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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)

**THIRD QUARTERLY REPORT 2015**

This announcement is made pursuant to Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The board of directors (the “**Board**”) of Air China Limited (the “**Company**”) held a meeting of the Board on 29 October 2015 and passed the resolution approving the quarterly report of the Company for the third quarter of 2015 prepared in accordance with the PRC Accounting Standards.

**1. IMPORTANT NOTICE**

1.1 The Board, the supervisory committee, as well as the directors, supervisors and senior management of the Company hereby warrant that there are no false representations, misleading statements or material omissions in this quarterly report, and jointly and severally accept full responsibility for the truthfulness, accuracy and completeness of the contents of this quarterly report.

1.2 Attendance of the directors of the Company at the Board meeting

<b>Name of absent director</b>	<b>Position of absent director</b>	<b>Reason(s) for absence</b>	<b>Name of proxy</b>
Feng Gang	Director	Business engagement	Cai Jianjiang
John Robert Slosar	Director	Business engagement	

1.3 Cai Jianjiang (legal representative of the Company), Xiao Feng (person in charge of accounting function), and Zhan Zhong (person in charge of accounting department (accounting superintendent)) hereby warrant that the financial statements set out in this quarterly report are true, accurate and complete.

1.4 The financial statements set out in the third quarterly report of the Company are unaudited.

## 2. MAJOR FINANCIAL DATA OF THE COMPANY AND CHANGES IN SHAREHOLDERS

### 2.1 Major financial data

*Unit: RMB '000*

	At the end of the reporting period	At the end of the previous year		Increase/decrease at the end of the reporting period as compared to the end of the previous year (%)
		After adjustment	Before adjustment	
Total assets	220,456,991	212,001,866	209,642,869	3.99
Net asset attributable to shareholders of the listed company	61,454,636	54,635,489	54,340,012	12.48
	<b>For the period from the beginning of the year to the end of the reporting period (January to September)</b>	<b>For the corresponding period of the previous year (January to September)</b>		<b>Increase/decrease as compared to the corresponding period of the previous year (%)</b>
		<b>After adjustment</b>	<b>Before adjustment</b>	
Net cash flows from operating activities	27,865,106	14,345,940	14,729,780	94.24

	For the period from the begin- ning of the year to the end of the reporting period (January to September)	For the corresponding period of the previous year (January to September)		Increase/ decrease as compared to the cor- responding period of the previous year (%)
		After adjustment	Before adjustment	
Revenue	82,381,027	78,959,890	78,911,498	4.33
Net profit attributable to shareholders of the listed company	6,280,498	3,170,512	3,157,021	98.09
Net profit attributable to shareholders of the listed company after deducting non-recurring profits and losses	5,855,992	2,584,282	2,597,360	126.6
Weighted average return on net assets (%)	10.82	5.71	5.69	Increased by 5.11 ppts
Basic earnings per share (RMB)	0.51	0.26	0.26	98.09
Diluted earnings per share (RMB)	N/A	N/A	N/A	N/A

Non-recurring profits and losses

Applicable     Not applicable

Unit: RMB '000

<b>Items</b>	<b>Amounts for the period (July – September)</b>	<b>For the period from the be- ginning of the year to the end of the reporting period (January to September)</b>
Gains/(losses) from disposal of non-current assets	2,241	-19,303
Government grants included in the profits and losses for the current period (except for those that are closely related to the Company's normal operating business and qualified under national policy to continually receive certain standard amount and quantities)	55,844	595,035
Income from the difference between the fair value of the identifiable net assets attributable from the investees and investment cost of subsidiaries, associates and joint ventures acquired	0	2,813
Current net profit/loss of subsidiaries resulting from merger of enterprises under common control from the beginning of the period to the date of merger	19,095	76,666
Gain/(loss) from changes in fair value of financial assets/liabilities held for trading and investment gains from disposal of financial assets/liabilities held for trading and available-for-sale financial assets (except for hedging activities related to the Company's normal operating business)	4,513	7,986
Reversal of provision for impairment of receivables which are individually tested for impairment	0	3
Other non-operating income and expenses not covered above	-7,267	31,911
Effect of income tax	-17,162	-171,197
Effect on non-controlling interests (after taxation)	-25,590	-99,408
<b>Total</b>	<b><u>31,674</u></b>	<b><u>424,506</u></b>

