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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)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that an annual general meeting (the “**AGM**”) of Air China Limited (the “**Company**”) for the year ended 31 December 2019 will be held at 11:00 a.m. on Tuesday, 26 May 2020 at The Conference Room C713, No. 30, Tianzhu Road, Airport Industrial Zone, Shunyi District, Beijing, the PRC to consider and, if thought fit, to pass the following resolutions.

ORDINARY RESOLUTIONS

1. To consider and approve the 2019 work report of the board of directors (the “**Board**”) of the Company.
2. To consider and approve the 2019 work report of the supervisory committee of the Company.
3. To consider and approve the appointment of Mr. Feng Gang as a non-executive director of the Company, whose biographical details are set out in Appendix I to this notice.
4. To consider and approve the audited consolidated financial statements of the Company for the year 2019 prepared under the PRC Accounting Standards and the International Financial Reporting Standards.
5. To consider and approve the profit distribution proposal for the year 2019 as recommended by the Board.

6. To consider and approve the re-appointment of Deloitte Touche Tohmatsu as the Company's international auditor for the year 2020 and Deloitte Touche Tohmatsu Certified Public Accountants LLP as the Company's domestic auditor and internal control auditor for the year 2020, and to authorise the management to determine their remunerations for the year 2020.

SPECIAL RESOLUTION

7. To consider and approve the issue of debt financing instruments (including but are not limited to corporate bonds, ultra-short-term commercial papers, short-term commercial papers, mid-term notes, domestic non-public targeted debt financing instruments, overseas debt financing instruments and overseas bonds/notes denominated in RMB or foreign currencies) within the permissible size under the applicable laws and regulations in one or multiple tranche(s), the details of which are set out in Appendix II to this notice, and generally and unconditionally authorise the Board to deal with the followings in accordance with the specific needs of the Company and market conditions:
- (i) to determine the issuer, issue size, type, specific instruments, detailed terms, conditions and other matters relating to the issuance (including, but not limited to, the issue size, actual principal amount, currency, issue price, interest rate or mechanism for determining the interest rate, issue place, issue timing, term, whether or not to issue in multiple tranches and number of tranches, whether or not to set put-back or redemption terms, credit rating, guarantee, repayment term, detailed fund-raising arrangements within the scope of use approved by the shareholders' meeting, detailed placing arrangements, underwriting arrangements and all other matters relating to the issuance);
 - (ii) to carry out all necessary and ancillary actions and procedures relating to the issuance (including, but not limited to, engage intermediary institutions, handle all approval, registration and filing procedures with the relevant regulatory authorities in connection with the issuance on behalf of the Company, execute all necessary legal documents, select bonds trustee manager for the issuance, formulate rules for the bondholders' meeting and handle any other matters relating to the issuance and trading);
 - (iii) to approve and confirm any action or procedure relating to the issuance as mentioned above already taken by the Company;
 - (iv) to make adjustments to the relevant matters such as the specific proposals for the issuance in accordance with the comments from the regulatory authorities or the prevailing market conditions within the authority granted at a general meeting, except where voting at a general meeting is required by any relevant laws and regulations and the Articles of Association;
 - (v) to determine and handle all relevant matters relating to the listing of the issued debt financing instruments upon the completion of the issuance;

- (vi) in the case of issuance of corporate debt financing instruments, during the term of the corporate debt financing instruments, to determine not to distribute dividends to the shareholders to safeguard repayment of debts as required under the relevant laws and regulations in the event that the Company expects to, or does fail to pay the principal and interests as they fall due;
- (vii) to approve, execute and dispatch any announcements or circulars relating to the issuance and make any related disclosure in accordance with the listing rules of the relevant jurisdictions where the shares of the Company are listed;
- (viii) to authorise the Board to delegate the authorisations set forth in items (i) to (vi) above to the president and/or the general accountant of the Company; and
- (ix) to authorise the Board to delegate the authorisation set forth in item (vii) above to the secretary of the Board.

