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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) FIRST QUARTERLY REPORT 2008
(OVERSEAS REGULATORY ANNOUNCEMENT)
(2) APPOINTMENT OF CHAIRMAN OF THE SECOND SESSION OF
THE BOARD (OVERSEAS REGULATORY ANNOUNCEMENT)
(3) SALE OF CERTAIN EQUITY INTEREST HELD BY
CHINA NATIONAL AVIATION COMPANY LIMITED
(OVERSEAS REGULATORY ANNOUNCEMENT)
(4) AMENDMENT OF THE ARTICLES OF ASSOCIATION
OF THE COMPANY

The board of directors (the “Board”) of Air China Limited (the “Company”) hereby announces that a meeting of the Board (the “Board Meeting”) was held on 24 April 2008 and passed resolutions relating to:

1. the results for the first quarter ended 31 March 2008;
2. the appointment of Mr. Kong Dong as Chairman of the second session of the Board;
3. the sale of equity interest held by China National Aviation Company Limited (“CNAC”) in Fly Top Limited, China National Aviation Logistics Company Limited and Jardine Airport Services Limited to China National Aviation Corporation (Group) Limited (“CNACG”); and
4. the amendment of Article 20 of the articles of association of the Company (the “Articles of Association”) in respect of the Company’s share capital structure.

The announcement as set out in section I, II, and III below is made pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Hong Kong Listing Rules”).

The Board of the Company hereby announces that the Board Meeting was held on 24 April 2008 and passed resolutions on the following subjects.

I. FIRST QUARTERLY REPORT 2008

1. IMPORTANT NOTICE

1.1 The board of directors, the Supervisory Committee, as well as the directors, supervisors and senior management of the Company hereby warrant that there are no false representations, misleading statements or material omissions in this report, and the Directors, Supervisors and the senior management individually and jointly accept full responsibility for the truthfulness, accuracy and completeness of the contents of this report.

1.2 Director Mr. Wang Shixiang was unable to attend the Board meeting due to business engagement, and appointed Mr. Kong Dong to attend and vote on his behalf.

Director Mr. Yao Weiting was unable to attend the Board meeting due to business engagement, and appointed Mr. Ma Xulun to attend and vote on his behalf.

Independent Director Mr. Jia Kang was unable to attend the Board meeting due to business engagement, and appointed Mr. Wu Zhipan to attend and vote on his behalf.

1.3 The First Quarterly Report of the Company was unaudited.

1.4 The Chairman of the Company Kong Dong, Chief Financial Officer Fan Cheng (Person in charge of accounting function), and the General Manager of Finance Department Li Youqiang hereby jointly declare that the financial statements set out in this quarterly report is true and complete.

2. BASIC INFORMATION OF THE COMPANY

2.1 Major accounting data and financial ratios

	<i>In RMB</i>		
	At the end of the reporting period	At the end of previous year	Increase/ (decrease) at the end of the reporting period as compared to the end of the pervious year (%)
Total assets (<i>RMB'000</i>)	93,179,455	88,295,239	5.53
Owner's equity (or shareholders' equity) attributable to shareholders of the listed company (<i>RMB'000</i>)	31,964,545	31,288,095	2.16
Net asset per share attributable to shareholders of the Company (<i>RMB</i>)	2.69	2.64	1.89
	From the beginning of the year to the end of the reporting period	Increase/(decrease) over the corresponding period of previous year (%)	
Net cash flows from operating activities (<i>RMB'000</i>)	2,086,620	33.09	
Net cash flows from operating activities per share (<i>RMB</i>)	0.18	38.46	

	Reporting period	From the beginning of the year to the end of the reporting period	Increase/ (decrease) of this reporting period as compared to the corresponding period of previous year (%)
Net profit attributable to shareholders of the Company (<i>RMB'000</i>)	1,044,014	1,044,014.00	147
Basic earnings per share (<i>RMB</i>)	0.09	0.09	147
Basic earnings per share after exceptional gains and losses (<i>RMB</i>)	0.09	0.09	143
Diluted earnings per share (<i>RMB</i>)	n/a	n/a	n/a
Fully diluted return on net assets (%)	3.27	3.27	Increase by 2 percentage points
Fully diluted return on net assets after exceptional gains and losses (%)	3.29	3.29	Increase by 2 percentage points
Exceptional gain and loss items		From the beginning of the year to the end of the reporting period	(<i>RMB'000</i>)
Gains and losses from disposal of non-current assets			-9,419
Government grants (except for the grants which are closely related to the Company's business and have the standard amount and quantities in accordance with the national standard) attributable to gains and losses for the period			34,623
Other non-operating net income and expenses apart from those stated above			-33,810
Effect of income tax			2,151
Total			<u><u>-6,454</u></u>