## 2.2 Total number of shareholders, the top 10 shareholders and the top 10 shareholders not subject to selling restrictions as at the end of the reporting period

*Unit: share*

Total number of shareholders 270,162

Name of shareholder (full name)	Particulars of the top 10 shareholders			Shares pledged or frozen		Nature of shareholder
	Shares held at the end of the period	Share-holding percentage (%)	Shares held subject to selling restrictions	Status	Number	
China National Aviation Holding Company	5,438,757,879	41.57	192,796,331	Frozen	127,445,536	State
Cathay Pacific Airways Limited	2,633,725,455	20.13		Nil		Foreign legal person
HKSCC NOMINEES LIMITED	1,682,456,520	12.86		Unknown		Foreign legal person
China National Aviation Corporation (Group) Limited	1,556,334,920	11.89		Frozen	36,454,464	Foreign legal person
China Securities Finance Corporation Limited	285,316,841	2.18		Unknown		State-owned legal person
China National Aviation Fuel Group Corporation	86,300,000	0.66		Unknown		State-owned legal person
Sinotrans Air Transportation Development Co., Ltd.	75,800,000	0.58		Unknown		State-owned legal person
Jiang Hongye (蔣宏業)	48,000,000	0.37		Unknown		Unknown
Huaxia Life Insurance Co., Ltd. – universal insurance product	19,204,929	0.15		Unknown		Unknown
Taikang Life Insurance Ltd – Bonus – Personal Bonus – 019L – FH002 Shanghai	17,982,365	0.14		Unknown		Unknown

**Particulars of the top 10 shareholders not subject to selling restrictions**

Name of shareholder	Number of tradable shares held not subject to selling restrictions	Class and number of shares	
		Class	Number
China National Aviation Holding Company	5,245,961,548	RMB ordinary shares	5,245,961,548
Cathay Pacific Airways Limited	2,633,725,455	Overseas listed foreign shares	2,633,725,455
HKSCC NOMINEES LIMITED	1,682,456,520	Overseas listed foreign shares	1,682,456,520
China National Aviation Corporation (Group) Limited	1,556,334,920	RMB ordinary shares	1,332,482,920
		Overseas listed foreign shares	223,852,000
China Securities Finance Corporation Limited	285,316,841	RMB ordinary shares	285,316,841
China National Aviation Fuel Group Corporation	86,300,000	RMB ordinary shares	86,300,000
Sinotrans Air Transportation Development Co., Ltd.	75,800,000	RMB ordinary shares	75,800,000
Jiang Hongye (蔣宏業)	48,000,000	RMB ordinary shares	48,000,000
Huaxia Life Insurance Co., Ltd. – universal insurance product	19,204,929	RMB ordinary shares	19,204,929
Taikang Life Insurance Ltd – Bonus – Personal Bonus – 019L – FH002 Shanghai	17,982,365	RMB ordinary shares	17,982,365

Explanations on connected relationship or action in concert among the above shareholders

China National Aviation Corporation (Group) Limited is a wholly-owned subsidiary of China National Aviation Holding Company. Accordingly, China National Aviation Holding Company is directly and indirectly interested in 53.46% of the shares of the Company.

*Notes:*

1. HKSCC NOMINEES LIMITED is a subsidiary of The Stock Exchange of Hong Kong Limited and its principal business is acting as nominee for and on behalf of other corporate shareholders or individual shareholders. The 1,682,456,520 H Shares held by it in the Company do not include the 166,852,000 Shares held by it as nominee of China National Aviation Corporation (Group) Limited.
2. According to the “Implementation Measures on Partial Transfer of State-owned Shares to the National Social Security Fund in the Domestic Securities Market” (Cai Qi [2009] No. 94) (《境內證券市場轉持部分國有股充實全國社會保障基金實施辦法》(財企[2009]94號) and the Notice ([2009] No. 63) jointly issued by the Ministry of Finance, the State-owned Assets Supervision and Administration Commission of the State Council, China Securities Regulatory Commission and the National Council for Social Security Fund, 127,445,536 shares and 36,454,464 shares held by China National Aviation Holding Company, the controlling shareholder of the Company, and China National Aviation Corporation (Group) Limited respectively are frozen at present.

