



CORPORATE PROFILE

Air China Limited (the “Company”) is a joint stock limited company with limited liability incorporated in the PRC under the laws of the PRC on September 30, 2004. The Company has an extensive operating history in China through its predecessors and has historically been the principal Chinese airline providing international, domestic and regional airline services. Our original predecessor was the Beijing Administrative Bureau of Civil Aviation Administration of China which is now known as the General Administration of Civil Aviation of China (“CAAC”), which began providing air services since 1955. Our immediate predecessor was established in 1988 as Air China International Corporation to assume the operations of the CAAC’s Beijing Administrative Bureau.

Our parent company, China National Aviation Holding Company (“CNAHC”), was formed in October 2002 to hold certain airline and airline-related assets, including the equity interest of Air China International Corporation. Air China International Corporation also merged with China National Aviation Corporation (“CNAC (PRC)”), which owned Zhejiang Airlines, and China Southwest Airlines in October 2002. In 2003, China Southwest Airlines and CNAC Zhejiang Airlines were dissolved as legal entities and their respective airline operations, assets and liabilities, and employees were integrated with Air China International Corporation.

We were established by restructuring for the purpose of initial public offering in 2004. By way of restructuring, we assumed all the airline and airline-related business operated by Air China International Corporation, together with its related assets and liabilities, including its aircraft and related equipment and the equity interests in various investees. In addition, we assumed from China National Aviation

Corporation (Group) Limited (“CNACG”) a controlling interest of approximately 69% in China National Aviation Company Limited (“CNAC”), a company listed on the Hong Kong Stock Exchange that provides passenger and cargo air transportation and other airline-related services through its subsidiaries and affiliates. CNAC in turn owns approximately 43.3% of Hong Kong Dragon Airlines Limited (“Dragonair”) and 51.0% of Air Macau Company Limited (“Air Macau”). We have also acquired 48.0% of the equity interest of Shandong Aviation Group and 22.8% of the equity interest of Shandong Airlines Co., Ltd. whose B Shares are listed on Shenzhen Stock Exchange.

Our business scope mainly covers: international and domestic scheduled and non-scheduled passenger, cargo, mail and luggage transportation, domestic and international business jet service, aircraft custody, aircraft maintenance, agency service between airlines; other businesses related to above core business include ground service and aviation courier service (except mail and objects of the same nature as mail) and in-flight duty free items. We provide above airline-related services in Beijing, Chengdu, Hong Kong and other locations through our own business units and joint ventures with prominent companies, including Deutsche Lufthansa AG (“Lufthansa”) and Hong Kong Jardine Matheson Ltd.

As of December 31, 2004, the Company, including Air China Cargo Co., Ltd. (“Air China Cargo”), operated a fleet of 151 aircraft, mainly including B747, B737, B767, B777, B757, A319, A320, A340 and one business jet (Gulfstream IV).

On December 15, 2004, our Company had its H Shares, namely overseas listed foreign invested shares, successfully listed in Hong Kong and London.