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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: 00753)

FIRST QUARTERLY REPORT 2013

This announcement is made pursuant to Rule 13.10B of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

The board of directors (the “**Board**”) of Air China Limited (the “**Company**”) hereby announces that a meeting of the Board was held on 25 April 2013 and the Board, among others, passed the resolution approving the quarterly report of the Company for the first quarter of 2013 prepared in accordance with the PRC Accounting Standards.

1 IMPORTANT NOTICE

1.1 The Board, 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 jointly and severally accept full responsibility for the truthfulness, accuracy and completeness of the contents of this quarterly report.

1.2 Directors absent from the board meeting are required to be disclosed separately.

Name of absent director	Position of absent director	Reason(s) for absence	Name of proxy
Christopher Dale Pratt	Director	Business engagement	Ian Sai Cheung Shiu

1.3 This first quarterly financial report of the Company is unaudited.

1.4 The legal representative of the Company	Wang Changshun
Person in charge of accounting function	Fan Cheng
Person in charge of accounting department (accounting superintendent)	Xiao Feng

Wang Changshun (legal representative of the Company), Fan Cheng (person in charge of accounting function), and Xiao Feng (person in charge of accounting department (accounting superintendent)) 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

currency: RMB

	At the end of the reporting period	At the end of the previous year	Increase/decrease at the end of the reporting period as compared to the end of the previous year (%)
Total assets (<i>RMB'000</i>)	193,456,723	185,710,906	4.17
Owner's equity (or shareholders' equity) (<i>RMB'000</i>)	51,794,103	50,578,538	2.40
Net asset per share attributable to shareholders of the listed company (<i>RMB</i>)	4.20	4.17	0.72
	For the period from the beginning of the year to the end of the reporting period		Increase/decrease as compared to the corresponding period of the previous year (%)
Net cash flows from operating activities (<i>RMB'000</i>)		3,449,671	113.52
Net cash flows per share from operating activities (<i>RMB</i>)		0.28	115.38
	Reporting period	For the period from the beginning of the year to the end of the reporting period	Increase/decrease in the reporting period as compared to the corresponding period of the previous year (%)
Net profit attributable to shareholders of the listed company (<i>RMB'000</i>)	248,592	248,592	3.98
Basic earnings per share (<i>RMB</i>)	0.02	0.02	0
Basic earnings per share after deducting non-recurring profits and losses (<i>RMB</i>)	0.01	0.01	0
Diluted earnings per share (<i>RMB</i>)	N/A	N/A	N/A
Weighted average return on net assets (%)	0.49	0.49	Decreased by 0.02 ppt
Weighted average return on net assets after deducting non-recurring profits and losses (%)	0.3	0.3	Increased by 0.13 ppt

After deducting non-recurring profits and losses:

(RMB'000)

Items	Amounts
Gains/(losses) from disposal of non-current assets	2,035
Government grants included in the profits and losses for the current period (except for those that are closely related to the Company's normal operating business and qualified under national policy to receive certain standard amount and quantities)	144,542
Gain/(loss) from changes in fair value of financial assets/liabilities held for trading and investment gains from disposal of financial assets/liabilities held for trading and available-for-sale financial assets (except for hedging activities related to the Company's normal operating business)	-4,098
Other non-operating income and expenses not covered above	-8,302
Effect of income tax	-32,199
Effect on minority interest (after tax)	-8,632
	<hr/>
Total	<u>93,346</u>

2.2 Total number of shareholders and the top 10 shareholders not subject to selling restrictions as at the end of the reporting period

Unit: share

Total number of shareholders as at the end of the reporting period 285,224 (including 4,570 registered H Share shareholders)

