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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)

OVERSEAS REGULATORY ANNOUNCEMENT

This announcement is published pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The attachment to this announcement is the following announcement of
Air China Limited published on Shanghai Stock Exchange:

**Announcement of the Resolutions of the Seventh Meeting of the
Third Session of the Board of Directors of Air China Limited**

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

Beijing, the PRC, 24 March 2011

As at the date of this announcement, the directors of the Company are Mr. Kong Dong, 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. Jia Kang, Mr. Fu Yang*, Mr. Li Shuang* and Mr. Han Fangming*.*

* *Independent non-executive director of the Company*

**Announcement on Resolutions of the Seventh Meeting of
the Third Session of the Board of Directors of Air China Limited**

The Company and all members of the board of directors warrant the truthfulness, accuracy and completeness of the information contained in this announcement and jointly and severally accept full responsibility for any false representations or misleading statements contained in, or material omissions from, this announcement.

The Seventh Meeting of the Third Session of the Board of Directors (the “Board”) of Air China Limited (the “Company”) was convened through written resolutions on 24 March 2011. The convening of the meeting is in compliance with the regulations of the Company Law of the People’s Republic of China and the articles of association of the Company.

At the meeting, the Board passed the Resolution Concerning the Consideration and Approval of the Impairment of Aircraft and the Related Assets, and agreed that an impairment provision up to RMB1.345 billion for aircraft and related assets proposed to be disposed of should be recognized by the Company, and that an impairment provision of RMB1.856 billion should be recorded in the consolidated financial statements.

In accordance with its strategic development plan and for the purpose of streamlining and optimizing fleet structure and improving the fleet’s overall operating efficiency, the Company intends to proceed with early disposal of 49 aircraft of old models (including 25 Boeing 737-300 aircraft, 10 Boeing 757-200 aircraft, 5 Boeing 767-300 aircraft and 9 Boeing 747-400 aircraft) before the expiration of their useful life.

According to the Accounting Standards for Business Enterprises No. 8 – Assets Impairment and International Financial Reporting Standards No. 36 – Assets Impairment, if an indicator of assets impairment exists, such as “an asset has become or is becoming idle, a company discontinues using an asset or plans to dispose of an asset before the previously expected date” and “evidence is available from an internal report of the Company that indicates that the economic performance of an asset is, or will be, worse than expected”, which indicates an asset may be impaired, the recoverable amount of that asset should be estimated. The impairment should be provided for the difference between the recoverable amount and the carrying amount of an asset.

To this end, the Company engaged a third-party professional appraisal firm to evaluate the fair value of the aircraft, the spare engines and related assets proposed to be disposed of. The evaluation results showed that the fair value of part of these assets were below their book value, and thus the Company made impairment provisions for the shortfall in fair value to book value totalling at RMB1.345 billion, including an impairment provision of RMB172 million for inventories – aviation materials, an impairment provision of RMB50 million for fixed assets - high value rotables, and an impairment provision of RMB1.123 billion for fixed assets - aircraft and engines.

In addition, Shenzhen Airlines and Air China Cargo (both being our holding subsidiaries) conducted impairment test on, and made provisions for, four 737-300 aircraft, one TU204 aircraft and the related assets respectively.

The Company believes that the impairment provisions made for the above assets will not have any significant impact on the financial position or operating results of the Group.

By order of the Board
Huang Bin
Board Secretary