



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)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that an annual general meeting (“AGM”) of Air China Limited (the “Company”) for the year ended 31 December 2007 will be held at 9:30 a.m. on Friday, 30 May 2008 at The Conference Room, Air China Building, 36 Xiaoyun Road, Chaoyang District, Beijing, PRC for the following purposes:

1. To consider and approve the report of the Board of Directors of the Company for the year 2007;
2. To consider and approve the report of the Supervisory Committee of the Company for the year 2007;
3. To consider and approve the audited consolidated financial statements of the Company for the year 2007 prepared under the Accounting Standards for Enterprises of the PRC and International Financial Reporting Standards;
4. To consider and approve the profit distribution proposal and the dividends distribution proposal for the year 2007 as recommended by the Board of Directors of the Company and to authorize the management of the Company to implement such proposals;
5. To consider and approve the reappointment of Ernst & Young as the Company’s international auditors and Ernst & Young Hua Ming CPAs Limited Company as the Company’s domestic auditors for the year ending 31 December 2008 and to authorise the Board of Directors of the Company to determine their remunerations;
6. To consider and approve the report on the use of proceeds from the previous issue of A Shares by the Company;

7. To consider and approve the following resolutions as special resolutions:

7A. **“THAT:**

- (a) subject to paragraph (c) below, the exercise by the Board of Directors of the Company during the Relevant Period (as hereafter defined in paragraph (d)) of all the powers of the Company to allot, issue and deal with additional shares of the Company (“Shares”) and to make or grant offers, agreements and options which might require the exercise of such powers be and are hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the Board of Directors of the Company during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;
- (c) the amount of additional A Shares and overseas-listed foreign Shares (“H Shares”) (as the case may be) allotted, issued and dealt with or agreed conditionally or unconditionally to be allotted, issued and dealt with either separately or concurrently by the Board of Directors of the Company pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as hereafter defined) or (ii) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on Shares in accordance with the Articles of Association of the Company, shall not exceed 20% of each of the Company’s existing A Shares and H Shares (as the case may be) in issue at the date of passing this special resolution; and
- (d) for the purpose of special resolution 7A:

“Relevant Period” means the period from the passing of special resolution 7A until the earlier of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the 12 months period following the passing of special resolution 7A; and
- (iii) the revocation or variation of the authority given to the Board of Directors of the Company under this special resolution by a special resolution of the Company’s shareholders in general meetings.

“Rights Issue” means an offer of shares open for a period fixed by the Board of Directors of the Company to holders of Shares on the register of members on a fixed record date in proportion of their then holdings of such Shares (subject to such exclusion or other arrangements as the Board of Directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any legal or practical restrictions or obligations under the laws of, or the requirement of, any recognised regulatory body or any stock exchange in any territory applicable to the Company) and an offer, allotment or issue of shares by way of rights shall be construed accordingly.”

- 7B. “**THAT** the Board of Directors of the Company be and is hereby authorised to increase the registered capital of the Company to reflect the issue of shares authorised under special resolution 7A, and to make such appropriate and necessary amendments to the Articles of Association of the Company as they think fit to reflect such increases in the registered capital of the Company and to take any other action and complete any formality required to effect such increase of the registered capital of the Company.”
- 7C. “**THAT**, the proposed amendment to the first paragraph of Article 105 of the Articles of Association of the Company, i.e. the number of Directors of the Board is changed from 13 to 12, is hereby approved.”
- 7D. “**THAT** proposed amendment to the Articles of Association of the Company in respect of the share capital structure be and is hereby approved as follows:

The existing sixth paragraph of Article 20, i.e. “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 replaced by the following:

“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.”

This special resolution 7D is subject to approval by relevant PRC authorities.”

By order of the Board
Air China Limited
Kong Dong
Chairman of the Board

Beijing, PRC, 14 May 2008

As at the date of this Notice, 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 Directors of the Company*

Notes:

1. Closure of register of members and eligibility for attending the AGM

Holders of H Shares of the Company are advised that the register of members of the Company will close from 1 May 2008 to 30 May 2008 (both days inclusive), during which time no transfer of H Shares of the Company will be effected and registered. In order to qualify for attendance at the AGM and qualify for the final dividends, instruments of transfer accompanied by share certificates and other appropriate documents must be lodged with the Company's H Share registrar, Computershare Hong Kong Investor Services Limited, by 4:00 p.m. on 30 April 2008. The final dividends are expected to be paid on 26 June 2008 after it is approved at the AGM.

Shareholders of the Company whose names appear on the register of members of the Company at the close of business on 30 April 2008 are entitled to attend the AGM.

2. Notice of attendance

Shareholders who intend to attend the AGM should complete and lodge the accompanying notice of attendance and return it to, for holders of H Shares, the Company's H Share registrar, or for holders of A Shares, the Company's Board Secretariat, on or before 9 May 2008. The notice of attendance may be delivered by hand, by post or by fax to the Company's H Share registrar, or to the address of the Company's Board Secretariat (as may be applicable). Completion and return of the notice of attendance do not affect the right of a shareholder to attend the AGM. However, the failure to return the notice of attendance may result in an adjournment of the AGM, if the number of shares carrying the right to vote represented by the shareholders proposing to attend the AGM by the notice of attendance does not reach more than half of the total number of shares of the Company carrying the right to vote at the AGM.

3. Proxy

Every shareholder who has the right to attend and vote at the AGM is entitled to appoint one or more proxies, whether or not they are members of the Company, to attend and vote on his behalf at the AGM.

A proxy shall be appointed by an instrument in writing. Such instrument shall be signed by the appointer or his attorney duly authorised in writing. If the appointer is a legal person, then the instrument shall be signed under a legal person's seal or signed by its director or an attorney duly authorised in writing. The instrument appointing the proxy shall be deposited at the Company's H Share registrar for holders of H Shares or at the address of the Company's Board Secretariat for holders of A Shares not less than 24 hours before the time appointed for the holding of the AGM. If the instrument appointing the proxy is signed by a person authorised by the appointer, the power of attorney or other document of authority under which the instrument is signed shall be notarised. The notarised power of attorney or other document of authority shall be deposited together and at the same time with the instrument appointing the proxy at the Company's H Share registrar or the address of the Company's Board Secretariat (as may be applicable).

4. Other businesses

(i) The AGM is expected to last for two hours. Shareholders and their proxies attending the meeting shall be responsible for their own traveling and accommodation expenses.

(ii) The address of Computershare Hong Kong Investor Services Limited is:

Room 1806-1807
Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong
Tel No.: (852) 2862 8628
Fax No.: (852) 2865 0990

(iii) The address of the Company's Board Secretariat is:

Secretariat of the Board
Air China Limited
30 Tianzhu Road
Tianzhu Airport Economic Development Zone
Beijing 101312
PRC
Tel No.: (86 10) 6146 2791
Fax No.: (86 10) 6146 2805
Contact Person: Mr. Guo Jinghua