Particulars of the top 10 shareholders not subject to selling restrictions

Name of shareholder (full name)	Number of listed shares not subject to selling restrictions held as at the end of the reporting period	Class of Shares
China National Aviation Holding Company (“CNAHC”)	5,104,206,083	RMB ordinary shares 5,104,206,083
Cathay Pacific Airways Limited	2,523,011,455	Overseas listed foreign shares 2,523,011,455
HKSCC NOMINEES LIMITED	1,788,059,796	Overseas listed foreign shares 1,788,059,796
China National Aviation Corporation (Group) Limited (“CNACG”)	1,556,334,920	RMB ordinary shares 1,332,482,920 Overseas listed foreign shares 223,852,000
China National Aviation Fuel Group Corporation	86,300,000	RMB ordinary shares 86,300,000
Sinotrans Air Transportation Development Co., Ltd.	75,800,000	RMB ordinary shares 75,800,000
New China Life Insurance Company Ltd. – Bonus – Personal Bonus – 018L – FH002 Shanghai	68,378,218	RMB ordinary shares 68,378,218
Guo Hua Life Insurance Co., Ltd Self-owned Funds	43,576,065	RMB ordinary shares 43,576,065
Industrial and Commercial Bank of China – Huaan Mid/Small-Cap Securities Investment Fund	22,283,436	RMB ordinary shares 22,283,436
Industrial and Commercial Bank of China – Castrol Strategy and Growth Securities investment Fund	18,108,220	RMB ordinary shares 18,108,220

Note: HKSCC NOMINEES LIMITED is a subsidiary of The Stock Exchange of Hong Kong Limited and its principal business is acting as nominee for and on behalf of other corporate shareholders or individual shareholders. The 1,788,059,796 H Shares held by it in the Company does not include the 166,852,000 Shares held by it as nominee of China National Aviation Corporation (Group) Limited.

3 SIGNIFICANT EVENTS

3.1 Particulars of, and reasons for, significant changes in major items in the accounting statements and key financial indicators of the Company

Applicable Not applicable

Unit: RMB'000

Items in consolidated balance sheet	As of 31 March 2013	As of 31 December 2012	Amount of Change	Percentage	Reasons for Change
Other current assets	297,466	144,552	152,914	105.78%	Increase in the VAT credit balance in this reporting period.
Bills payable	90,691	1,503	89,188	5934.00%	Increase in the bank acceptance bills of a subsidiary of the Company in this reporting period.
Interest payable	509,848	352,515	157,333	44.63%	The provision made for the interest on medium-term notes and corporate bonds in this reporting period.
Bonds payable	17,000,000	12,000,000	5,000,000	41.67%	Issuance of corporate bonds of RMB5 billion by the Company in this reporting period.

Items in consolidated income statement	For the reporting period	Amounts for the corresponding period of the previous year	Amount of Change	Percentage	Reasons for Change
Business taxes and surcharges	70,082	530,141	-460,059	-86.78%	Decrease in provision made for business taxes due to the change of applicable taxes from business taxes to value-added taxes in this reporting period.
Investment income	73,595	5,140	68,455	1331.81%	Increase of RMB69 million in gains on investments by our joint ventures and associated companies recognized under the equity method in this reporting period as compared to the corresponding period of the previous year.
Non-operating income	154,491	246,073	-91,582	-37.22%	Decrease in our subsidy income in this reporting period.
Income tax	99,187	168,100	-68,913	-41.00%	Decrease in income tax due to the decrease in taxable income in this reporting period.
Minority interests	3,673	21,303	-17,630	-82.76%	Decrease in profits of our subsidiaries in this reporting period.

Items in consolidated statement of cash flows	Amounts for the reporting period	For the corresponding period of the previous year	Amount of Change	Percentage	Reasons for Change
Tax and levies paid	750,831	1,607,471	-856,640	-53.29%	Decrease in enterprise income taxes in this reporting period as compared to the corresponding period of the previous year, and substantial decrease in business tax provided for and paid in this reporting period due to the change of applicable taxes from business taxes to value-added taxes.
Net cash proceeds from disposal of fixed assets, intangible assets and other long-term assets	27,668	179,793	-152,125	-84.61%	Decrease in aircraft disposals completed in this reporting period as compared to the corresponding period of the previous year.
Other cash received relating to investment activities	71,265	109,322	-38,057	-34.81%	Decrease in fixed deposits in this reporting period as compared to the corresponding period of the previous year.
Cash paid for purchase of fixed assets, intangible assets and other long-term assets	7,363,117	4,166,288	3,196,829	76.73%	Increase in the prepayments for the purchase of aircraft and payment of the balance of purchase prices upon the delivery of aircraft in this reporting period as compared to the corresponding period of the previous year.
Cash paid for investments	95,803		95,803		Payment of investment amounts based on the schedule of our investments in two enterprises in this reporting period.