By Order of the Board
Air China Limited
Cai Jianjiang
Chairman

Beijing, the PRC, 9 April 2020

As at the date of this notice, the directors of the Company are Mr. Cai Jianjiang, Mr. Song Zhiyong, Mr. Patrick Healy, Mr. Xue Yasong, Mr. Wang Xiaokang, Mr. Stanley Hui Hon-chung* and Mr. Li Dajin*.*

** Independent non-executive director of the Company*

Notes:

1. Closure of register of members

(i) Eligibility for attending and voting at the AGM

Holders of H Shares of the Company are advised that the register of members of the Company will close from Sunday, 26 April 2020 to Tuesday, 26 May 2020 (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 and voting at the AGM, 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 at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, by 4:30 p.m. on Friday, 24 April 2020.

Shareholders whose names appear on the register of members of the Company on Sunday, 26 April 2020 are entitled to attend and vote at the AGM.

(ii) Eligibility for receiving 2019 final dividends

The Board of the Company has recommended the payment of a final dividend of RMB0.4442 (including tax) per ten shares for the year 2019. If the resolution regarding the payment of the final dividend is approved by the shareholders, it is expected to be distributed on Thursday, 16 July 2020 to the holders of H shares whose names appear on the register of members of the Company on Saturday, 6 June 2020.

The register of members of H Shares of the Company will be closed from Monday, 1 June 2020 to Saturday, 6 June 2020 (both days inclusive), during which period no transfer of H Shares of the Company will be registered. In order to be entitled to receive the 2019 final dividends (if approved), all instruments of transfer of H Shares of the Company accompanied by share certificates and other appropriate documents must be lodged with the Company's H Shares registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Friday, 29 May 2020. The holders of H Shares whose names appear on the register of shareholders of the Company on Saturday, 6 June 2020 will be qualified for the final dividend.

2. Taxation on Dividend

In accordance with the "Enterprise Income Tax Law of the People's Republic of China" (《中華人民共和國企業所得稅法》) and the "Rules for the Implementation of the Enterprise Income Tax Law of the People's Republic of China" (《中華人民共和國企業所得稅法實施條例》), both implemented on 1 January 2008 and the "Notice of the State Administration of Taxation on Issues Relevant to the Withholding of Enterprise Income Tax on Dividends Paid by PRC Enterprises to Offshore Non-resident Enterprise Holders of H Shares" (Guo Shui Han [2008] No. 897) (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》(國稅函[2008] 897號)) promulgated by the State Administration of Taxation on 6 November 2008, the Company is obliged to withhold and pay PRC enterprise income tax on behalf of non-resident enterprise shareholders at a tax rate of 10% from 2008 onwards when the Company distributes any dividends to non-resident enterprise shareholders whose names appear on the register of members of H Shares of the Company. As such, any H Shares of the Company which are not registered in the name(s) of individual(s) (which, for this purpose, includes Shares registered in the name of HKSCC Nominees Limited, other nominees, trustees, or other organisations or groups) shall be deemed to be H Shares held by non-resident enterprise shareholder(s), and the PRC enterprise income tax shall be withheld from any dividends payable thereon. Non-resident enterprise shareholders may wish to apply for a tax refund (if any) in accordance with the relevant requirements, such as tax agreements (arrangements), upon receipt of any dividends.

In accordance with the "Circular on Certain Issues Concerning the Policies of Individual Income Tax" (Cai Shui Zi [1994] No. 020) (《關於個人所得稅若干政策問題的通知》(財稅字[1994] 020號)) promulgated by the Ministry of Finance and the State Administration of Taxation on 13 May 1994, overseas individuals are, as an interim measure, exempted from the PRC individual income tax for dividends or bonuses received from foreign-invested enterprises. As the Company is a foreign-invested enterprise, the Company will not withhold and pay the individual income tax on behalf of individual shareholders when the Company distributes the 2019 final dividends to individual shareholders whose names appear on the register of members of H Shares of the Company.