2.2 Total number of shareholders and top 10 holders of listed shares not subject to trading moratorium as at the end of the reporting period

Unit: Share

Total number of shareholders at the end of the reporting period 543,656

Particulars of the top 10 holders of listed shares not subject to trading moratorium

Name of shareholder (full name)	Number of listed shares not subject to trading moratorium held as at period end	Class of Shares
CATHAY PACIFIC AIRWAYS LIMITED	2,217,617,455	Overseas listed foreign shares
HKSCC NOMINEES LIMITED	2,160,199,899	Overseas listed foreign shares
China National Aviation Holding Company	122,870,578	RMB ordinary shares
Sinotrans Air Transportation Development Co., Ltd.	80,000,000	RMB ordinary shares
China Shipbuilding Industry Corporation	50,000,000	RMB ordinary shares
Rongtong New Blue Chip Securities Investment Fund (融通新藍籌證券投資基金)	35,581,473	RMB ordinary shares
Three Gorges Finance Co., Ltd. (三峽財務有限責任公司)	35,000,000	RMB ordinary shares
China Yangtze Power Co., Ltd.	35,000,000	RMB ordinary shares
China General Technology (Group) Holding Limited	32,800,000	RMB ordinary shares
China Power Finance Co., Ltd. (中國電力財務有限公司)	32,080,472	RMB ordinary shares

3. SIGNIFICANT EVENTS

3.1 Significant changes of the principal accounting statements and financial indicators and reasons thereof

applicable not applicable

1. Net profit attributable to the Company

During the reporting period, net profit attributable to the Company increased by 147% as compared with the same period of last year. The reason for the increase was mainly attributable to the stable growth of the aviation market, increase of passenger yield per kilometer and exchange gains from appreciation of Renminbi.

2. Net cash flow generated from operating activities

During the reporting period, net cash flow generated from the operating activities of the Company increased by 33% as compared with the same period of last year. The main reasons was the increase in sales revenue and the merger of accounts of Air China Cargo following acquisition of its equity interests thus leading to the increase in net cash flow generated from operating activities.

3. Goodwill

During the reporting period, the Company's goodwill increased RMB267.83 million or 278.78% because of the accounting of Air China Cargo as a subsidiary following acquisition of its equity interests. The acquisition premium was accounted for as goodwill.

4. Minority interests

During the reporting period, the minority interests of the Company increased RMB417.535 million or 277.96%. The main reason was the accounting of Air China Cargo as subsidiary following acquisition of its equity interests and inclusion of its minority interests under minority interests of the Company.

5. Exchange differences arising from conversion of foreign currency financial statement

During the reporting period, the exchange deficit arising from converting the Company's foreign currency statement increased RMB397.564 million or 39.1%, mainly due to a greater fluctuation in exchange rate during the period.

3.2 Analysis and explanation on the progress of significant events and their impact and resolutions

applicable not applicable

- (1) On 26 February 2007, the Eastern District Court of New York of the Federal Judiciary of the United States filed a civil summon against the Company and Air China Cargo, claiming that they, together with a number of other airlines, have violated certain antitrust regulations in respect of their air cargo operations in the United States by acting in concert in imposing excessive surcharges to impede the offering of discounts and allocating revenue and customers so as to achieve increasing, maintaining and stabilizing air cargo prices. As the status of the proceedings is still in the preliminary stage, the Directors of the Company are of the view that it is not possible to estimate the eventual outcome of the claim with reasonable certainty and therefore no provision for this claim has been made at this stage.
- (2) The 2007 second extraordinary general meeting of the Company has approved the additional offer of not more than 400 million shares of A shares to the public by the Company. The matter is being considered and reviewed by China Securities Regulatory Commission.

3.3 Performance of undertakings given by the Company, the shareholders and the effective controlling person

applicable not applicable

China National Aviation Holding Company and China National Aviation Corporation (Group) Limited made an undertaking that it would not transfer, or nominate other persons to manage, the shares of the Company held by it, and none of these shares would be acquired by the Company, during the period of 36 months from the listing date of the A shares of the Company.