Items in consolidated statement of cash flows	Amounts for the reporting period	For the corresponding period of the previous year	Amount of Change	Percentage	Reasons for Change
Cash received from capital injection	1,046,740		1,046,740		Non-public issuance by the Company of its ordinary shares (A shares) to the parent company.
Cash received from borrowings	11,183,044	7,622,118	3,560,926	46.72%	Increase in bond issuances and the borrowings used as prepayments for the purchase of aircraft in this reporting period.
Cash paid for repayment of borrowings	4,640,837	8,482,728	-3,841,891	-45.29%	Decrease in repayments of mature debts in this reporting period as compared to the corresponding period of the previous year.
Other cash paid relating to financing activities	871,405	698,790	172,615	24.70%	Increase in finance leases paid in this reporting period as compared to the corresponding period of the previous year.

Due to the change of its applicable taxes from business taxes to value-added taxes, the operating income, operating costs, business taxes and selling and administrative expenses of the Company and its subsidiaries decreased by RMB1.559 billion, RMB1.129 billion, RMB503 million and RMB7 million respectively, while the total profits of the Company and its subsidiaries increased by RMB80 million in the first quarter of 2013.

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

Applicable Not applicable

3.3 Performance of undertakings given by the Company, the shareholders and de facto controller

Applicable Not applicable

The Company entered into a reorganization agreement dated 20 November 2004 with CNAHC and CNACG, pursuant to which, CNAHC undertook to the Company that within a period of six months or one year from the date of establishment of the Company, it would assist in transferring to the Company the land use rights, the land use right certificates and the property ownership certificates of the properties as its investment in the Company.

As of 31 March 2013, as regards the land use rights invested by CNAHC in the Company, the Company has received the land use right certificates with the Company as their designated title owners. Except for the 14 properties under our Zhejiang branch, all the properties invested by CNAHC have been registered under the name of the Company. We have completed all necessary procedures for the title transfer of the 13 properties under our Zhejiang branch, and are awaiting the issuance of property ownership certificates by the local property management authorities. As the relevant local administrative authorities have promulgated new regulations after the establishment of the Company, the procedures for the transfer of the property ownership certificate of the remaining one property (with floor area of approximately 598.99 sq.m.) have not been completed. Accordingly, CNAHC has further undertook to assist the Company in completing the title transfer procedures of such remaining property in the next 3 years from July 2010. In March 2013, the relevant local administrative authorities issued the property ownership certificates of the property to the Company, and the property has been registered under the name of the Company. As such, the new undertaking has been performed on schedule.

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 underlying reasons

Applicable Not applicable

3.5 Distribution of cash dividends during the reporting period

The 2012 profit distribution plan of the Company was considered and approved at the 34th meeting of the third session of the Board. The Company proposed to distribute a cash dividend of RMB0.5935 (including tax) for every 10 shares to all shareholders of the Company based on a total share capital of 13,084,751,004 shares. The relevant cash dividend plan complies with the cash dividend policy stipulated in the articles of association of the Company, and will be submitted to the 2012 annual general meeting of the Company to be held on 23 May 2013 for consideration and approval.

Air China Limited
Legal representative: Wang Changshun
25 April 2013

4 APPENDIX

4.1 Consolidated Balance Sheet

31 March 2013

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	14,850,404	12,590,884
Provisions on payables		
Contributions made		
Financial assets held for trading	13,022	12,671
Bills receivable	367	1,253
Accounts receivable	3,372,526	2,967,150
Prepayments	783,307	623,754
Premium receivable		
Receivables on reinsurance		
Provisions for reinsurance contracts		
Interest receivable		
Dividend receivable		
Other receivables	3,261,681	3,103,008
Purchase of financial assets resold		
Inventories	1,159,045	1,105,048
Non-current assets due within a year		
Other current assets	297,466	144,552
Total current assets	23,737,818	20,548,320
NON-CURRENT ASSETS:		
Loans and advances		
Available-for-sale financial assets		
Held-to-maturity investments		
Long term receivables	454,585	445,657
Long term equity investments	15,345,190	15,240,177
Investment property	227,060	229,824
Fixed assets	117,666,281	116,303,025
Construction in progress	29,025,034	25,977,975