**2.3 Total number of holders of preference shares, the top 10 holders of preference shares and the top 10 holders of preference shares not subject to selling restrictions as at the end of the reporting period**

Applicable  Not applicable

**3. SIGNIFICANT EVENTS**

**3.1 Particulars of, and reasons for, significant changes in major items in the accounting statements and key financial indicators of the Company**

Applicable  Not applicable

Total profit of the Group for January to September of 2015 was RMB8,563 million, representing a year-on-year increase of 97.69%; and net profit attributable to the parent company was RMB6,280 million, representing a year-on-year increase of 98.09%. The increases in total profit of the Group and net profit attributable to the parent company were mainly due to the combined effects of the year-on-year increase in revenue as a result of the optimised operational arrangement and increased capacity deployment of the Group as well as the strengthening of refined management on major cost items, continued exploiting the potential in cost reduction and the year-on-year decrease in aviation fuel cost.

Items in consolidated balance sheet	As of 30 September 2015	As of 31 December 2014 (Restated)	Amount of Change	Percentage	Reasons for Change
Inventories	1,816,696	1,100,179	716,517	65.13%	Mainly due to the impact of the acquisition of a subsidiary during the reporting period.
Assets held for sale	102,628	457,623	-354,995	-77.57%	Mainly due to the disposal of several aircraft held for sale during the reporting period.
Other current assets	1,911,736	4,805,593	-2,893,857	-60.22%	Mainly due to the decrease in deductible input VAT and borrowings and advances issued by a subsidiary of the Group as at the end of the reporting period.
Short-term loans	7,787,050	19,146,494	-11,359,444	-59.33%	Mainly due to the Group's initiative to adjust its debt structure, thus decreasing its working capital loans.
Short-term bonds payable	1,240,000	640,000	600,000	93.75%	Mainly due to the impact of a new issuance of short-term bonds by a subsidiary of the Group.
Bills payable	487,176	150,000	337,176	224.78%	Increase in settlement by bills payable during the reporting period.
Receipts in advance	326,990	141,037	185,953	131.85%	Mainly due to the impact of the acquisition of a subsidiary during the reporting period.
Salaries and wages payable	2,335,529	1,663,888	671,641	40.37%	Mainly due to the impact of the acquisition of a subsidiary during the reporting period.
Taxes payable	1,390,783	977,764	413,019	42.24%	Mainly due to the increase in enterprise income tax payable.
Interests payable	915,902	669,108	246,794	36.88%	Mainly due to the provision of debenture interest payable during the reporting period.
Long-term employee compensations payable	264,860		264,860	100.00%	Mainly due to the impact of the acquisition of a subsidiary during the reporting period.



Items in consolidated income statement	For the period from the beginning of the year to the end of the reporting period	For the corresponding period of the previous year (restated)	Amount of Change	Percentage	Reasons for Change
Finance expenses	5,662,220	2,951,130	2,711,090	91.87%	Due to the increase in net foreign exchange losses recognised during the reporting period as a result of the appreciation of US\$ against RMB.
Impairment loss of assets	16,795	-104,056	120,851	116.14%	Mainly due to the reversal of the bad debt provision for other receivables in prior years by a subsidiary of the Group during the corresponding period of the previous year.
Investment income	1,164,353	659,440	504,913	76.57%	Mainly due to the increase in investment income from associated companies and joint ventures recognised during the reporting period as compared to the corresponding period of the previous year.
Income tax expenses	1,882,844	911,027	971,817	106.67%	Mainly due to the year-on-year increase in profit during the reporting period, resulting in an increase in enterprise income tax payable.
Gains or losses attributable to non-controlling interests	399,813	250,139	149,674	59.84%	Mainly due to the acquisition of a new non-wholly owned subsidiary and the increase in total profit of the other non-wholly owned subsidiaries of the Group for the reporting period as compared to the corresponding period of the previous year.

