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中國國際航空股份有限公司  
**AIR CHINA LIMITED**  
*(incorporated in the PRC with limited liability)*  
**(Stock Code: 753)**



中航興業有限公司  
**CHINA NATIONAL AVIATION COMPANY LIMITED**  
*(incorporated in Hong Kong with limited liability)*  
**(Stock Code: 1110)**

**JOINT ANNOUNCEMENT**  
**PROPOSED PRIVATIZATION OF**  
**CHINA NATIONAL AVIATION COMPANY LIMITED**  
**BY AIR CHINA LIMITED**  
**BY WAY OF A SCHEME OF ARRANGEMENT**  
**UNDER SECTION 166 OF THE COMPANIES ORDINANCE**  
**CHANGE IN EXPECTED TIMETABLE**

**Financial adviser to China National Aviation Company Limited**



**Citigroup Global Markets Asia Limited**

**Independent financial adviser to the Independent Board Committee  
of China National Aviation Company Limited**



**CLSA Equity Capital Markets Limited**

**Exclusive financial advisers to Air China Limited**



**CICC**  
中國國際金融(香港)有限公司  
CHINA INTERNATIONAL CAPITAL  
CORPORATION (HONGKONG) LIMITED

**China International Capital Corporation  
(Hong Kong) Limited**



**Merrill Lynch**

**Merrill Lynch (Asia Pacific) Limited**

**CHANGE IN EXPECTED TIMETABLE**

Reference is made to the joint announcement dated 15 December 2006 issued by CNAC and Air China in relation to the results of the Court Meeting and the Extraordinary General Meeting. Since the hearing of the petition to sanction the Scheme by the Court can only be scheduled on 23 January 2007, there has been a change in the expected timetable of the implementation of the proposed privatization. The revised expected timetable of the implementation of the proposed privatization is set out in this announcement.

**Minority Shareholders, holders of Options and/or potential investors in CNAC are advised to exercise extreme caution when dealing in the Shares and/or Options.**

## REGISTRATION AND PAYMENT

In order to qualify for entitlements under the Scheme, the Minority Shareholders should ensure that their Shares are registered or lodged for registration in their names or in the names of their nominees with share registrar of CNAC, Computershare Hong Kong Investor Services Limited, at 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:00 p.m. on Monday, 22 January 2007. If the Scheme becomes effective on Wednesday, 24 January 2007, cheques for payments of monetary entitlements under the Scheme will be sent on or before Saturday, 3 February 2007.

## INTRODUCTION

Reference is made to the joint announcement dated 15 December 2006 issued by CNAC and Air China in relation to the results of the Court Meeting and the Extraordinary General Meeting. Terms defined in the scheme document dated 16 November 2006 despatched by CNAC to the Minority Shareholders and Option holders regarding the proposed privatization of CNAC by Air China by way of a scheme of arrangement under Section 166 of the Companies Ordinance shall have the same meanings when used in this announcement unless otherwise stated.

## CHANGE IN EXPECTED TIMETABLE

Since the hearing of the petition to sanction the Scheme by the Court can only be scheduled on 23 January 2007, the expected timetable is revised as follows:

Last day for dealing in the Shares .....	Thursday, 18 January 2007
Latest time for lodging transfers of the Shares in order to be registered as a member of CNAC at the Record Time .....	4:00 p.m. on Monday, 22 January 2007
Court hearing of petition to sanction the Scheme .....	Tuesday, 23 January 2007
Record Time .....	4:00 p.m. on Tuesday, 23 January 2007
Press announcement of the result of the Court hearing of the petition to sanction the Scheme .....	Wednesday, 24 January 2007
Effective Date ( <i>Note 1</i> ) .....	Wednesday, 24 January 2007
Withdrawal of the listing of the Shares on the Stock Exchange .....	9:30 a.m. on Thursday, 25 January 2007
Press announcement of the Effective Date and the withdrawal of the listing of the Shares .....	Thursday, 25 January 2007
Cheques for payments of monetary entitlements under the Scheme despatched on or before .....	Saturday, 3 February 2007

**Shareholders should note that the above timetable may subject to further change pending the Court proceedings. Further announcement(s) will be made in the event that there is any further change to the expected timetable.**

### *Note:*

1. The Scheme will become effective when it is sanctioned (with or without modification) by the Court and an office copy of the order of the Court, together with the minute containing the particulars required by Section 61 of the Companies Ordinance, are delivered to and registered by the Registrar of Companies. Registration is expected to take place on 24 January 2007.

## APPLICATION FOR WITHDRAWAL OF LISTING

An application for the withdrawal of the listing of the Shares will be made to the Stock Exchange. Subject to the approval of the Stock Exchange, it is expected that the last day for dealings in the Shares on the Stock Exchange will be Thursday, 18 January 2007 and the listing of the Shares on the Stock Exchange will be withdrawn with effect from 9:30 a.m. on Thursday, 25 January 2007.

## REGISTRATION AND PAYMENT

In order to qualify for entitlements under the Scheme, the Minority Shareholders should ensure that their Shares are registered or lodged for registration in their names or in the names of their nominees with share registrar of CNAC, Computershare Hong Kong Investor Services Limited, at 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:00 p.m. on Monday, 22 January 2007. If the Scheme becomes effective on Wednesday, 24 January 2007, cheques for payments of monetary entitlements under the Scheme will be sent on or before Saturday, 3 February 2007.

CNAC and Air China hereby remind their respective associates of the dealing restrictions under the Takeovers Code, and to disclose their permitted dealings, if any, in any securities of CNAC.

By order of the Board  
**Air China Limited**  
**Zheng Baoan Li Man Kit**  
*Joint Company Secretaries*

By order of the Board  
**China National Aviation Company Limited**  
**Li Man Kit**  
*Company Secretary*

Hong Kong, 20 December 2006

*The directors of Air China jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than that relating to the CNAC Group) and confirm, having made all reasonable enquires, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by CNAC) have been arrived at after due and careful consideration and there are no other facts (other than those relating to the CNAC Group) not contained in this announcement, the omission of which would make any statements in this announcement misleading.*

*As at the date of this announcement, the board of directors of Air China comprises Li Jiexiang, Kong Dong, Wang Shixiang, Yao Weiting, Christopher Pratt as non-executive directors, Ma Xulun, Cai Jianjiang, Fan Cheng as executive directors, and Hu Hung Lick, Henry, Wu Zhipan, Zhang Ke and Jia Kang as independent non-executive directors.*

*The directors of CNAC jointly and severally accept full responsibility for the accuracy of the information contained in this announcement relating to the CNAC Group and confirm, having made all reasonable enquires, that to the best of their knowledge, opinions expressed in this announcement relating to the CNAC Group have been arrived at after due and careful consideration and there are no other facts relating to the CNAC Group not contained in this announcement, the omission of which would make any statements in this announcement relating to the CNAC Group misleading.*

*As at the date of this announcement, the board of directors of CNAC comprises Kong Dong, Chuang Shih Ping, Zhang Xianlin, Zhao Xiaohang, Tsang Hing Kwong, Thomas, Gu Tiefert as executive directors, Lok Kung Nam, Hu Hung Lick, Henry, Ho Tsu Kwok, Charles, Li Kwok Heem, John, Chan Ching Har, Eliza as independent non-executive directors.*

“Please also refer to the published version of this announcement in The Standard.”