Items	Balance at the end of the period	Balance at the beginning of the year
Construction materials		
Disposal of fixed assets		
Biological assets for production		
Oil and gas assets		
Intangible assets	2,803,615	2,810,814
Development expenses		
Goodwill	1,102,185	1,102,185
Long term deferred expenses	283,966	296,613
Deferred tax assets	2,810,989	2,756,316
Other non-current assets		
Total non-current assets	169,718,905	165,162,586
Total assets	193,456,723	185,710,906
CURRENT LIABILITIES:		
Short term loans	19,148,870	16,787,697
Borrowings from central bank		
Short-term bonds payable	1,500,000	1,500,000
Deposits from clients and placements from other banks		
Contributions received		
Financial liabilities held for trading	95,322	120,413
Bills payable	90,691	1,503
Accounts payable	12,239,433	11,246,311
Domestic air traffic liabilities	1,729,302	1,566,686
International air traffic liabilities	2,308,912	2,310,101
Receipts in advance	127,246	162,884
Sale of financial assets repurchased		
Fees and commissions payable		
Salaries and wages payable	1,936,795	2,192,434
Taxes payable	565,667	444,972
Interests payable	509,848	352,515
Dividend payable		
Other payables	5,034,348	5,322,884
Amounts payable on reinsurance		
Reserves on insurance contracts		
Brokerage payable		
Underwriting fees payable		
Non-current liabilities due within a year	13,257,872	13,802,983
Other current liabilities		
Total current liabilities	58,544,306	55,811,383

Items	Balance at the end of the period	Balance at the beginning of the year
NON-CURRENT LIABILITIES:		
Long-term borrowings	29,468,279	30,254,161
Debentures payable	17,000,000	12,000,000
Long-term payables	2,825,340	2,892,595
Obligations under finance leases payable	24,855,529	25,476,607
Specific payables		
Estimated liabilities	406,470	406,470
Deferred income tax liabilities	1,667,914	1,561,424
Other non-current liabilities	3,524,787	3,361,737
Total non-current liabilities	79,748,319	75,952,994
Total liabilities	138,292,625	131,764,377
OWNER'S EQUITY (OR SHAREHOLDERS' EQUITY):		
Issued capital	13,084,751	12,891,955
Capital reserve	17,551,433	16,699,590
Less: Treasury shares		
Specific reserves		
Surplus reserves	4,572,881	4,572,881
General risk provisions		
Profit available for appropriation	19,708,143	19,459,551
Foreign exchange translation reserve	-3,123,105	-3,045,439
Total owner's equity attributable to shareholders of the Company	51,794,103	50,578,538
Minority interests	3,369,995	3,367,991
Total owner's equity	55,164,098	53,946,529
Total liabilities and owner's equity	193,456,723	185,710,906

Legal representative of the Company: Wang Changshun
Person in charge of accounting function: Fan Cheng
Person in charge of accounting department: Xiao Feng

BALANCE SHEET OF THE PARENT COMPANY

31 March 2013

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	6,505,594	4,563,495
Held-for-trading financial assets		
Bills receivable		
Accounts receivable	3,539,159	3,035,978
Prepayments	451,961	356,752
Interests receivable		
Dividend receivable		
Other receivables	3,121,199	2,959,011
Inventories	772,286	712,204
Non-current assets due within a year		96,956
Other current assets	254,666	
Total current assets	14,644,865	11,724,396
NON-CURRENT ASSETS:		
Available-for-sale financial assets		
Held-to-maturity investments		
Long-term receivables	273,522	268,036
Long-term equity investments	22,439,774	22,286,909
Investment properties		
Fixed assets	87,706,477	86,210,690
Construction in progress	19,120,316	18,866,393
Construction materials		
Disposal of fixed assets		
Biological assets for production		
Oil and gas assets		
Intangible assets	2,145,446	2,168,710
Development expenses		
Goodwill		
Long-term deferred expenses	125,201	144,147
Deferred income tax assets	1,943,112	1,936,769
Other non-current assets		
Total non-current assets	133,753,848	131,881,654
Total assets	148,398,713	143,606,050

