to the Company with the land and buildings and any other loss of the Company incurred consequentially.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at September 30, 2004
				RMB
43.	Rooms 3 and 4 on Level 1 of Block Jia Nan Section 4 Yihuan Road Chengdu City Sichuan Province The PRC	The property comprises 2 commercial units on Level 1 of a 7-storey composite building completed in about 1991. The property has a total gross floor area of approximately 171.61 sq.m.	The property is currently occupied by 2 independent parties for commercial purposes.	1,579,000

Notes:

1. Pursuant to a Building Ownership Certificate- Shi Fang Chan Zi Di No. 0017426, the property with a total gross floor area of approximately 171.61 sq.m. is owned by China Aviation Chengdu Aircraft Maintenance and Engineering Corporation, presently a department of Southwest Branch of Air China International Corporation
2. Pursuant to 2 tenancy agreements entered into Chengdu Lanrui Shiye Company (the "lessor") and 2 independent parties (the "lessee"), respectively, the property is rented to the lessee for a term of a year commencing from February 1, 2004 and expiring on February 29, 2005 at a total monthly rental of RMB 33,680 exclusive of other charges.
3. As advised by Southwest Branch of Air China International Corporation, it approved the lessor the lease the property.
4. In preparing our valuation, we have assumed that all conditions have been properly met and that no further charges are due.
5. We have been provided with a legal opinion regarding the property interests by the Company's PRC legal adviser, which contains, inter alia, the following:
 - i. The Building Ownership Certificate of the property under the name of the Company is under application. After the Company obtains the Building Ownership Certificate, the Company can legally own the building ownership and freely lease, transfer, or mortgage the property.
 - ii. CNAHC will be responsible for and indemnify the Company against any costs, expenses, or claims caused by the title changing registration, including any land premium to be paid if necessary when applying for the title changing registration, the interference with CNAHC's capital contribution to the Company with the land and buildings and any other loss of the Company incurred consequentially.

VALUATION CERTIFICATE

Group II — Property interests held by the Company for investment in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at September 30, 2004
				RMB
44.	The whole of Level 7 of Nanyi Block No. 2 Lingshiguan Road Si Duan, Renmin Road South Wuhou District Chengdu City Sichuan Province The PRC	The property comprises the whole of Level 7 of a 9-storey composite building completed in about 1998. The property has a total gross floor area of approximately 715.39 sq.m.	The property is currently rented to a connected party for commercial purposes.	3,398,000

Notes:

1. Pursuant to a Building Ownership Certificate- Rong Fang Quan Zheng Cheng Fang Jian Zheng Zi Di No. 0282065, the property with a total gross floor area of approximately 715.39 sq.m. is owned by China Southwest Airline Corporation (the former name of Southwest Branch of Air China International Corporation).
2. Pursuant to a tenancy agreement entered into between Sichuan Southwest Aviation Advertising and Scheming Company (the "lessee"), a connected party of the Company, and China Southwest Airlines, the property is leased to the lessee for a term of a year commencing from January 1, 2004 and expiring on December 31, 2004 at an annual rental of RMB 121,560.84 exclusive of other charges.
3. In preparing our valuation, we have assumed that all conditions have been properly met and that no further charges are due.
4. We have been provided with a legal opinion regarding the property interests by the Company's PRC legal adviser, which contains, inter alia, the following:
 - i. The Building Ownership Certificate of the property under the name of the Company is under application. After the Company obtains the Building Ownership Certificate, the Company can legally own the building ownership and freely lease, transfer, or mortgage the property.
 - ii. CNAHC will be responsible for and indemnify the Company against any costs, expenses, or claims caused by the title changing registration, including any land premium to be paid if necessary when applying for the title changing registration, the interference with CNAHC's capital contribution to the Company with the land and buildings and any other loss of the Company incurred consequently.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at September 30, 2004
				RMB
45.	Rooms 1210 and 1212 of Huada Commercial Building No. 266 Wuhouci Street Wuhou District Chengdu City Sichuan Province The PRC	The property comprises 2 office units on Level 12 of an 18-storey building completed in about 1998. The property has a total gross floor area of approximately 265.05 sq.m.	The property is currently rented to a connected party for commercial purposes.	1,341,000

Notes:

1. Pursuant to a Building Ownership Certificate- Rong Fang Quan Zheng Cheng Fang Jian Zi Di No. 0474829, 2 units with a total gross floor area of approximately 265.05 sq.m. are owned by China Southwest Airlines (a former name of Southwest Branch of Air China International Corporation).
2. Pursuant to a tenancy agreement entered into between Chengdu Travel Charter Flight Company (the “lessee”), a connected party of the Company, and Southwest Branch of Air China International Corporation, the property is leased to the lessee for a term of a year commencing from January 1, 2004 and expiring on December 31, 2004 at an annual rental of RMB 111,600 exclusive of other charges.
3. In preparing our valuation, we have assumed that all conditions have been properly met and that no further charges are due.
4. We have been provided with a legal opinion regarding the property interests by the Company’s PRC legal adviser, which contains, inter alia, the following:
 - i. The Building Ownership Certificate of the property under the name of the Company is under application. After the Company obtains the Building Ownership Certificate, the Company can legally own the building ownership and freely lease, transfer, or mortgage the property.
 - ii. CNAHC will be responsible for and indemnify the Company against any costs, expenses, or claims caused by the title changing registration, including any land premium to be paid if necessary when applying for the title changing registration, the interference with CNAHC’s capital contribution to the Company with the land and buildings and any other loss of the Company incurred consequently.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at September 30, 2004
				RMB
46.	Portions of Levels 1 and 3 of a composite building No.167/177 Zhongshan San Road Chongqing The PRC	<p>The property comprises a portion of Levels 1 and 3 of an 11-storey composite building completed in about 1995.</p> <p>The property has a total gross floor area of approximately 319 sq.m.</p> <p>The land use right of the property has been granted for a term of 46 years expiring July 28, 2042 for transportation purpose.</p>	The property is currently rented to an independent party for commercial purposes.	3,148,000