3.4 Warning in respect of forecast of possible net loss from the beginning of the year to the end of the next Reporting Period or warning in respect of any significant changes in net profit as compared with that of the corresponding period of previous year and the reasons therefore

applicable not applicable

3.5 Particulars of the Securities Investment

applicable not applicable

Air China Limited
Chairman: Kong Dong

24 April 2008

4. APPENDIX

4.1 Consolidated Balance Sheet 31 March 2008

Prepared by Air China Limited

Unit: RMB'000 (Unaudited)

Items	Balance at the end of the period	Balance at the beginning of the year
CURRENT ASSETS:		
Cash and bank balances	4,493,080	3,787,152
Provisions on payables	—	—
Contributions received	—	—
Trading financial assets	46,207	6,493
Bills receivable	4,571	1,599
Accounts receivable	3,029,666	2,812,327
Prepayments	356,973	311,784
Premium receivable	—	—
Receivables on reinsurance	—	—
Provisions for reinsurance contracts	—	—
Interests receivable	—	—
Dividend receivable	—	—
Other receivables	907,630	997,205
Purchase of financial assets resold	—	—
Inventories	792,424	755,340
Non-current assets due within a year	—	—
Other current assets	—	—
Total current assets	<u>9,630,551</u>	<u>8,671,900</u>
NON-CURRENT ASSETS:		
Loans and advances	—	—
Available-for-sale financial assets	—	—
Held-to-maturity investment	—	—
Long-term receivables	314,922	255,340
Long-term equity investment	10,290,604	11,404,643
Investment property	—	—
Fixed assets	59,483,204	55,000,376
Construction in progress	10,864,504	10,967,888
Construction materials	—	—
Disposal of fixed assets	—	—
Biological assets for production	—	—
Oil and gas assets	—	—
Intangible assets	1,581,235	1,396,620
Development expenses	—	—
Goodwill	499,775	131,945
Long-term deferred expenses	83,840	80,684
Deferred income tax assets	430,820	385,843
Other non-current assets	—	—
Total non-current assets	83,548,904	79,623,339
Total assets	<u>93,179,455</u>	<u>88,295,239</u>

Items	Balance at the end of the period	Balance at the beginning of the year
CURRENT LIABILITIES:		
Short-term borrowings	6,810,312	6,546,088
Borrowings from central bank	—	—
Deposits from clients and placements from other banks	—	—
Contributions made	—	—
Trading financial liabilities	35,173	14,826
Bills payable	—	—
Accounts payable	6,787,788	6,338,341
Receipts in advance	62,033	53,778
International air traffic liabilities	1,559,711	1,702,490
Domestic air traffic liabilities	405,242	437,473
Salaries and wages payable	269,079	254,073
Taxes payable	1,240,781	1,906,067
Interests payable	338,829	273,824
Dividend payable	—	—
Other payables	2,058,957	2,221,096
Amounts payable on reinsurance	—	—
Provisions on insurance contracts	—	—
Brokerage payable	—	—
Underwriting fees payable	—	—
Non-current liabilities due within a year	7,074,143	6,344,212
Other current liabilities	—	—
Total current liabilities	<u>26,642,048</u>	<u>26,092,268</u>
NON-CURRENT LIABILITIES:		
Long-term borrowings	15,556,773	12,938,092
Debentures payable	3,000,000	3,000,000
Long-term payables	14,667,283	14,630,037
Specific payables	—	—
Estimated liabilities	202,976	191,533
Deferred income tax liabilities	578,081	5,000
Other non-current liabilities	—	—
Total non-current liabilities	34,005,113	30,764,662
Total liabilities	<u>60,647,161</u>	<u>56,856,930</u>

Items	Balance at the end of the period	Balance at the beginning of the year
OWNER'S EQUITY (OR SHAREHOLDERS' EQUITY):		
Paid-up capital (or equity)	12,251,362	12,251,362
Capital surplus	11,882,408	11,852,408
Less: Treasury shares	-	-
Surplus reserves	1,299,214	1,299,214
General risk provisions	-	-
Profit available for appropriation	7,932,857	6,888,843
Currency translation differences	-1,401,296	-1,003,732
Total equities attributable to owners of Company	31,964,545	31,288,095
Minority interests	567,749	150,214
Total owners' equity	32,532,294	31,438,309
Total liabilities and owners' equity	<u>93,179,455</u>	<u>88,295,239</u>