Items	Balance at the end of the period	Balance at the beginning of the year
CURRENT LIABILITIES:		
Short-term borrowings	8,701,745	9,472,970
Short-term bonds payable	1,500,000	1,500,000
Held-for-trading financial liabilities	61,002	86,375
Bills payable		
Accounts payable	8,112,133	7,471,856
Domestic air traffic liabilities	1,343,312	1,075,356
International air traffic liabilities	2,093,797	2,118,787
Receipts in advance	55,998	66,562
Salaries and wages payable	1,083,990	1,057,014
Taxes payable	223,095	186,033
Interests payable	462,455	311,029
Dividend payable		
Other payables	1,443,866	1,601,657
Non-current liabilities due within a year	10,703,192	11,213,067
Other current liabilities		
Total current liabilities	35,784,585	36,160,706
NON-CURRENT LIABILITIES:		
Long-term borrowings	17,870,837	18,433,492
Debentures payable	17,000,000	12,000,000
Long-term payables	1,392,111	1,488,439
Obligations under finance leases payable	23,723,841	24,270,585
Specific payables		
Estimated liabilities	46,099	46,099
Deferred income tax liabilities	210,441	210,441
Other non-current liabilities	2,461,851	2,328,772
Total non-current liabilities	62,705,180	58,777,828
Total liabilities	98,489,765	94,938,534
OWNER'S EQUITY (OR SHAREHOLDER'S EQUITY):		
Issued capital	13,084,751	12,891,955
Capital reserve	20,963,575	20,111,766
Less: Treasury shares		
Specific reserves		
Surplus reserves	4,563,291	4,563,291
General risk provisions		
Profit available for appropriation	11,297,331	11,100,504
Total owner's equity (or shareholders' equity)	49,908,948	48,667,516
Total liabilities and owner's equity (or shareholders' equity)	148,398,713	143,606,050

Legal representative of the Company: Wang Changshun
Person in charge of accounting function: Fan Cheng
Person in charge of accounting department: Xiao Feng

4.2 Consolidated Income Statement

January to March 2013

Prepared by: Air China Limited

Unit: RMB'000 (Unaudited)

Items	Amounts for the period	Amounts for the corresponding period of the previous year
I. Revenue from operations	22,719,031	22,894,905
Including: Operating income	22,719,031	22,894,905
Interest income		
Premium earned		
Fees and commission income		
II. Total operating costs	22,575,438	22,711,130
Including: Operating costs	19,676,482	19,495,874
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 levies	70,082	530,141
Selling expenses	1,643,964	1,601,675
Administrative expenses	722,258	689,491
Finance expenses	462,562	393,949
Impairment loss of assets	90	
Add: Gains from changes in fair value (loss is represented by “-” sign)	-4,011	450
Investment income (loss is represented by “-” sign)	73,595	5,140
Including: Gains arising from investments in associated companies and joint ventures	73,682	5,140
Exchange gains (loss is represented by “-” sign)		
III. Profit from operations (loss is represented by “-” sign)	213,177	189,365
Add: Non-operating income	154,491	246,073
Less: Non-operating expenses	16,216	6,964
Including: Loss arising from disposal of non-current assets	1,859	107

Items	Amounts for the period	Amounts for the corresponding period of the previous year
IV. Total profit (total loss is represented by “-” sign)	351,452	428,474
Less: Income tax expenses	99,187	168,100
V. Net profit (net loss is represented by “-” sign)	252,265	260,374
Net profits attributable to shareholders of the Company	248,592	239,071
Gains or losses attributable to minority interests	3,673	21,303
VI. Earnings per share:		
(I) Basic	0.02	0.02
(II) Diluted	N/A	N/A
VII. Other consolidated gains	-79,145	-1,531
VIII. Total consolidated gains	173,120	258,843
Total consolidated gains attributable to shareholders of the Company	171,116	237,562
Total consolidated gains attributable to minority interests	2,004	21,281

Legal representative of the Company: Wang Changshun
Person in charge of accounting function: Fan Cheng
Person in charge of accounting department: Xiao Feng