<b>Items in consolidated cash flow statement</b>	<b>For the period from the beginning of the year to the end of the reporting period</b>	<b>For the corresponding period of the previous year (restated)</b>	<b>Amount of Change</b>	<b>Percentage</b>	<b>Reasons for Change</b>
Other cash received relating to operating activities	5,355,733	3,342,286	2,013,447	60.24%	Mainly due to the year-on-year increase of loans and advances recovered by a subsidiary of the Group.
Cash received from investment income	443,096	328,751	114,345	34.78%	Increase in dividends received from investees during the reporting period.
Net cash proceeds from acquisition of a subsidiary	145,380		145,380	100.00%	Impact of the acquisition of a subsidiary during the reporting period.
Other cash received relating to investing activities	580,040	1,019,732	-439,692	-43.12%	Mainly due to the smaller change in the balance of secured deposits during the reporting period as compared to the corresponding period of the previous year.
Net cash proceeds from disposal of fixed assets and intangible assets and other long-term assets	200,619	1,571,985	-1,371,366	-87.24%	Decrease in aircraft disposals completed during the reporting period as compared to the corresponding period of the previous year.
Other cash paid relating to investing activities	500,241	257,930	242,311	93.94%	Mainly due to the increase in investment products purchased by a subsidiary of the Group as compared to the corresponding period of the previous year.
Cash received from issue of debentures	600,000		600,000	100.00%	New issuance of short-term bonds by a subsidiary of the Group during the reporting period.
Cash received from borrowings	12,531,354	30,051,598	-17,520,244	-58.30%	Mainly due to abundant cash flow from operating activities during the reporting period, resulting in the decrease in new loans as compared to the corresponding period of the previous year.

### 3.2 Analysis and explanation on the progress of significant events and their impact and resolutions

Applicable     Not applicable

#### 1. *Continuing connected transactions between CNAF and CNAHC*

On 29 April 2015, China National Aviation Finance Co., Ltd (hereinafter as “CNAF”) and China National Aviation Holding Company (plenipotentiary to its subsidiaries and hereinafter collectively as “CNAHC”) entered into the Financial Services Framework Agreement (hereinafter as the “Agreement”), pursuant to which CNAF shall provide financial services to CNAHC during the term of the Agreement. Please refer to the announcement published by the Company on the China Securities Journal, Shanghai Securities News, Securities Daily and the website of Shanghai Stock Exchange (www.sse.com.cn) on 30 April 2015. The Agreement has come into effect as the related issues of the shareholding restructuring of CNAF has eventually been approved by relevant approval authorities and conditions for the Agreement to come into effect have been fulfilled. Upon completion of this acquisition, CNAF has been included in the scope of consolidation of the consolidated financial statements and belongs to business combination under common control.

#### 2. *Non-public offering of A shares*

At the 21st meeting of the fourth session of the Board of Directors of the Company held on 27 July 2015, the Board approved the Company’s proposed non-public offering of not more than 994,200,497 A shares (inclusive) to not more than 10 (inclusive) specified targets (including China National Aviation Holding Company, being the controlling shareholder of the Company), with total proceeds not exceeding RMB12 billion (inclusive). Please refer to the announcement published by the Company on the website of Shanghai Stock Exchange (www.sse.com.cn) and the China Securities Journal, Shanghai Securities News and Securities Daily on 29 July 2015. As the A share market has witnessed considerable changes in recent months, the Company is still considering the specific working arrangements regarding the implementation of the relevant transactions.

### 3.3 Performance of undertakings given by the Company and the shareholders holding more than 5% of the shares of the Company

Applicable     Not applicable

Background of undertakings	Type of undertakings	The party making the undertakings	Contents of undertakings	Date and duration of undertakings	Is there performance duration?	Are they timely and strictly performed?
Other undertakings	Shares sale restriction	CNAHC	On 3 August 2015, China National Aviation Holding Company (“CNAHC”) increased its shareholding in the Company by 8,691,786 A shares via the trading system of the Shanghai Stock Exchange, representing 0.0664% of the total issued share capital of the Company (the “First Share Acquisition”). CNAHC intends to continue to increase its shareholdings in the Company, either in its own name or through parties acting in concert with it, via the secondary market within 12 months from 3 August 2015 up to an aggregate amount not exceeding 2% of the total issued share capital of the Company (including the increased shareholdings in the First Share Acquisition). CNAHC undertakes that it will not sell any shares it holds in the Company during the period of the implementation of the acquisition plan and within the statutory period.	The undertakings were made on 3 August 2015 and shall be fulfilled on or before 2 August 2016	Yes	Yes