Pursuant to the Circular on Tax Policies Concerning the Pilot Programme of the Shanghai and Hong Kong Stock Market Trading Interconnection Mechanism (Cai Shui [2014] No. 81) (《關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2014] 81號)) and the Circular on Tax Policies

Concerning the Pilot Programme of the Shenzhen and Hong Kong Stock Connect (Cai Shui [2016] No.127) (《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2016] 127號)), promulgated by the Ministry of Finance, the State Administration of Taxation and CSRC on 31 October 2014 and 5 November 2016 respectively:

The Company is obliged to withhold PRC individual income tax on behalf of resident Shareholders at a tax rate of 20% when the Company distributes the 2019 final dividends to individual investors who invest in the Company's H Shares via Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect. Where individual investors have already paid foreign withholding taxes for such income, investors may apply to the competent tax authorities of China Securities Depository and Clearing Corporation Limited for foreign tax credit with valid tax withholding certificates. The Company is obliged to withhold RRC individual income tax on behalf of Mainland securities investment funds investing in H Shares of the Company through Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect when the Company distributes the 2019 final dividends. The Company will not withhold income tax on behalf of Mainland enterprise investors investing in H Shares of the Company through Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect when the Company distributes the 2019 final dividends. The Mainland enterprise investors shall report the income and make tax payment by themselves.

Shareholders are recommended to consult their tax advisors regarding the ownership and disposal of H Shares of the Company in the PRC and in Hong Kong and other tax effects.

3. Notice of Attendance

H Share shareholders who intend to attend the AGM should complete and lodge the accompanying notice of attendance and return it to the Company's H Share registrar on or before Wednesday, 6 May 2020. The notice of attendance may be delivered by hand, by post or by fax to the Company's H Share registrar. Completion and return of the notice of attendance do not affect the right of a shareholder to attend and vote at 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.

4. 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/her behalf at the AGM.

A proxy shall be appointed by an instrument in writing. Such instrument shall be signed by the appointor or his attorney duly authorised in writing. If the appointor 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 not less than 24 hours before the time specified for the holding of the AGM (or any adjournment thereof). 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.

5. Important notice in relation to pandemic prevention and control

In the event that the containment of the novel coronavirus pneumonia pandemic is still ongoing at the time of the AGM, in order to cooperate with the prevention and control of the pandemic so as to safeguard the health and safety of the shareholders and the participants of the meeting, at the same time ensuring that the shareholders may exercise their respective shareholders' rights, the Company recommends H Share shareholders and their proxies intending to attend the AGM to vote by completing and submitting the proxy form, i.e. to indicate how you wish your votes to be casted in the proxy form, and appoint the Chairman of the AGM as your proxy to vote on your behalf on site.

In case H Share shareholders or their proxies choose to attend the meeting in person by then, they must comply with the policies and requirements of Beijing regarding the containment of novel coronavirus pneumonia pandemic. On the way to, from and at the venue of the AGM, please adopt proper personal preventive measures. Upon arrival at the venue of the AGM, please follow the arrangement and guidance of the staff and cooperate with the pandemic prevention and control requirements including, among others, attendee registration, temperature check and wearing of masks.

6. Other business

(i) The AGM is expected to last for no more than a half of a working day. 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:

17M Floor
Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong
Tel No.: (852) 2862 8628
Fax No.: (852) 2865 0990

Biographical details of Mr. Feng Gang are set out below:

Mr. Feng Gang, aged 56, graduated from Sichuan University majoring in semiconductor. He started his career in July 1984. Mr. Feng was previously the Deputy General Manager of China Southwest Airlines, the Assistant to President of Air China International Corporation, the General Manager and Secretary of the Communist Party Committee of China National Aviation Holding Assets Management Company. He served as the Chairman, President and Deputy Secretary of the Communist Party Committee of Shandong Aviation Group Corporation from May 2007 to April 2010. He was the General Manager and Deputy Secretary of the Communist Party Committee of Shenzhen Airlines Company Limited from April 2010 to April 2014, and served as the Vice President and a member of the Standing Committee of the Communist Party Committee of the Company from April 2010 to August 2014. He has been the Deputy General Manager and a member of the Communist Party Group of China National Aviation Holding Corporation Limited from April 2014 to November 2019. He has been serving as the Chairman of China National Aviation Construction and Development Company as well as the Chairman of China Air Express Co., Ltd. since June 2014, the non-executive director of the Company from August 2014 to October 2017, the Vice Chairman of Tibet Airlines Company Limited since May 2018, and the Vice President of the Company from May 2017 to November 2019. Since November 2019, he has been serving as a director, the Deputy Secretary of the Communist Party Group of China National Aviation Holding Corporation Limited as well as the Deputy Secretary of the Communist Party Committee of the Company.

Save as disclosed above and as at the date of this notice, Mr. Feng does not have any relationship with any directors, senior management, substantial shareholder(s) or controlling shareholder(s) of the Company or hold any other positions in the Company or any of its subsidiaries, or any directorships in other listed companies in the last three years.

As at the date of this notice, Mr. Feng does not have any interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Upon approval of Mr. Feng's appointment at a general meeting of the Company, Mr. Feng will enter into a service contract with the Company for a term commencing on the date of approval by the shareholders of his appointment and ending on the expiry of the term of the current session of the Board; Mr. Feng will not receive any remuneration for his serving as director of the Company.

Save as disclosed above, the Board is not aware of any other matters in relation to the proposed appointment of Mr. Feng as non-executive director of the Company that need to be brought to the attention of the shareholders nor any information that is required to be disclosed pursuant to Rule 13.51(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

1. Background

Given the general mandate to issue debt financing instruments granted by shareholders at the last annual general meeting will lapse at the conclusion of the AGM, a special resolution will be proposed at the AGM to grant a general mandate to the Directors to issue the debt financing instruments (the “**Debt Financing Instruments**”) (the “**Debt Financing Instruments Issue Mandate**”).

2. Particulars of Debt Financing Instruments

Particulars regarding the proposed issuance of the Debt Financing Instruments are as follows:

- (i) Issuer: the Company and/or its wholly-owned or controlled subsidiary, and the specific issuer shall be determined by the Board according to the needs of issuance

- (ii) Placing arrangement: no preferential placement to the shareholders

- (iii) Issue size: subject to that the balance of the Debt Financing Instruments outstanding shall be within the permissible size prescribed by the relevant laws and regulations and specified by regulatory authorities, and the specific issue size shall be determined by the Board according to the capital needs and the market situations

- (iv) Term and type: not more than 15 years for one single-term instrument or a portfolio of instruments with various terms, and the specific term composition and the issue size of instruments with various terms shall be determined by the Board according to the relevant regulations and market situations

APPENDIX II DETAILS OF DEBT FINANCING INSTRUMENTS ISSUE MANDATE

- (v) Use of proceeds: the proceeds to be raised from the issuance are intended to be used towards meeting the demand of the Company's operations, adjusting its debt structure, replenishing its working capital and/or funding its capital investments, among others, and the specific use of proceeds shall be determined by the Board according to the capital needs
- (vi) Term of validity of the authorisation: from the date of the passing of the resolution at the AGM to the date of the annual general meeting of the Company for the year 2020

If the Board (including its authorised person) has resolved to issue the Debt Financing Instruments within the term of the Debt Financing Instruments Issue Mandate, it shall be deemed as an extension to the term of the mandate granted to the Board (including its authorised person) in respect of such issue on the general meeting, provided that there is no conflict between the mandate renewed by the Board (including its authorised person) on the general meeting after the expiry of the mandate and the mandate granted to the Board (including its authorised person) in respect of such issue.