Income Statement of the Parent Company

January to March 2013

Prepared by: Air China Limited

Unit: RMB'000 (Unaudited)

Items	Amounts for the period	Amounts for the corresponding period of the previous year
I. Revenue from operations	16,011,358	16,117,209
Less: Operating cost	13,935,926	13,945,805
Business taxes and other levies	31,336	344,035
Selling expenses	1,292,893	1,154,943
Administrative expenses	378,586	389,850
Finance expenses	302,151	223,194
Impairment loss of assets		
Add: Gains from changes in fair value (loss is represented by “-” sign)	1,027	-1,773
Investment income (loss is represented by “-” sign)	57,657	36,835
Including: Gains arising from investments in associated companies and joint ventures	57,657	36,835
II. Profit from operations (loss is represented by “-” sign)	129,150	94,444
Add: Non-operating income	113,665	187,842
Less: Non-operating expenses	11,410	5,526
Including: Loss arising from disposal of non-current assets	1,203	46
III. Total profit (total loss is represented by “-” sign)	231,405	276,760
Less: Income tax expenses	34,578	54,466
IV. Net profit (net loss is represented by “-” sign)	196,827	222,294
V. Earnings per share:		
(I) Basic		
(II) Diluted		
VI. Other consolidated gains	156	
VII. Total consolidated gains	196,983	222,294

Legal representative of the Company: Wang Changshun
Person in charge of accounting function: Fan Cheng
Person in charge of accounting department: Xiao Feng

4.3 Consolidated Cash Flow Statement

January to March 2013

Prepared by: Air China Limited

Unit: RMB'000 (Unaudited)

Items	Amounts for the period	Amounts for the corresponding period of the previous year
I. Cash flows from operating activities:		
Cash received from sales of goods and provision of services	23,664,318	21,620,882
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 disposal of held-for-trading financial assets		
Cash received from interests, fees and commission		
Net increase in contributions received		
Net increase in cash from repurchase operations		
Refund of tax and levy		
Other cash received relating to operating activities	601,233	722,354
Subtotal of cash inflows of operating activities	24,265,551	22,343,236
Cash paid for goods purchased and services received	14,644,136	13,595,271
Net increase in loans and advances to clients		
Net increase in deposits in central bank and to other banks		
Cash paid in respect of claims under original insurance contracts		
Cash paid for interests, fees and commission		
Cash paid for bonus paid on insurance policy		
Cash paid to or on behalf of employees	3,481,693	3,761,819
Tax and levies paid	750,831	1,607,471
Other cash paid relating to operating activities	1,939,220	1,763,052
Subtotal of cash outflows		
from operating activities	20,815,880	20,727,613
Net cash flows from operating activities	3,449,671	1,615,623

Items	Amounts for the period	Amounts for the corresponding period of the previous year
II. Cash flows from investment activities:		
Cash received from sales and redemption of investments		
Cash received from investment income	3,510	1,400
Net cash proceeds from disposal of fixed assets, intangible assets and other long-term assets	27,668	179,793
Net cash proceeds from disposal of subsidiaries and other business units		
Other cash received relating to investment activities	71,265	109,322
Subtotal of cash inflows from investment activities	102,443	290,515
Cash paid for purchase of fixed assets, intangible assets and other long-term assets	7,308,229	4,166,288
Cash paid for investments	95,803	
Net increase in secured loans		58,475
Net cash payments for acquisition of subsidiaries and other business units		
Other cash paid relating to investment activities	29,540	31,383
Subtotal of cash outflows from investment activities	7,433,572	4,256,146
Net cash flows from investment activities	-7,331,129	-3,965,631
III. Cash flows from financing activities:		
Cash received from capital injection	1,046,740	
Including: Cash received from capital injection of minority shareholders in subsidiaries		
Cash received from borrowings	11,183,044	7,622,118
Cash received from issue of debentures		
Other cash received relating to financing activities		
Subtotal of cash inflows from financing activities	12,229,784	7,622,118
Cash paid for repayment of borrowings	4,640,837	8,482,728
Cash paid for distribution of dividends, profits or payment of interest expenses	603,186	623,532
Including: Dividends and profit paid to minority shareholders by subsidiaries		
Other cash paid relating to financing activities	871,405	698,790
Subtotal of cash outflows from financing activities	6,115,428	9,805,050
Net cash flows from financing activities	6,114,356	-2,182,932