Notes:

1. Pursuant to a State-owned Land Use Rights Certificate-Yuzhong Qu Guo Yong (96) Zi Di No. 01026, the land use rights of the property with an undivided area of approximately 917 sq.m. have been granted to China Southwest Airlines Chongqing Company (the former name of Chongqing Branch of Air China International Corporation)for a term of 46 years expiring July 28 2042 for transportation purposes.
Pursuant to 2 Building Ownership Certificates- Zhong Qu Zi Di No. 40418 and 40417, the property with a total gross floor area of approximately 319 sq.m. is owned by China Southwest Airlines Chongqing Company.
2. According to a tenancy agreement entered into between an independent party (the “lessee”) and Chongqing Branch of Air China International Corporation, the property is rented to the lessee at a monthly rental of RMB 3,200 exclusive of other charges.
3. In preparing our valuation, we have assumed that all conditions have been properly met and that no further charges are due.
4. We have been provided with a legal opinion regarding the property interests by the Company’s PRC legal adviser, which contains, inter alia, the following:
 - i. The Building Ownership Certificates of the property under the name of the Company are under application. There is no legal impediment for the Company to obtain the certificates. After the Company obtains the Building Ownership Certificates, the Company can legally own the building ownership and freely lease, transfer, or mortgage the property.
 - ii. CNAHC will be responsible for and indemnify the Company against any costs, expenses, or claims caused by the title changing registration and the interference with CNAHC’s capital contribution to the Company with the property and any other loss of the Company incurred consequently.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at September 30, 2004
				RMB
47.	A portion of Levels 1 to 3 of a commercial building Hongmin Road Dongsheng Town Chengdu City Sichuan Province The PRC	The property comprises a portion of Levels 1 to 3 of a 3-storey commercial building completed in about 2004. The property has a total gross floor area of approximately 828.59 sq.m.	A portion of the property with a total gross floor area 385 sq.m. is currently rented to various independent parties for commercial purposes. The remaining portion of the property is currently vacant.	2,900,000

Notes:

1. Pursuant to 2 Building Ownership Certificates- Shuang Fang Quan Zheng Shuang Quan Zi Di Nos. 0111893 and 0111894, the property with a total gross floor area of approximately 828.59 sq.m. is owned by China Southwest Airlines (the former name of Southwest Branch of Air China International Corporation).
2. According to 4 lease agreements entered into between Shuang Liu Hongda Material Market (the "lessor") and 4 independent parties (the "lessees"), a portion of the property with a total gross floor area 385 sq.m. is currently rented to the lessees at a total annual rental of RMB 5,600 for various terms expiring on the latest date of April 1, 2005 for commercial purposes.
3. As advised by Southwest Branch of Air China International Corporation, it consigned the lessor to lease the property.
4. In preparing our valuation, we have assumed that all conditions have been properly met and that no further charges are due.
5. We have been provided with a legal opinion regarding the property interests by the Company's PRC legal adviser, which contains, inter alia, the following:
 - i. The Building Ownership Certificates of the property under the name of the Company are under application. There is no legal impediment for the Company to obtain the certificates. After the Company obtains the Building Ownership Certificates, the Company can legally own the building ownership and freely lease, transfer, or mortgage the property.
 - ii. CNAHC will be responsible for and indemnify the Company against any costs, expenses, or claims caused by the title changing registration, including any land premium to be paid if necessary when applying for the title changing registration, the interference with CNAHC's capital contribution to the Company with the land and buildings and any other loss of the Company incurred consequently.

VALUATION CERTIFICATE

Group III — Overseas property interests held and occupied by the Company

<u>No.</u>	<u>Property</u>	<u>Description and tenure</u>	<u>Particulars of occupancy</u>	<u>Capital value in existing state as at September 30, 2004</u> RMB
48.	Air China building 2-5-2 Toranomom, Minato-ku, Tokyo Japan	The property comprises a 9-storey office building completed in about 1994. The property has a total gross floor area of approximately 2,086.53 sq.m. (Freehold)	The property is currently occupied by the Company as offices and sales offices except for a portion with a total gross floor area of approximately 844.7 sq.m. which is rented to 4 independent parties as offices.	113,597,000

Notes:

1. Air China International Corporation is the registered owner of the property.
2. Pursuant to 4 tenancy agreements, a portion of the building with a total gross floor area of approximately 844.7 sq.m. is rented to 4 independent parties as offices at a total annual rental of RMB5,033,000.