*Note:*

As CNAF has become a subsidiary of the Company after its shareholding restructuring, transactions between the Company and CNAF no longer constitute connected transactions. As a result, the undertakings by CNAHC and the Company respectively relating to refinancing and resolving the problems arising from the connected transactions between the Company and CNAF, as contained in the previous report of the Company, were released on 1 September 2015. The undertaking is not subject to disclosure starting from this report.

Among the undertakings detailed in the Company’s previous report, the undertaking by CNAHC resulting from a series of increases in the shareholding of the Company since 20 December 2013 has expired on 19 June 2015. The undertaking is not subject to disclosure starting from this report.

**3.4 Warning in respect of forecast of possible net loss from the beginning of the year to the end of the next reporting period or warning in respect of any significant changes in net profit as compared with that of the corresponding period of previous year and the underlying reasons**

Applicable  Not applicable

Company name Air China Limited  
Legal representative Cai Jianjiang  
Date 29 October 2015

## 4. APPENDIX

### 4.1 Financial Statements

**Consolidated Balance Sheet**  
*30 September 2015*  
Prepared by Air China Limited

*Unit: RMB '000 (Unaudited)*

<b>Items</b>	<b>Balance at the end of period</b>	<b>Balance at the beginning of the year</b>
<b>CURRENT ASSETS:</b>		
Cash and bank balances	10,260,916	9,344,550
Provisions on payables		
Contributions made		
Financial assets at fair value through profit or loss	24,136	12,534
Derivative financial assets		
Bills receivable	496	155
Accounts receivable	3,285,792	2,984,209
Prepayments	1,002,021	843,801
Premium receivable		
Receivables on reinsurance		
Provisions for reinsurance contracts		
Interest receivable		
Dividend receivable		
Other receivables	2,622,065	2,801,013
Purchase of financial assets resold		
Inventories	1,816,696	1,100,179
Assets held for sale	102,628	457,623
Non-current assets due within a year		
Other current assets	1,911,736	4,805,593
Total current assets	21,026,486	22,349,657

<b>Items</b>	<b>Balance at the end of period</b>	<b>Balance at the beginning of the year</b>
<b>NON-CURRENT ASSETS:</b>		
Loans and advances		
Available-for-sale financial assets	697,280	715,711
Held-to-maturity investments	80,000	30,000
Long-term receivables	570,107	535,184
Long-term equity investments	14,392,134	13,183,912
Investment properties	357,460	347,992
Fixed assets	149,526,906	139,619,667
Construction in progress	24,615,930	26,448,536
Construction materials		
Disposal of fixed assets		
Biological assets for production		
Oil and gas assets		
Intangible assets	4,109,304	3,620,472
Development expenses		
Goodwill	1,102,185	1,102,185
Long-term deferred expenses	507,620	558,726
Deferred tax assets	3,471,579	3,489,824
Other non-current assets		
Total non-current assets	199,430,505	189,652,209
Total assets	220,456,991	212,001,866

<b>Items</b>	<b>Balance at the end of period</b>	<b>Balance at the beginning of the year</b>
<b>CURRENT LIABILITIES:</b>		
Short-term loans	7,787,050	19,146,494
Borrowings from central bank		
Deposits from clients and placements from other banks		
Contributions received		
Short-term bonds payable	1,240,000	640,000
Financial liabilities at fair value through profit or loss	2,873	7,712
Derivative financial liabilities		
Bills payable	487,176	150,000
Accounts payable	12,646,253	11,757,797
Domestic air traffic liabilities	2,218,898	2,103,215
International air traffic liabilities	3,419,790	2,727,591
Receipts in advance	326,990	141,037
Sale of financial assets repurchased		
Fees and commissions payable		
Salaries and wages payable	2,335,529	1,663,888
Taxes payable	1,390,783	977,764
Interest payable	915,902	669,108
Dividend payable		1,449
Other payables	9,046,949	8,343,510
Amounts payable on reinsurance		
Reserves on insurance contracts		
Brokerage payable		
Underwriting fees payable		
Liabilities held for sale		
Non-current liabilities due within a year	12,867,124	13,725,417
Other current liabilities		
Total current liabilities	54,685,317	62,054,982