Person in charge of the Company: Chairman Kong Dong

Person in charge of accounting function: Chief Financial Officer Fan Cheng

Person in charge of accounting department: General Manager of Finance Department
Li Youqiang

Balance Sheet of the Company
31 March 2008

Prepared by Air China Limited

Unit: RMB'000 (Unaudited)

Items	Balance at the end of the period	Balance at the beginning of the year
CURRENT ASSETS:		
Cash and bank balances	2,796,308	1,351,373
Trading financial assets	46,207	6,493
Bills receivable	4,571	1,599
Accounts receivable	2,562,333	2,446,047
Prepayments	285,640	264,840
Interests receivable	—	—
Dividend receivable	—	—
Other receivables	1,113,915	984,279
Inventories	718,282	689,871
Non-current liabilities due within a year	—	—
Other current assets	—	—
Total current assets	<u>7,527,256</u>	<u>5,744,502</u>
NON-CURRENT ASSETS:		
Available-for-sale financial assets	—	—
Held-to-maturity investment	—	—
Long-term receivables	242,175	192,848
Long-term equity investment	13,864,156	13,804,257
Investment property	—	—
Fixed assets	56,191,104	54,672,583
Construction in progress	10,749,855	10,967,675
Construction materials	—	—
Disposal of fixed assets	—	—
Biological assets for production	—	—
Oil and gas assets	—	—
Intangible assets	1,382,868	1,396,527
Development expenses	—	—
Goodwill	—	—
Long-term deferred expenses	77,670	79,307
Deferred income tax assets	394,105	372,000
Other non-current assets	—	—
Total non-current assets	82,901,933	81,485,197
Total assets	<u>90,429,189</u>	<u>87,229,699</u>

Items	Balance at the end of the period	Balance at the beginning of the year
CURRENT LIABILITIES:		
Short-term borrowings	6,797,312	6,533,088
Trading financial liabilities	15,494	6,819
Bills payable	–	–
Accounts payable	5,726,963	5,750,093
Receipts in advance	51,093	27,235
International air traffic liabilities	1,469,273	1,575,568
Domestic air traffic liabilities	402,142	437,473
Salaries and wages payable	221,097	248,977
Taxes payable	1,217,606	1,895,869
Interests payable	324,506	273,824
Dividend payable	–	–
Other payables	1,958,732	2,067,698
Non-current liabilities due within a year	6,971,148	6,344,212
Other current liabilities	–	–
Total current liabilities	<u>25,155,366</u>	<u>25,160,856</u>
NON-CURRENT LIABILITIES:		
Long-term borrowings	14,572,127	12,938,092
Debentures payable	3,000,000	3,000,000
Long-term payables	14,476,144	14,427,049
Specific payables	–	–
Estimated liabilities	202,976	191,533
Deferred income tax liabilities	578,081	5,000
Other non-current liabilities	–	–
Total non-current liabilities	32,829,328	30,561,674
Total liabilities	<u>57,984,694</u>	<u>55,722,530</u>
OWNER'S EQUITY (OR SHAREHOLDERS' EQUITY):		
Paid-up capital (or equity)	12,251,362	12,251,362
Capital surplus	14,310,532	14,280,532
Less: Treasury shares	–	–
Surplus reserves	1,289,624	1,289,624
Profit available for appropriation	4,592,977	3,685,651
Total owner's equity (or shareholders' equity)	32,444,495	31,507,169
Total liabilities and owner's equity (or shareholders' equity)	90,429,189	87,229,699

Person in charge of the Company: Chairman Kong Dong

Person in charge of accounting function: Chief Financial Officer Fan Cheng

Person in charge of accounting department: General Manager of Finance Department
Li Youqiang

4.2 Consolidated Income Statement

January to March 2008

Unit: RMB'000 (Unaudited)