APPENDIX V**PROPERTY VALUATION**

<u>No.</u>	<u>Property</u>	<u>Description and tenure</u>	<u>Particulars of occupancy</u>	<u>Capital value in existing state as at September 30, 2004</u> RMB
49.	Nordendstrasse.66 Moerfelden- Walldorf Germany	<p>The property comprises a 4-storey boarding house completed in about 1975 and an adjoining single-family house in the backyard completed in the 1960's.</p> <p>The total gross floor area of the property is approximately 1,220 sq.m.</p> <p>(Freehold)</p>	The property is currently occupied by the Company as staff quarters.	3,108,000

Notes:

1. Air China International Corporation is the registered owner of the property.

VALUATION CERTIFICATE

<u>No.</u>	<u>Property</u>	<u>Description and tenure</u>	<u>Particulars of occupancy</u>	<u>Capital value in existing state as at September 30, 2004</u> RMB
50.	7332 St.Albans Road Richmond British Columbia Canada	The property is a 4-storey wood-structure building completed in about 1988. The total gross floor area of the property is approximately 7,489 sq.m.	The property is currently occupied by the Company as staff quarters.	No commercial value
51.	485 Broadway Long Beach, Nassau County New York, U.S.A	The property is a 5-storey masonry hotel building completed in about 1967 The total gross floor area of the property is approximately 3,514 sq.m.	The property is currently vacant.	No commercial value
52.	Im Geisbaum 7, Egelsbach Germany	The property is a 3-storey hotel building completed in about 1982. The total gross floor area of the property is approximately 2,355 sq.m.	The property is currently occupied by the Company as staff quarters.	No commercial value

Notes:

1. We have not been provided with any proper title documents for property nos. 50 to 52. As such, we have attributed no commercial value to these properties.
2. As confirmed by the Company, property nos. 50 to 52 are contribution assets invested by CNAHC and CNAHC will be responsible for and indemnify the Company against any costs, expenses, or claims caused by interference with CNAHC's capital contribution to the Company with the land and buildings and any other loss of the Company incurred consequently.

VALUATION CERTIFICATE

Group IV — Property interests held and occupied by the Company's subsidiaries in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at September 30, 2004 RMB
53.	A portion of a building adjoining Beijing Capital International Airport Shunyi District Beijing The PRC	<p>The property comprises a portion of a 6-storey office building completed in about 1999.</p> <p>The property has a total gross floor area of approximately 6,250.03 sq.m.</p> <p>The property is constructed on one of the 25 parcels of Authorised Land of Part A of property no. 1.</p>	The property is currently occupied by AIE as offices.	25,025,000 100% interest attributable to the Group: 25,025,000

Notes:

- The total gross floor area of the office building is approximately 9,061.77 sq.m.. The remaining portion of the building with a total gross floor area of approximately 2,811.74 sq.m. is currently occupied by Air China International Corporation.
- According to a Building Ownership Certificate-Jing Fang Quan Zheng Shun Guo Zi Di No. 00806, the building with a total gross floor area of approximately 9,061.77 sq.m. is owned by Air China International Corporation.
- Air China Group Import and Export Trading Company (“AIE”) is a wholly-owned subsidiary of the Company.
- In preparing our valuation, we have assumed that all conditions have been properly met and that no further charges are due.
- We have been provided with a legal opinion regarding the property interests by the Company's PRC legal adviser, which contains, inter alia, the following:
AIE can legally occupy and use the property.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at September 30, 2004 RMB
54.	A residential unit on Level 15 of Block 3 Area 4 Anhui Li Chaoyang District Beijing The PRC	The property comprises a residential unit on Level 15 of a 20-storey residential building completed in about 1996. The property has a total gross floor area of approximately 74 sq.m.	The property is currently occupied by China National Aviation Agency as staff quarters.	333,000 100% interest attributable to the Group: 333,000

Notes:

1. Pursuant to a Building Ownership Certificate-Chao Quan Zi Di No. 10923, the unit with a gross floor area of approximately 74 sq.m. is owned by China National Aviation Passenger and Cargo Service Agency Company ("China National Aviation Agency").
2. China National Aviation Agency is a wholly-owned subsidiary of the Company.
3. In preparing our valuation, we have assumed that all conditions have been properly met and that no further charges are due.
4. We have been provided with a legal opinion regarding the property interests by the Company's PRC legal adviser, which contains, inter alia, the following:
The property is legally owned and can be freely transferred, leased and mortgaged by China National Aviation Agency.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at September 30, 2004 RMB
55.	An industrial factory building The Industrial Processing Area of Junbu Town Puning City Guangdong Province The PRC	The property comprises a 3-storey industrial building completed in about 1996. The property has a total gross floor area of approximately 2,303.49 sq.m.	The property is currently occupied by Air China Shantou Industrial for production purposes.	No commercial value 51% interest attributable to the Group: No commercial value

Notes:

1. Pursuant to a Real Estate Title Certificate - Yue Fang Di Zheng Zi Di No. 0790406, the building with a total gross floor area of approximately 2303.49 sq.m. is owned by Air China Shantou Industrial Development Company ("Air China Shantou Industrial").
2. The building is erected on a land with a site area of 2,766 sq.m.
3. In the course of our valuation, we have attributed no commercial value to the building and the land of the property as Air China Shantou Industrial has no proper land title for the building. For reference purpose, we are of the opinion that the capital value of the building (excluding the land on which the building is erected) as at the date of valuation would be RMB 1,435,000 assuming the relevant title certificate has been obtained.
4. Air China Shantou Industrial is a 51% owned subsidiary of the Company.
5. We have been provided with a legal opinion regarding the property interests by the Company's PRC legal adviser, which contains, inter alia, the following:
 - i. Air China Shantou can legally occupy and use the building.
 - ii. After obtaining the granted Land Use Rights Certificate of the land on which the building is erected, Air China Shantou has legal rights to lease, transfer and mortgage the building.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at September 30, 2004
				RMB
56.	A parcel of land, various buildings and structures adjoining Capital International Airport Shunyi District Beijing The PRC	<p>The property comprises a parcel of land with a site area of approximately 183,570.67 sq.m., on which 6 buildings and 3 structures are erected.</p> <p>The buildings and structures were completed in about 2003.</p> <p>The total gross floor area of the 6 buildings is approximately 36,719.40 sq.m.</p> <p>The land use rights of the properties have been granted for a term of 50 years expiring on March 6, 2054.</p>	<p>The property is currently occupied by Air China Cargo for storage purposes.</p>	<p>287,634,000</p> <p>51% interest attributable to the Group:</p> <p>146,693,000</p>