Items	Balance at the end of period	Balance at the beginning of the year
<b>NON-CURRENT LIABILITIES:</b>		
Long-term loans	31,523,051	31,829,076
Debentures payable	17,195,491	17,194,120
Including: Preference shares		
Perpetual bonds		
Long-term payables	3,486,566	3,409,031
Obligations under finance leases	38,081,932	31,240,298
Long-term employee compensations payable	264,860	
Specific payables		
Estimated liabilities	350,803	360,481
Deferred income	3,904,099	3,336,106
Deferred income tax liabilities	2,782,800	2,337,958
Other non-current liabilities		
Total non-current liabilities	97,589,602	89,707,070
Total liabilities	152,274,919	151,762,052
<b>OWNER'S EQUITY:</b>		
Issued capital	13,084,751	13,084,751
Other equity instruments		
Including: Preference shares		
Perpetual bonds		
Capital reserve	16,509,532	16,767,627
Less: Treasury shares		
Other comprehensive income	-3,581,638	-5,058,975
Specific reserves		
Surplus reserves	6,089,023	5,802,819
General risk provisions	38,851	38,364
Retained earnings	29,314,117	24,000,903
Total owner's equity attributable to shareholders of the Company	61,454,636	54,635,489
Non-controlling interests	6,727,436	5,604,325
Total owner's equity	68,182,072	60,239,814
Total liabilities and owner's equity	220,456,991	212,001,866

Legal representative of the Company: Cai Jianjiang  
Person in charge of accounting function: Xiao Feng  
Person in charge of accounting department: Zhan Zhong

## Balance Sheet of The Parent Company

30 September 2015

Prepared by Air China Limited

*Unit: RMB '000 (Unaudited)*

<b>Items</b>	<b>Balance at the end of period</b>	<b>Balance at the beginning of the year</b>
<b>CURRENT ASSETS:</b>		
Cash and bank balances	3,632,958	3,258,265
Financial assets at fair value through profit or loss		
Derivative financial assets		
Bills receivable		
Accounts receivable	2,680,700	2,033,210
Prepayments	438,615	559,578
Interest receivable		
Dividend receivable		
Other receivables	1,991,315	2,592,836
Inventories	317,336	633,178
Assets held for sale	102,628	457,623
Non-current assets due within a year		
Other current assets	1,528,507	1,895,153
Total current assets	10,692,059	11,429,843

<b>Items</b>	<b>Balance at the end of period</b>	<b>Balance at the beginning of the year</b>
<b>NON-CURRENT ASSETS:</b>		
Available-for-sale financial assets	22,784	22,784
Entrusted loans	1,020,000	1,020,000
Held-to-maturity investments		
Long-term receivables	374,005	349,500
Long-term equity investments	26,386,908	24,488,744
Investment properties		
Fixed assets	98,473,944	96,751,867
Construction in progress	17,984,132	18,466,382
Construction materials		
Disposal of fixed assets		
Biological assets for production		
Oil and gas assets		
Intangible assets	2,490,727	2,125,388
Development expenses		
Goodwill		
Long-term deferred expenses	330,639	362,315
Deferred tax assets	1,883,932	2,009,455
Other non-current assets		
Total non-current assets	148,967,071	145,596,435
Total assets	159,659,130	157,026,278