Items	Amounts for the period	Amounts for the corresponding period of previous year
I. Total revenue from operations	12,756,278	10,471,131
Including: Operating income	12,756,278	10,471,131
Interest income	—	—
Premium earned	—	—
Fees and commission income	—	—
II. Total operating cost	12,039,068	10,434,911
Including: Operating costs	11,139,496	9,123,346
Interest expenses	—	—
Fees and commission expenses	—	—
Returned premium	—	—
Net reimbursement paid	—	—
Net amounts of provisions on insurance contracts drawn	—	—
Bonus paid on insurance policy	—	—
Reinsurance premium	—	—
Business taxes and other surcharges	314,813	253,554
Selling expenses	800,449	586,168
Administrative expenses	244,274	254,613
Finance expenses	-459,964	217,230
Impairment loss of assets	—	—
Add: Gains from changes in fair value (loss is represented by “-” sign)	19,300	256,595
Investment income (loss is represented by “-” sign)	364,270	220,683
Including: Gains arising from investments in associated companies and joint ventures	218,854	220,683
Exchange gains (loss is represented by “-” sign)	—	—
III Profit from operations (loss is represented by “-” sign)	1,100,780	513,498
Add: Non-operating income	39,473	1,401
Less: Non-operating expenses	48,079	14,686
Including: Net loss arising from disposal of non-current assets	—	—

Items	Amounts for the period	Amounts for the corresponding period of previous year
IV. Total profit (loss is represented by “-” sign)	1,092,174	500,213
Less: Income tax expenses	84,181	97,079
V. Net profit (loss is represented by “-” sign)	1,007,993	403,134
Net profits attributable to owners of Company	1,044,014	422,945
Gains or losses from minority interests	-36,021	-19,811
VI. Earnings per share:		
(I) Basic	0.09	0.04
(II) Diluted	n/a	n/a

Person in charge of the Company: Chairman Kong Dong

Person in charge of accounting function: Chief Financial Officer Fan Cheng

Person in charge of accounting department: General Manager of Finance Department
Li Youqiang

Income Statement of the Company
January to March 2008

Unit: RMB'000 (Unaudited)

Items	Amounts for the period	Amounts for the corresponding period of previous year
I. Revenue from operations	11,292,574	9,849,262
Less: Operating cost	9,654,633	8,492,676
Business taxes and other surcharges	291,259	251,994
Selling expenses	775,159	568,807
Administrative expenses	216,479	215,978
Finance expenses	-404,021	234,569
Impairment loss of assets	-	-
Add: Gains from changes in fair value (loss is represented by “-”sign)	31,039	242,055
Investment income (loss is represented by “-” sign)	205,315	-105,843
Including: Gains arising from investments in associated companies and joint ventures	59,899	-105,843
II. Profit from operations (loss is represented by “-” sign)	995,419	221,450
Add: Non-operating income	37,807	1,340
Less: Non-operating expenses	47,650	14,682
Including: Net loss arising from disposal of non-current assets	-	-
III. Total profit (loss is represented by “-” sign)	985,576	208,108
Less: Income tax expenses	78,249	86,927
IV. Net profit (loss is represented by “-” sign)	907,327	121,181

Person in charge of the Company: Chairman Kong Dong

Person in charge of accounting function: Chief Financial Officer Fan Cheng

Person in charge of accounting department: General Manager of Finance Department
 Li Youqiang

4.3 Consolidated Cash Flow Statement

January to March 2008

Unit: RMB'000 (Unaudited)

Items	Amounts for the period	Amounts for the corresponding period of previous year
I. Cash flows from operating activities:		
Cash received from sales of goods, provision of services	12,016,400	10,189,269
Net increase in deposits from clients and placements from other banks	—	—
Net increase in borrowings from central bank	—	—
Net increase in contributions made to other financial institutions	—	—
Cash received from premiums of original insurance contracts	—	—
Net cash receipt from reinsurance operations	—	—
Net increase in reserve of the insured and investment	—	—
Net increase in trading financial assets	—	—
Cash received from interests, fees and commission	—	—
Net increase in contributions	—	—
Net increase in cash from repurchase operations	—	—
Refund of tax and levy	28,143	—
Other cash received relating to operating activities	213,848	169,131
Subtotal of cash inflows of operating activities	12,258,391	10,358,400
Cash paid for goods purchased, services rendered	7,022,906	5,945,414
Net increase in loans and advances to clients	—	—
Net increase in deposits to central bank and to other banks	—	—
Cash payment of claims under original insurance contracts	—	—
Cash payment of interests, fees and commission	—	—
Cash payment of bonus paid to insurance policy	—	—
Cash paid to or on behalf of employees	1,168,885	946,491
Tax paid	742,176	809,893
Other cash paid in relation to operating activities	1,237,804	1,088,771
Subtotal of cash outflows of operating activities	10,171,771	8,790,569
Net cash flows from operating activities	2,086,620	1,567,831