Notes:

- Pursuant to a State-owned Land Use Rights Certificate-Jing Shun Guo Yong (2004chu) Zi Di No. 086, the land use rights of the property with a site area of approximately 183,570.67 sq.m. have been granted to Air China International Corporation for a term of 50 years expiring on March 6, 2054 for storage purposes.
Air China International Corporation has invested the land use rights and the buildings of the property to Air China Cargo Company Limited ("Air China Cargo") as equity capital.
- Pursuant to a Building Ownership Certificate-Jing Fang Quan Zheng Shun Guo Zi Di No. 00823, 3 buildings with a total gross floor area of approximately 35,354.35 sq.m. are owned by Air China International Corporation.
- For the remaining buildings of the property with a total gross floor area of approximately 1,365.05 sq.m., the Building Ownership Certificate is under application. We have attributed no commercial to the buildings without relevant title certificate. For reference purposes, we are of the opinion that the capital value of the buildings (excluding the land) as at the date of valuation would be RMB 3,551,000 assuming all the relevant title certificates have been obtained.
- Air China Cargo is a 51% owned subsidiary of the Company.
- In preparing our valuation, we have assumed that all conditions have been properly met and that no further charges are due.
- We have been provided with a legal opinion regarding the property interests by the Company's PRC legal adviser, which contains, inter alia, the following:
The Building Ownership Certificates and the Land Use Rights Certificate of the property under the name of Air China Cargo are under application. There is no legal impediment for Air China Cargo to obtain the certificates. After Air China Cargo obtains these title certificates, Air China Cargo can legally own the property and freely lease, transfer, or mortgage the property.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at September 30, 2004
				RMB
57.	A parcel of land, various buildings and structures adjoining Tianjin Binhai International Airport Tianjin The PRC	<p>The property comprises a parcel of land with a site area of approximately 310,082.08 sq.m., on which 15 buildings and 12 structures are erected.</p> <p>The buildings and structures were completed in various stages between 1991 and 1998.</p> <p>The total gross floor area of the 15 buildings is approximately 16,195.15 sq.m.</p> <p>The land use rights of the properties have been granted for a term of 50 years expiring on May 13, 2054.</p>	The property is currently occupied by Air China Cargo for public aviation purposes.	<p>132,903,000</p> <p>51% interest attributable to the Group:</p> <p>67,781,000</p>

Notes:

- Pursuant to a State-owned Land Use Rights Certificate-Dong Li Dan (2004) Di No. 074, the land use rights of the property with a site area of approximately 310,082.08 sq.m. have been granted to Air China International Corporation for a term of 50 years expiring on May 13, 2054 for industrial purposes.
Air China International Corporation has contributed the land use rights and the buildings of the property to Air China Cargo Company Limited (“Air China Cargo”) as equity capital.
- Pursuant to a Building Ownership Certificate-Fang Quan Zheng Dong Li Zi Di No. 100046096, 10 buildings of the property with a total gross floor area of approximately 15,506.13 sq.m. are owned by Air China International Corporation.
- For the remaining buildings of the property with a total gross floor area of approximately 689.02 sq.m., there is not any relevant Building Ownership Certificate under the name of Air China Cargo or Air China International Corporation. Hence, we have attributed no commercial value to these buildings. For reference purposes, we are of the opinion that the capital value of the buildings (excluding the land) as at the date of valuation would be RMB557,000 assuming all the relevant title certificates have been obtained.
- Air China Cargo is a 51% owned subsidiary of the Company.
- In preparing our valuation, we have assumed that all conditions have been properly met and that no further charges are due.
- We have been provided with a legal opinion regarding the property interests by the Company’s PRC legal adviser, which contains, inter alia, the following:
The Building Ownership Certificates and the Land Use Rights Certificate of the property under the name of Air China Cargo are under application. There is no legal impediment for Air China Cargo to obtain the certificates. After Air China Cargo obtains these title certificates, Air China Cargo can legally own the property and freely lease, transfer, or mortgage the property.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at September 30, 2004 RMB
58.	Land, various buildings and structures adjoining Capital International Airport Shunyi District Beijing The PRC	<p>The property comprises the following 3 parts:</p> <p>Part A: Part A includes a parcel of land with a site area of approximately 502,282.09 sq.m. on which are constructed 107 buildings and 51 structures with a total gross floor area of approximately 209,917.80 sq.m., mainly completed in various stages between 1950 and 2002.</p> <p>Part B: Part B includes 4 buildings with a total gross floor area of 5,754.90 sq.m. which are erected on the land adjoining Part A.</p> <p>Part C: Part C includes 297 residential units completed in various stages between 1989 and 1997.</p> <p>The total gross floor area of the 297 residential units is approximately 16,584.77 sq.m.</p>	The property is currently occupied by Ameco for aircraft maintenance and residential purposes.	<p>281,871,000</p> <p>Interest attributable to the Group: 281,871,000</p>

Notes:

- Pursuant to a State-owned Land Use Rights Certificate, the land use rights of Part A were allocated to Air China International Corporation for civil airport purposes. The land use rights of Part A were authorised to China National Aviation Holding Company ("CNAHC") to operate. CNAHC has contributed the land use rights to the Company as equity capital (the "Authorised Land").

As advised by the Company, the land use rights of Part A will be rented to Ameco.

