

Air China Limited Announces 2018 First Quarter Results: Improving Development Quality to Achieve Significant Growth in Profit

Hong Kong – April 26, 2018 — Air China Limited (“Air China” or the “Company,” together with its subsidiaries, collectively the “Group”) (HKEX: 00753; LSE: AIRC; SSE: 601111; ADR OTC: AIRYY), today announced its first quarter results of 2018 (the “Period”).

Results Highlights

- Total profit increased 66.31% year-on-year to RMB4.024 billion
- Operating income increased 9.11% year-on-year to RMB31.607 billion
- Total operating cost increased 6.71% year-on-year to RMB 28.230 billion

Operation and Business Highlights

In the first quarter of 2018, the Chinese economy developed steadily. As residents’ demand for travel was strong, air passenger traffic maintained steady growth while demand for the cargo market continued to improve. During the Period, the Group recorded operating income of RMB31.607 billion, an increase of 9.11% over the same period of last year. Total operating cost was RMB 28.230 billion, an increase of 6.71% over the same period of last year. Total profit was RMB4.024billion, an increase of 66.31% over the same period of last year, and net profit attributable to shareholders of listed companies was RMB2.628 billion, an increase of 79.23% over the same period of last year.

During the Period, the Group’s passenger capacity, measured by Available Seat Kilometers (ASK) increased by 10.96% year on year to 65.758 billion. The passenger traffic, measured by Revenue Passenger Kilometers (RPK) was 53.350 billion, an increase of 9.75% year on year. Among which, RPK of domestic routes, international routes and regional routes amounted to 32.596 billion, 18.849 billion, and 1.905 billion, up 7.44%,13.65% and 12.92% year on year, respectively. The passenger load factor was 81.13%, a slight decrease of 0.90 percentage points year on year, of which, the passenger load factor of domestic, international and regional routes were 83.02%,78.28% and 78.90% respectively.

In terms of air cargo, the Available Freight Tonne Kilometers (AFTK) amounted to 3.518 billion, up 9.81% year on year, while the Revenue Freight Tonne Kilometers (RFTK) amounted to 1.803 billion, up 10.90% year on year. The cargo and mail load factor was

51.26%, up 0.51 percentage points year on year.

Outlook

Benefitted from the continued development of the global aviation industry, steady growth of China's macro economy, and the influence of a series of policies favourable to the industry, we expect the Company will have larger room for development this year. Adhering to the development philosophy of “Innovation, Coordination, Green, Openness and Sharing”, the Group will insist in making progress while pursuing stability, continue to deepen reform and innovation, strengthen cost management and control, optimize capital and debt structure, consolidate and enhance competitive advantages, so as to achieve better performance and sustainable development with its best effort.

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About Air China

Air China Limited (Air China) is the national flag carrier of China and a leading provider of passenger, air cargo and airline-related services and products in China. Its operational headquarters is in Beijing, a major domestic and international hub in China. It also provides airline-related services, including aircraft maintenance, ground handling services in Beijing, Chengdu, and other locations. As of 31 December, 2017, the Group operated a fleet of 655 aircraft with an average age of 6.53 years, while the Company operated a fleet of 396 aircraft with an average age of 6.57 years. Passenger traffic routes have reached 420, including 101 international, 16 regional and 303 domestic routes. The Company's network covered 40 countries and regions globally and 185 cities, including 66 international, 3 regional and 116 domestic cities. Air China was listed on Hong Kong Stock Exchange and London Stock Exchange on 15 December, 2004 under codes 00753 and AIRC respectively. On June 30, 2006, a level 1 sponsored ADR program was set up for Air China with the ticker AIRYY. On August 18, 2006, Air China was listed on Shanghai Stock Exchange under code 601111. For further details, please visit Air China's website: www.airchina.com.cn.

Safe Harbor Statement

This press release contains projections and forward-looking statements that reflect the company's current views with respect to future events and financial performance. These views are based on current assumptions which are subject to various risks and which may change over time. No assurance can be given that future events will occur that projections will be achieved, or that the company's assumptions are correct. Actual results may differ materially from those projections.

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