Items	Amounts for the period	Amounts for the corresponding period of previous year
II. Cash flows from investing activities:		
Cash received from investments	–	–
Cash from investment income	14,405	34,807
Net cash from disposal of fixed assets, intangible assets and other long-term assets	24,559	17,045
Net cash from disposal of subsidiaries and other business units	–	–
Other cash received from investing activities	466,902	43,856
Subtotal of cash inflows of investment activities	505,866	95,708
Cash paid to purchase of fixed assets, intangible assets and other long-term assets	2,709,571	2,304,868
Cash paid to investments	826,364	3,032,433
Net increase in pledged loans	–	–
Net cash from subsidiaries and other business units	–	–
Cash payments relating to other investments	–	–
Subtotal of cash outflows of investment activities	3,535,935	5,337,301
Net cash flows from investing activities	-3,030,069	-5,241,593
III. Cash flows from financing activities:		
Cash received from investments	–	–
Including: Cash received from investments of minority shareholders through subsidiaries	–	–
Cash received from borrowings	7,695,234	6,572,494
Cash received from issue of debentures	–	–
Other cash relating to financing activities	–	–
Subtotal of cash inflows of financing activities	7,695,234	6,572,494
Cash repaid to amounts borrowed	4,287,843	2,912,369
Cash payments for distribution of dividends, profits or interest expenses	414,244	465,467
Including: Dividends and profit paid to minority shareholders by subsidiaries	–	–
Other cash payments relating to financing activities	1,314,895	1,178,472
Subtotal of cash outflows of financing activities	6,016,982	4,556,308
Net cash flows from financing activities	1,678,252	2,016,186
IV. Effect of exchange rate changes on cash and cash equivalents	-28,875	-15,610

Items	Amounts for the period	Amounts for the corresponding period of previous year
V. Net increase in cash and cash equivalents	705,928	-1,673,186
Add: Balance of cash and cash equivalents at the beginning of the period	3,668,528	4,771,340
VI. Balance of cash and cash equivalents at the end of the period	4,374,456	3,098,154

Person in charge of the Company: Chairman Kong Dong

Person in charge of accounting function: Chief Financial Officer Fan Cheng

Person in charge of accounting department: General Manager of Finance Department
Li Youqiang

Cash Flow Statement of the Company
January to March 2008

Unit: RMB'000 (Unaudited)

Items	Amounts for the period	Amounts for the corresponding period of previous year
I. Cash flows from operating activities:		
Cash received from sales of goods, provision of services	11,037,294	9,711,463
Refund of tax and levy	28,143	–
Other cash received relating to operating activities	152,363	154,664
Subtotal of cash inflows of operating activities	11,217,800	9,866,127
Cash paid for goods purchased, services rendered	6,294,726	5,582,382
Cash paid to or on behalf of employees	1,065,998	826,972
Tax paid	699,669	795,041
Other cash paid in relation to operating activities	1,104,204	992,384
Subtotal of cash outflows of operating activities	9,164,597	8,196,779
Net cash flows from operating activities	2,053,203	1,669,348
II. Cash flows from investing activities:		
Cash received from investments	–	–
Cash from investment income	–	14,713
Net cash from disposal of fixed assets, intangible assets and other long-term assets	24,559	15,691
Net cash from disposal of subsidiaries and other business units	–	–
Other cash received from investing activities	149,483	13,051
Subtotal of cash inflows of investment activities	174,042	43,455
Cash paid to purchase of fixed assets, intangible assets and other long-term assets	2,469,311	2,304,763
Cash paid to investments	–	3,032,433
Net cash from subsidiaries and other business units	–	–
Cash payments relating to other investments	–	–
Subtotal of cash outflows of investment activities	2,469,311	5,337,196
Net cash flows from investing activities	-2,295,269	-5,293,741

Items	Amounts for the period	Amounts for the corresponding period of previous year
III. Cash flows from financing activities:		
Cash received from investments	–	–
Cash received from borrowings	7,664,882	6,562,494
Other cash relating to financing activities	–	–
Subtotal of cash inflows of financing activities	7,664,882	6,562,494
Cash repaid to amounts borrowed	4,257,492	2,892,369
Cash payments for distribution of dividends, profits or interest expenses	395,334	464,919
Other cash payments relating to financing activities	1,314,896	1,178,472
Subtotal of cash outflows of financing activities	5,967,722	4,535,760
Net cash flows from financing activities	1,697,160	2,026,734
IV. Effect of exchange rate changes on cash and cash equivalents	-10,159	-1,156
V. Net increase in cash and cash equivalents	1,444,935	-1,598,815
Add: Balance of cash and cash equivalents at the beginning of the period	1,348,887	2,921,900
VI. Balance of cash and cash equivalents at the end of the period	2,793,822	1,323,085