2. Pursuant to 14 Buildings Ownership Certificates, 102 buildings of Parts A and B with a total gross floor area of approximately 208,939.20 sq.m. are owned by Ameco, of which 3 buildings with a total gross floor area of 4,791.09 sq.m. are included in Part B.
3. We have attributed no commercial value to the buildings and structures of Parts A and B as Ameco apparently has no land title for Parts A and B. For reference purpose, we are of the opinion that the capital value of the buildings (excluding the land) as at the date of valuation would be RMB 699,378,000.
4. For Part C, we have been provided with relevant Building Ownership Certificates, Title Proof and Property Purchase Contracts. However, Ameco cannot provide relevant land title document regarding the units of Part C. As such, we have attributed no commercial value to them. For reference purpose, we are of the opinion that the capital value of the buildings of Part C (excluding the land on which the building is erected) as at the date of valuation would be RMB 14,150,000.
5. Ameco is a 60% owned subsidiary of the Company. In the course of our valuation, the capital value of the property interest attributable to the Group includes 100% of the value of the land use rights of Part A as the land title of Part A is owned by the Company.
6. In preparing our valuation, we have assumed that all conditions have been properly met and that no further charges are due.
7. We have been provided with a legal opinion regarding the property interests by the Company's PRC legal adviser, which contains, inter alia, the following:
 - i. CNAHC has the legal rights to contribute the land use rights of the Authorised Land to the Company as equity capital.
 - ii. Ameco can legally occupy and use the buildings with proper Building Ownership Certificates.
 - iii. The Land Use Rights Certificate of the property under the name of the Company is under application. There is no legal impediment for the Company to obtain the certificate. There is no land premium payable for the Company to obtain the Land Use Rights Certificate. Upon obtaining the certificate, the Company can legally own, transfer or lease the land use rights.
 - iv. CHAHC has undertaken to cooperate with the Company to fulfill the title changing formalities for the Land Use Rights Certificate under the name of Air China International Corporation within a year. CHAHC will be responsible for and indemnify the Company against any cost, expenses, or claims caused by the title changing registration, the interference with CNAHC's capital contribution to the Company with the land and any other loss of the Company incurred consequently.

VALUATION CERTIFICATE

<u>No.</u>	<u>Property</u>	<u>Description and tenure</u>	<u>Particulars of occupancy</u>	<u>Capital value in existing state as at September 30, 2004</u> <u>RMB</u>
59.	44 residential units of Block Xin-3, 15 to 21 Area 1 Nanzhuyuan Residential Area Shunyi District Beijing The PRC	The property comprises 44 residential units of 8 residential buildings completed in about 1994. The property has a total gross floor area of approximately 2,731.86 sq.m.	The property is currently occupied by Ameco as staff quarters.	No commercial value 60% interest attributable to the Group: No commercial value

Notes:

1. We have been provided with the Building Ownership Certificates under the name of Ameco for the buildings in which the property units are located. However, we have not been provided with any relevant Land Use Rights Certificates under the name of Ameco. As such, we have attributed no commercial value to the property. For reference purpose, we are of the opinion that the capital value of the property as at the date of valuation would be RMB 6,011,000.
2. We have been provided with a legal opinion regarding the property interests by the Company's PRC legal adviser, which contains, inter alia, the following:
Ameco can legally occupy and use the property.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at September 30, 2004
				RMB
60.	16 residential units of Mingduyuan Residential Area Houshayu Town Shunyi District Beijing Municipality The PRC	The property comprises 16 residential units completed in about 1996. The property has a total gross floor area of approximately 2,558.6 sq.m.	The property is currently occupied by Ameco as staff quarters.	19,906,000 60% interest attributable to the Group: 11,944,000

Notes:

1. Pursuant to 15 Building Ownership Certificates- Jing Fang Quan Zheng Shi Shun She Wai Zi Di Nos. 0870011 to 0870025, 15 residential units with a total gross floor Area of approximately 2,398.41 sq.m. are owned by Ameco. The land use rights term for these units commenced from June 29, 1999 and will expire on May 17, 2064.
2. As advised by Ameco, the Building Ownership Certificate for the remaining unit with a gross floor area of 106.19 sq.m. is under application. As such, we have attributed no commercial value to the unit. For reference purpose, we are of the opinion that the capital value of the unit as at the date of valuation would be RMB 1,330,000.
3. We have been provided with a legal opinion regarding the property interests by the Company's PRC legal adviser, which contains, inter alia, the following:
 - i. Ameco has legal rights to occupy and use the property.
 - ii. Ameco has legal rights to transfer, lease or mortgage the units with proper Building Ownership Certificates.

VALUATION CERTIFICATE

<u>No.</u>	<u>Property</u>	<u>Description and tenure</u>	<u>Particulars of occupancy</u>	<u>Capital value in existing state as at September 30, 2004</u> RMB
61.	4 residential units of Blocks 10 and 16 Area A Daxiyangcheng Wangjing Residential Area Chaoyang District Beijing The PRC	The property comprises 4 residential units of two buildings completed in about 1999. The property has a total gross floor area of approximately 668.01 sq.m.	The property is currently occupied by Ameco as staff quarters.	No commercial value 60% interest attributable to the Group: No commercial value

Notes:

1. Pursuant to 2 Building Ownership Certificates- Jing Fang Quan Zheng She Wai Zi Di No. 030026 and 030027, 4 units with a total gross floor area of 668.01 sq.m. are owned by Ameco.
2. We have not been provided with relevant Land Use Rights Certificates under the name of Ameco. As such, we have attributed no commercial to the property. For reference purposes, we are of the opinion that the capital value of the property as at the date of valuation would be RMB 4,399,000.
3. We have been provided with a legal opinion regarding the property interests by the Company's PRC legal adviser, which contains, inter alia, the following:
Ameco has legal rights to occupy and use the property.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at September 30, 2004 RMB
62.	11 residential units of Block 207 Pingleyuan Residential Area Chaoyang District Beijing The PRC	The property comprises 11 residential units of a building completed in about 1994. The property has a total gross floor area of approximately 558.59 sq.m.	The property is currently occupied by Ameco as staff quarters.	No commercial value 60% interest attributable to the Group: No commercial value

Notes:

1. We have been provided with relevant Purchase Contracts for the property. However, there are no relevant Building Ownership Certificates and Land Use Rights Certificates under the name of Ameco. As such, we have attributed no commercial value to the property. For reference purpose, we are of the opinion that the capital value of the property as at the date of valuation would be RMB2,123,000.
2. We have been provided with a legal opinion regarding the property interests by the Company's PRC legal adviser, which contains, inter alia, the following:
Ameco can occupy and use the property.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at September 30, 2004
				RMB
63.	3 residential units, a commercial unit and 2 garages located at Fangcao Street Hi-Tech Development Zone Chengdu City Sichuan Province The PRC	<p>The property comprises 3 residential units, a commercial unit and 2 garages on Level 1 of 3 residential buildings completed in various stages between 1995 and 1998.</p> <p>The property has a total gross floor area of approximately 469.45 sq.m.</p>	The property is currently occupied by Southwest Aviation Information as staff quarters (except for the commercial unit which is rented to an independent party).	<p>281,000</p> <p>100% interest attributable to the Group: 281,000</p>

Notes:

- Pursuant to 2 Building Ownership Certificates-Cheng Fang Jian Zheng Zi Di Nos. 0022357 and 0022356, 3 units with a total gross floor area of approximately 314.76 sq.m. are owned by China Southwest Airlines (the former name of Southwest Branch of Air China International Corporation). As confirmed by the Company, these Building Ownership Certificates also include the units with a total gross floor area of 1,888.56 sq.m. which have been sold.

Pursuant to 2 Building Ownership Certificates-Rong Fang Quan Zheng Cheng Fang Jian Zheng Zi Di Nos. 0375237 and 0561404, 2 garages and a commercial unit with a total gross floor area of approximately 154.69 sq.m. are owned by Sichuan Southwest Aviation Information Service Centre ("Southwest Aviation Information"). Pursuant to a Land Use Rights Certificate-Cheng Fang Guo Yong (2002) Zi Di No.1634 the land use rights to the 2 garages have been granted to Southwest Aviation Information.

- Southwest Aviation Information is a wholly owned subsidiary of the Company.
- Pursuant to a Tenancy Agreement entered into between Southwest Aviation Information and an independent party (the "lessee"), the commercial unit of the property with a gross floor area of 103.61 sq.m. is rented to the lessee for a term expiring on July 2006 at an annual rental of RMB 49,200.
- For the 3 residential units and the commercial unit with a total gross floor area of approximately 418.37 sq.m., we have not been provided with relevant land title document. Hence, we have attributed no commercial value to them. For reference purposes, we are of the opinion that the capital value of them would be RMB 1,209,000 as at the date of valuation assuming the relevant title certificate has been obtained.
- We have been provided with a legal opinion regarding the property interests by the Company's PRC legal adviser, which contains, inter alia, the following:

Southwest Aviation Information has legal rights to occupy and use the property and can freely lease, transfer or mortgage the 2 garages.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at September 30, 2004
				RMB
64.	Room 306 of Block 1 of Taohuayuan Wanke Chengshi Garden Shunyi District Beijing, The PRC	The property comprises a residential unit on Level 3 of a 5-storey residential building completed in about 2001. The property has a gross floor area of approximately 162.22 sq.m.	The property is currently occupied by Beijing Air Catering Co., Ltd. as staff quarters.	665,000 60% interest attributable to the Group: 399,000

Notes:

1. Pursuant to a Building Ownership Certificate-Jing Fang Quan Zheng Shun Gang Ao Tai Yi Zi Di No. 00007, the unit with a gross floor area of approximately 162.22 sq.m. is owned by Beijing Air Catering Co., Ltd.
2. Beijing Air Catering is a 60% owned subsidiary of the Company.
3. We have been provided with a legal opinion regarding the property interests by the Company's PRC legal adviser, which contains, inter alia, the following:

Beijing Air Catering can legally own the property and freely lease, transfer, or mortgage the property

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at September 30, 2004
				RMB
65.	Land, various buildings adjoining Capital International Airport Shunyi District Beijing The PRC	The property comprises a parcel of land with an area of approximately 17,653.78 sq.m. on which are constructed 7 buildings completed in various stages between 1980 and 1995. The property has a total gross floor area of approximately 34,242.21 sq.m.	The property is currently occupied by Beijing Air Catering Co., Ltd. for aviation food production purposes.	15,177,000 Interest attributable to the Group: 15,177,000

Notes:

1. Pursuant to a State-owned Land Use Rights Certificate, the land use rights of the land with a site area of approximately 17,653.78 sq.m. have been allocated to Air China International Corporation for civil airport purposes. The land use rights of the property were authorised to China National Aviation Holding Company (“CNAHC”), a shareholder of the Company, to operate (the “Authorised Land”).
As advised by the Company, the land use rights of the property will be rented to Beijing Air Catering Co., Ltd.
2. Pursuant to a Building Ownership Certificate-Jing Fang Quan Zheng Fei Guo Zi Di No. 00818, 7 buildings with a total gross floor area of approximately 34,242.21 sq.m. are owned by Air China International Corporation.
3. We have attributed no commercial value to the buildings of the property as Beijing Air Catering Co., Ltd. apparently has no land title to the land of the property. For reference purposes, we are of the opinion that the capital value of the buildings (excluding the land) as at the date of valuation would be RMB 82,121,000 assuming all relevant title certificates have been obtained.
4. Beijing Air Catering Co., Ltd. is a 60% owned subsidiary of the Company. In the course of our valuation, the capital value of the property attributable to the Group includes 100% of the value of the land use rights of the Authorised Land as the land title of the Authorised Land is owned by the Company.
5. We have been provided with a legal opinion regarding the property interests by the Company’s PRC legal adviser, which contains, inter alia, the following:
 - i. CNAHC has the legal rights to contribute the land use rights to the Company as equity capital.
 - ii. Beijing Air Catering Co., Ltd. can legally occupy and use the buildings.
 - iii. The Land Use Rights Certificate of the property under the name of the Company is under application. There is no legal impediment for the Company to obtain the certificate. There is no land premium payable for the Company to obtain the Land Use Rights Certificate. Upon obtaining the certificate, the Company can legally own, transfer or lease the land use rights.
 - iv. CHAHC has undertaken to cooperate with the Company to fulfill the title changing formalities for the Land Use Rights Certificate under the name of Air China International Corporation within a year. CHAHC will be responsible for and indemnify the Company against any cost, expenses, or claims caused by the title changing registration, the interference with CNAHC’s capital contribution to the Company with the land and any other loss of the Company incurred consequently.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at September 30, 2004
				RMB
66.	A parcel of land, various buildings and structures Qinggang Village Dongsheng Town Shuangliu County Chengdu City Sichuan Province The PRC	<p>The property comprises a parcel of land with a site area of approximately 7,846.97 sq.m. on which are constructed 6 buildings and various structures completed in various stages between 1993 and 2001.</p> <p>The buildings have a total gross floor area of approximately 3,139.48 sq.m.</p> <p>The land use rights have been granted for a term of 50 years.</p>	<p>The property is currently occupied by Southwest Air Catering for aviation food production purposes.</p>	<p>4,079,000</p> <p>75% interest attributable to the Group: 3,059,000</p>

Notes:

- Pursuant to a State-owned Land Use Rights Certificate- Shuang Guo Yong (2004) Zi No. 03517, the land use rights of the land with a site area of approximately 7,846.97 sq.m. have been granted to Southwest Air Catering Company Limited ("Southwest Air Catering") for a term of 50 years expiring on June 22, 2054 for industrial use.
- For the property, there is no relevant Building Ownership Certificate under the name of Southwest Air Catering. As such, we have attributed commercial value to the land and structures but no commercial value to the buildings. For reference purposes, we are of the opinion that the capital value of the buildings (excluding the land and structures) as at the date of valuation would be RMB 5,946,000.
- Southwest Air Catering is a 75% owned subsidiary of the Company.
- As advised by Southwest Air Catering, the Building Ownership Certificate of the property is under application.
- We have been provided with a legal opinion regarding the property interests by the Company's PRC legal adviser, which contains, inter alia, the following:

Southwest Air Catering has legal rights to own, transfer, lease or mortgage the land use rights of the property.

VALUATION CERTIFICATE

<u>No.</u>	<u>Property</u>	<u>Description and tenure</u>	<u>Particulars of occupancy</u>	<u>Capital value in existing state as at September 30, 2004</u> RMB
67.	A parcel of land, a building and structures located at Qinggang Village Dongsheng Town Chengdu City Sichuan Province The PRC	The property comprises a parcel of land with a site area of approximately 20,000 sq.m. on which are constructed a building and various structures, completed in about 2004. The building has a total gross floor area of approximately 15,855 sq.m.	The property is currently occupied by Southwest Air Catering for aviation food production purposes.	No commercial value 75% interest attributable to the Group: No commercial value

Notes:

1. For the property, there is no relevant Land Use Rights Certificate and Building Ownership Certificate under the name of Southwest Air Catering Company Limited ("Southwest Air Catering"). As such, we have attributed no commercial value to the property. For reference purpose, we are of the opinion that the capital value of the property as at the date of valuation would be RMB56,800,000 (excluding the value of land).
2. Southwest Air Catering is a 75% owned subsidiary of the Company.
3. Pursuant to a Construction Land Planning Permit and a Construction Work Planning Permit, the development of the property is approved.
4. We have been provided with a legal opinion regarding the property interests by the Company's PRC legal adviser, which contains, inter alia, the following:
 - i. Southwest Air Catering has signed a requisition agreement with the relevant local land authority and has paid the requisition fee of the land of the property.
 - ii. After finishing the land grant formalities of the land and obtaining the Land Use Rights Certificate and Building Ownership Certificate for the property, Southwest Air Catering will have legal rights to own, transfer, lease or mortgage the property.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at September 30, 2004
				RMB
68.	A parcel of land, various buildings and structures Changle Village Baijia Town Shuangliu County Chengdu City Sichuan Province The PRC	The property comprises a parcel of land with a total site area of approximately 7,174.23 sq.m. on which are constructed 5 buildings and various structures completed in various stages between 1992 and 2000. The buildings have a total gross floor area of approximately 2,447.16 sq.m. The land use rights have been granted for a term expiring on December 2, 2049 for industrial purposes.	The property is currently occupied by Southwest Air Catering for aviation food production purposes.	5,184,000 75% interest attributable to the Group: 3,888,000

Notes:

1. Pursuant to a State-owned Land Use Rights Certificate-Shuang Guo Yong (2000)Zi Di No. 00072, the land use rights of the land with a site area of approximately 7,174.23 sq.m. have been granted to Southwest Air Catering Company Limited (“Southwest Air Catering”) for a term expiring on December 2, 2049 for industrial purposes.
2. Pursuant to a Building Ownership Certificate-Shuang Quan Zi Di No. 0092735, 5 buildings with a total gross floor area of approximately 2,447.16 sq.m. are owned by Southwest Air Catering Company Limited (“Southwest Air Catering”).
3. Southwest Air Catering is a 75% owned subsidiary of the Company.
4. We have been provided with a legal opinion regarding the property interests by the Company’s PRC legal adviser, which contains, inter alia, the following:

Southwest Air Catering has the legal rights to own and freely lease, transfer, mortgage or otherwise handle the land use rights and building ownership of the property.

VALUATION CERTIFICATE

Group V — Property interests rented and occupied by the Group in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at September 30, 2004												
				RMB												
69.	157 properties leased by the Group in the PRC	<p>The properties comprise 157 buildings or units. The properties have a total lease area of approximately 93,617 sq.m.</p> <p>The lease area of the properties in respect of their usage is set out as follows:</p> <table border="1"> <thead> <tr> <th>Usage</th> <th>Lease area (sq.m.)</th> </tr> </thead> <tbody> <tr> <td>Office</td> <td>50,914</td> </tr> <tr> <td>Ticket sales office</td> <td>15,230</td> </tr> <tr> <td>Residential</td> <td>10,361</td> </tr> <tr> <td>Passengers' service counter, warehouse, workshop, etc.</td> <td>17,112</td> </tr> <tr> <td>Total</td> <td>93,617</td> </tr> </tbody> </table>	Usage	Lease area (sq.m.)	Office	50,914	Ticket sales office	15,230	Residential	10,361	Passengers' service counter, warehouse, workshop, etc.	17,112	Total	93,617	<p>The properties are currently occupied by the Group mainly as offices and sales offices.</p>	No commercial value
Usage	Lease area (sq.m.)															
Office	50,914															
Ticket sales office	15,230															
Residential	10,361															
Passengers' service counter, warehouse, workshop, etc.	17,112															
Total	93,617															
		<p>The properties are leased to the Company or the Company's subsidiaries for various terms expiring on various dates at a total annual rental of approximately RMB85,758,000.</p>														

Notes:

1. Among the above 157 leased properties, 14 properties with a total gross floor area of approximately 53,087 sq.m. are leased by the Company from CNAHC Group with a total annual rental of RMB 46,583,000 for a term expiring on December 31, 2006.
2. The remaining 143 properties with a total gross floor area of approximately 40,530 sq.m. are leased by the Company from various independent parties with a total annual rental of RMB 39,175,000 for different terms.
3. We have been provided with a legal opinion regarding the property interests by the Company's PRC legal adviser, which contains, inter alia, the following:
 - i. Of the 157 leased properties, the lessors of 29 properties with a total gross floor area of 37,946 sq.m. have provided to the Group with the relevant Building Ownership Certificates. The Group can legally occupy and use the properties.
 - ii. For the remaining 128 properties with a total gross floor area of 55,671 sq.m., the Group have not been provided with any legal title document to the properties. As such, the Group's occupation of the properties could not be protected by the PRC laws. However, for the 8 properties of these 128 properties which are leased from CNAHC Group, CNAHC Group has undertaken to indemnify the Group against any loss arising from the lack of legal title for the leased properties. For the 28 properties of the 128 properties which are leased from independent parties, the lessors of the properties have undertaken to indemnify the Group against any loss arising from the lack of property title.

VALUATION CERTIFICATE

Group VI — Property interests rented and occupied by the Group in overseas countries

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at September 30, 2004 RMB										
70.	245 properties leased by the Group in overseas countries/regions	<p>The properties comprise 245 buildings and units located at 44 cities of overseas countries or regions.</p> <p>The properties have a total floor area of approximately 44,119 sq.m.</p> <p>The lease area of the properties in respect of their usage are set out as follows:</p> <table style="margin-left: 40px;"> <thead> <tr> <th></th> <th style="text-align: right;">Lease area (sq.m.)</th> </tr> </thead> <tbody> <tr> <td>Use</td> <td></td> </tr> <tr> <td>Office/ticket sales office, etc</td> <td style="text-align: right;">27,620</td> </tr> <tr> <td>Residential</td> <td style="text-align: right;"><u>16,499</u></td> </tr> <tr> <td>Total</td> <td style="text-align: right;"><u><u>44,119</u></u></td> </tr> </tbody> </table> <p>The properties are leased to the Company or its subsidiaries for various terms at a total annual rental of RMB178,054,000.</p>		Lease area (sq.m.)	Use		Office/ticket sales office, etc	27,620	Residential	<u>16,499</u>	Total	<u><u>44,119</u></u>	The properties are currently occupied by the Group as offices and sales offices.	No commercial value
	Lease area (sq.m.)													
Use														
Office/ticket sales office, etc	27,620													
Residential	<u>16,499</u>													
Total	<u><u>44,119</u></u>													

Notes:

- Among the above 245 leased properties, a property with a gross floor area of approximately 330 sq.m. are leased by a subsidiary of the Company from CNAHC Group with an annual rental of RMB 720,000 for a term commencing from December 1, 2003 and expiring on November 31, 2005.
- The remaining 244 properties with a total gross floor area of approximately 43,789 sq.m. are leased by the Company from various independent parties with a total annual rental of RMB 177,334,000 for different terms.