



中國國際航空股份有限公司

AIR CHINA LIMITED

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 753)

**(1) The Resolutions (including Appointment of Director) Passed at
the Extraordinary General Meeting
(2) Proposed Amendment of Articles of Association**

- The Board of the Company is pleased to announce the results of the EGM of the Company held on 28 December 2006.
- The Shareholders have approved the appointment of Mr. Chen Nan Lok Philip as a non-executive director of the Company. The term of his office shall commence upon the approval to the Proposed Amendment in respect of the number of Directors by relevant PRC authorities.

The board of directors (the “Board”) of Air China Limited (the “Company”) is pleased to announce that the extraordinary general meeting (“EGM”) was held on Thursday, 28 December 2006 at The Conference Room, Air China Building, 36 Xiaoyun Road, Chaoyang District, Beijing, PRC. Unless otherwise indicated, capitalized terms used herein shall have the same meaning as those defined in the Company’s circular dated 1 December 2006 (“Circular”).

As stated in the notice of EGM, Shareholders of the Company whose names appear on the register of members of the Company at the close of business on 28 November 2006 were entitled to attend the EGM.

At as the date of this announcement, CNAHC is a substantial shareholder of the Company and CNAF is CNAHC’s subsidiary. Accordingly, CNAHC and CNACG, which is CNAHC’s wholly owned subsidiary, are required to abstain from voting on the resolutions in respect of the Financial Service Agreement and its supplemental agreement and Charter Flight Service Framework Agreement and its supplemental agreement. In addition, CNAHC and CNACG are also required to abstain from voting on the resolution in respect of the supplemental agreements to the Sales Agency Service Framework Agreement and the Standard Ground Handling Agreement, respectively, which are required by the Listing Rules of Shanghai Stock Exchange to be approved by the Shareholders at the EGM.

Shareholders of the Company and authorized proxies holding an aggregate 9,392,547,262 shares (3,062,997,775 if excluding shares held by CNAHC and CNACG), entitling them to vote for or against the proposed resolutions at the EGM, were present at the EGM. The holding of the EGM was in compliance with the requirements of the Company Law of the People’s Republic of China and the provisions of the Articles of Association. The EGM was chaired by Mr. Li Jiaxiang, the chairman of the Company.

The poll results in respect of the proposed resolutions at the EGM were as follows:

RESOLUTIONS	Votes of Shareholders	
	For	Against
the Non-exempt Continuing Connected Transactions and their proposed annual cap for each of the three years ended 31 December 2007, 2008 and 2009 and the supplemental agreements in respect of the Company's continuing connected transactions, which shall be approved or ratified by the Shareholders in accordance with PRC law, are hereby approved and ratified. (Ordinary Resolution)	2,853,773,392 (93.17%)	209,224,383
	9,183,322,879 (97.78)% (for the items on which CNAHC and CNACG do not have to abstain from voting)	209,224,383
the Board form an Aviation Safety Committee comprising 3 members and Mr. Wang Shixiang serves as the chairman of this committee while Mr. Ma Xulun and Mr. Cai Jianjiang are the committee members are hereby approved. (Ordinary Resolution)	9,392,533,262 (99.99%)	14,000
all the board committees under the Board may engage both internal and external experts to provide professional support for their decision-making and the terms of such engagement shall expire upon the expiration of the current Board session, and the first list of experts of each board committee are hereby approved, and all board committees are authorized thereafter to select and replace any such experts and to decide other relevant engagement matters. (Ordinary Resolution)	9,338,891,262 (99.43%)	53,656,000
the Directors and Senior Management Stock Appreciation Rights Administrative Handbook is hereby approved. (Ordinary Resolution)	9,392,533,262 (99.99%)	14,000
Mr. Chen Nan Lok Philip is appointed as a non-executive Director and the term of his office shall commence upon the approval to the Proposed Amendment in respect of the number of Directors by relevant PRC authorities and shall end on the expiry of the term of the current session of the Board. (Ordinary Resolution)	9,391,535,262 (99.99%)	1,012,000
the Proposed Amendment including the amendments to the articles of association, made in accordance with relevant newly amended PRC laws, and the amendment that the number of Directors of the Board is increased from 12 to 13 are hereby approved. (Special resolution)	9,392,533,262 (99.99%)	14,000

As more than 50% of the votes were cast in favor of the ordinary resolutions, the ordinary resolutions were duly passed. As more than two-thirds of the votes were cast in favor of the special resolution, the special resolution was duly passed.

Tin Wha CPAs was the scrutineer for the vote-taking at the EGM.

Appointment of Non-executive Director

The Company is pleased to announce that the Shareholders have approved the appointment of Mr. Chen Nan Lok Philip as a non-executive director of the Company. The term of his office shall commence upon the approval to the Proposed Amendment in respect of the number of Directors by relevant PRC authorities and shall end on the expiry of the term of the current session of the Board.

Mr. CHEN Nan Lok Philip, aged 51, has been a director of Cathay Pacific Airways Limited since July 1998 and was appointed Chief Executive of that company in January 2005. He is also a director of John Swire & Sons (H.K.) Limited and Swire Pacific Limited and Chairman of Hong Kong Dragon Airlines Limited. He joined the John Swire & Sons Limited group in 1977 and in addition to Hong Kong has worked with the group in Mainland China and the Asia Pacific region. He has an honours degree in Political Science and History.

Mr. Chen has not held any directorship in any other listed companies or taken up a post in any affiliated companies of the Company in the past three years. Further, Mr. Chen does not have any relationship with any other director, senior management, substantial shareholder or controlling shareholder of the Company. Mr. Chen does not have any equity interest in the Company within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong). There is no information to be disclosed on items from (h) to (v) in Rule 13.51(2) of the Listing Rules. No other matter needs to be brought to the attention of the Shareholders in respect of the Company and its Directors and supervisors of the Company.

Mr. Chen will not receive any compensation for his service as a Director of the Company.

Proposed Amendment of Articles of Association

At the Board meeting held on 28 December 2006, the Board proposed to amend article 12 of the Articles of Association by adding “aviation accident insurance agency sales” to the Company’s business scope. Such proposed amendment will be submitted as a special resolution to the Company’s general meeting for Shareholders’ approval.

By order of the Board
Air China Limited
Zheng Baoan Li Man Kit
Joint Company Secretaries

Beijing, 28 December 2006

As at the date of this announcement, the Directors of the Company are Messrs Li Jiaxiang, Kong Dong, Wang Shixiang, Yao Weiting, Christopher Dale Pratt, Ma Xulun, Cai Jianjiang, Fan Cheng, Hu Hung Lick, Henry, Wu Zhipan*, Zhang Ke* and Jia Kang*.*

* *Independent non-executive Director of the Company*

“Please also refer to the published version of this announcement in the South China Morning Post”