Items	Amounts for the period	Amounts for the corresponding period of the previous year
IV. Effect of exchange rate changes on cash and cash equivalents	27,018	-10,391
V. Net increase in cash and cash equivalents	2,259,916	-4,543,331
Add: Balance of cash and cash equivalents as at the beginning of the period	11,787,943	15,306,409
VI. Balance of cash and cash equivalents as at the end of the period	14,047,859	10,763,078

Legal representative of the Company: Wang Changshun

Person in charge of accounting function: Fan Cheng

Person in charge of accounting department: Xiao Feng

Cash Flow Statement of the Parent Company

January to March 2013

Prepared by: Air China Limited

Unit: RMB'000 (Unaudited)

Items	Amounts for the period	Amounts for the corresponding period of the previous year
I. Cash flows from operating activities:		
Cash received from sales of goods and provision of services	16,358,454	15,096,048
Refund of tax and levy		
Other cash received relating to operating activities	422,431	431,195
Subtotal of cash inflows from operating activities	16,780,885	15,527,243
Cash paid for goods purchased and services received	10,514,808	8,793,724
Cash paid to and on behalf of employees	1,795,990	2,365,344
Taxes and levies paid	491,239	1,233,877
Other cash paid relating to operating activities	1,493,737	1,289,663
Subtotal of cash outflows from operating activities	14,295,774	13,682,608
Net cash flows from operating activities	2,485,111	1,844,635
II. Cash flows from investment activities:		
Cash received from sales and redemption of investments		200,000
Cash received from investment income	1,452	1,400
Net cash proceeds from disposal of fixed assets, intangible assets and other long-term assets	25,680	163,686
Net cash proceeds from disposal of subsidiaries and other business units		
Other cash received relating to investment activities	20,016	111,742
Subtotal of cash inflows from investment activities	47,148	476,828
Cash paid for purchase of fixed assets, intangible assets and other long-term assets	4,035,695	2,898,489
Cash paid for investments		
Net cash payments for acquisition of subsidiaries and other business units		
Other cash paid relating to investment activities	120,150	31,384
Subtotal of cash outflows from investment activities	4,155,845	2,929,873
Net cash flows from investment activities	-4,108,697	-2,453,045

Items	Amounts for the period	Amounts for the corresponding period of the previous year
III. Cash flows from financing activities:		
Cash received from capital injection	1,046,740	
Cash received from borrowings	6,171,472	5,068,915
Cash received from issue of debentures		
Other cash received relating to financing activities		
Subtotal of cash inflows from financing activities	7,218,212	5,068,915
Cash paid for repayment of borrowings	2,521,960	7,658,256
Cash paid for distribution of dividends, profits or payment of interest expenses	343,731	439,361
Other cash paid relating to financing activities	811,770	603,158
Subtotal of cash outflows from financing activities	3,677,461	8,700,775
Net cash flows from financing activities	3,540,751	-3,631,860
IV. Effect of exchange rate changes on cash and cash equivalents	27,225	-9,170
V. Net increase in cash and cash equivalents	1,944,390	-4,249,440
Add: Balance of cash and cash equivalents as at the beginning of the period	3,900,178	7,797,123
VI. Balance of cash and cash equivalents as at the end of the period	5,844,568	3,547,683

Legal representative of the Company: Wang Changshun
Person in charge of accounting function: Fan Cheng
Person in charge of accounting department: Xiao Feng

By order of the Board
Air China Limited
Rao Xinyu Tam Shuit Mui
Joint Company Secretaries

Beijing, the PRC, 25 April 2013

As at the date of this announcement, the directors of the Company are Mr. Wang Changshun, Ms. Wang Yinxiang, Mr. Cao Jianxiong, Mr. Sun Yude, Mr. Christopher Dale Pratt, Mr. Ian Sai Cheung Shiu, Mr. Cai Jianjiang, Mr. Fan Cheng, Mr. Fu Yang, Mr. Li Shuang*, Mr. Han Fangming* and Mr. Yang Yuzhong*.*

* *Independent non-executive director of the Company*