Person in charge of the Company: Chairman Kong Dong

Person in charge of accounting function: Chief Financial Officer Fan Cheng

Person in charge of accounting department: General Manager of Finance Department
Li Youqiang

II. APPOINTMENT OF CHAIRMAN OF THE SECOND SESSION OF THE BOARD

Mr. Kong Dong was appointed as Chairman of the second session of the Board. Please see page 46 of the 2007 annual report of the Company for the profile of Mr. Kong Dong.

III. SALE OF CERTAIN EQUITY INTEREST HELD BY CHINA NATIONAL AVIATION COMPANY LIMITED

It was approved at the Board Meeting that CNAC, a wholly-owned subsidiary of the Company, will transfer 100% equity interest held by it in Fly Top Limited, 100% equity interest held by it in China National Aviation Logistics Company Limited and 50% equity interest held by it in Jardine Airport Services Limited (collectively the “Transaction”) to CNACG. The management of the Company was authorised to handle the related matters including but not limited to negotiating the Transaction within a price range of RMB748 million to RMB863 million, signing related agreement and obtaining necessary approvals.

CNACG is a wholly-owned subsidiary of China National Aviation Holding Company, which is a substantial shareholder of the Company, and is therefore a connected person of the Company as defined under the Hong Kong Listing Rules. Consequently, the Transaction constitutes a connected transaction of the Company. The agreement relating to the Transaction is still under negotiation. The Company will further disclose the details of the Transaction pursuant to domestic and overseas regulatory rules after the related agreement is signed.

IV. AMENDMENT OF THE ARTICLES OF ASSOCIATION OF THE COMPANY IN RESPECT OF THE COMPANY’S SHARE CAPITAL STRUCTURE

Since the initial public offering of A shares by the Company in 2006, all the then issued domestic shares and the foreign shares held by CNACG have been permitted to be tradable on the Shanghai Stock Exchange and some of which will become tradable when the relevant lock-up periods expire. Considering that both the shareholders of A shares and the shareholders of H shares may increase or decrease their shareholdings in accordance with the relevant laws, which may change the shareholdings of the Company’s major shareholders from time to time, the Board proposed to amend the Articles of Association of the Company as follows:

The sixth paragraph of Article 20 of the Articles of Association of the original draft, which reads:

“The share capital structure after the said additional issuance of H shares shall be as follows: the Company has a total of 12,251,362,273 ordinary shares, of which China National Aviation Holding Company holds 4,949,066,567 Domestic Shares, representing approximately 40.40% of the Company’s total share capital; China National Aviation Corporation (Group) Limited holds 1,380,482,920 Foreign Shares, representing approximately 11.27% of the Company’s total share capital; Cathay Pacific Airways Limited holds 2,122,472,455 Overseas-Listed Foreign Shares (H shares), representing approximately 17.34% of the Company’s total share capital; other holders of Overseas-Listed Foreign Shares (H shares) hold 2,283,210,909 shares, representing approximately 18.63% of the Company’s total share capital; other holders of the Domestic Shares hold 1,516,129,422 shares, representing approximately 12.38% of the Company’s total ordinary shares in issue.”

is hereby amended as follows:

“The current share capital structure of the Company shall be as follows: the Company has a total of 12,251,362,273 ordinary shares, of which holders of A shares hold 7,845,678,909 shares, representing approximately 64.04% of the Company’s total issued ordinary shares; holders of H shares hold 4,405,683,364 shares, representing approximately 35.96% of the Company’s total issued ordinary shares.”

According to the Articles of Association of the Company and the relevant laws and regulations, the proposed amendment is subject to the shareholders’ approval by way of special resolution at the Company’s general meeting. Further, the proposed amendment will become effective after relevant PRC authorities approve it.

By Order of the Board
Air China Limited
Huang Bin Li Man Kit
Joint Company Secretaries

Beijing, 24 April 2008

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

* *Independent non-executive director of the Company*