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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)

**ANNOUNCEMENT
PROFIT WARNING**

The Company announces that it has made a preliminary estimation (based on unaudited financial data for the period from 1 January to 30 September 2008 prepared according to the PRC Accounting Standards) that it is expected to record a loss for the period from 1 January to 30 September 2008.

1. Estimated results for the period from 1 January to 30 September 2008

The Company has made a preliminary estimation based on the financial data for the period from 1 January to 30 September 2008 prepared according to the PRC Accounting Standards and estimates that a loss will be incurred for the period from 1 January to 30 September 2008. The financial data for the period from 1 January to 30 September 2008 has not been audited by certified auditors. Detailed financial information will be disclosed in the third quarterly report of 2008 of the Company.

2. Reasons for the expected loss for the period from 1 January to 30 September 2008

The factors causing a general shrinking demand and significant slowdown in revenue growth for the aviation industry include (i) the adverse effects of the Sichuan earthquake; (ii) the market fluctuations during the Olympic Games; and (iii) the adverse impact brought about by the global financial crisis. Further, the Company experienced substantial increase in its jet fuel cost as compared with the same period last year due to highly fluctuating oil price. Concurrently, the recent dramatic fall in crude oil prices in the international market led to a negative valuation on the fair value of the Company's fuel hedging contracts as on 30 September 2008 (the fair value of the fuel hedging contracts is subject to further changes in crude oil prices and the international financial market situation).

Investors are advised to exercise caution in dealing in shares of the Company

This announcement is issued by the Company pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

By order of the Board
Air China Limited
Huang Bin Tam Shuit Mui
Joint Company Secretaries

Beijing, 15 October 2008

As at the date of this announcement, the Directors of the Company are Messrs Kong Dong, Wang Yinxiang, Wang Shixiang, 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*