Items	Balance at the end of period	Balance at the beginning of the year
<b>CURRENT LIABILITIES:</b>		
Short-term loans	5,068,636	13,059,072
Financial liabilities at fair value through profit or loss		
Derivative financial liabilities		
Bills payable		
Accounts payable	9,856,497	8,358,733
Domestic air traffic liabilities	1,603,581	1,472,580
International air traffic liabilities	3,114,068	2,445,144
Receipts in advance	93,028	99,081
Salaries and wages payable	936,574	522,110
Taxes payable	1,092,535	788,834
Interest payable	708,675	574,389
Dividend payable		
Other payables	6,183,727	3,875,786
Held-for-sale liabilities		
Non-current liabilities due within a year	7,971,741	9,915,116
Other current liabilities		
Total current liabilities	36,629,062	41,110,845
<b>NON-CURRENT LIABILITIES:</b>		
Long-term loans	17,491,724	17,612,658
Debentures payable	16,000,000	16,000,000
Including: Preference shares		
Perpetual bonds		
Long-term payables	1,678,255	1,757,510
Obligations under finance leases	25,978,134	23,895,151
Long-term employee compensations payable		
Specific payables		
Estimated liabilities	14,719	18,751
Deferred income	3,284,664	2,798,912
Deferred income tax liabilities	87,838	130,177
Other non-current liabilities		
Total non-current liabilities	64,535,334	62,213,159
Total liabilities	101,164,396	103,324,004

<b>Items</b>	<b>Balance at the end of period</b>	<b>Balance at the beginning of the year</b>
<b>OWNER'S EQUITY:</b>		
Issued capital	13,084,751	13,084,751
Other equity instruments		
Including: Preference shares		
Perpetual bonds		
Capital reserve	20,857,370	20,823,233
Less: Treasury shares		
Other comprehensive income	177,531	166,530
Specific reserves		
Surplus reserves	6,051,918	5,766,587
Retained earnings	18,323,164	13,861,173
Total owner's equity	58,494,734	53,702,274
Total liabilities and owner's equity	159,659,130	157,026,278

Legal representative of the Company: Cai Jianjiang

Person in charge of accounting function: Xiao Feng

Person in charge of accounting department: Zhan Zhong

## Consolidated Income Statement

January to September 2015

Prepared by Air China Limited

Unit: RMB '000 (Unaudited)

Items	Amounts for the period (July to September)	Amounts for the corre- sponding pe- riod of the previous year (July to Sep- tember)	Amounts for the period from the beginning of the year to the end of the reporting peri- od (January to September)	Amounts for the period from the beginning of the previous year to the end of the last re- porting period (January to September)
<b>I. Revenue from operations</b>	31,229,751	29,811,879	82,381,027	78,959,890
Including: Operation income	31,229,751	29,811,879	82,381,027	78,959,890
Interest income				
Premium earned				
Fees and commission income				
<b>II. Total operating costs</b>	28,754,512	26,489,642	75,599,700	76,166,732
Including: Operating costs	21,839,446	23,015,107	61,970,696	65,339,849
Interest expenses				
Fees and commission expenses				
Returned premium				
Net reimbursement paid				
Net amounts of provisions on insurance contracts drawn				
Bonus paid on insurance policy				
Reinsurance premium				
Business taxes and other levies	77,005	59,359	194,168	148,754
Selling expenses	1,607,310	1,900,250	4,932,502	5,497,335
Administrative expenses	1,102,786	812,150	2,823,319	2,333,720
Finance expenses	4,123,704	814,249	5,662,220	2,951,130
Impairment loss of assets	4,261	-111,473	16,795	-104,056

Items	Amounts for the period (July to September)	Amounts for the corre- sponding pe- riod of the previous year (July to Sep- tember)	Amounts for the period from the beginning of the year to the end of the reporting peri- od (January to September)	Amounts for the period from the beginning of the previous year to the end of the last re- porting period (January to September)
Add: Gains from changes in fair value (loss is represented by “-” sign)	69	4,758	6,682	4,335
Investment income (loss is represented by “-” sign)	504,369	408,594	1,164,353	659,440
Including: Gains arising from investments in associated companies and joint ventures	495,013	399,360	1,133,865	635,979
Exchange gains (loss is represented by “-” sign)				
<b>III. Profit from operations (loss is represented by “-” sign)</b>	<b>2,979,677</b>	<b>3,735,589</b>	<b>7,952,362</b>	<b>3,456,933</b>
Add: Non-operating income	121,431	86,228	746,055	963,885
Including: Gains arising from disposal of non- current assets	28,490	2,234	48,126	24,897
Less: Non-operating expenses	70,646	38,926	135,262	89,140
Including: Loss arising from disposal of non- current assets	26,249	32,661	67,429	70,630
<b>IV. Total profit (total loss is represented by “-” sign)</b>	<b>3,030,462</b>	<b>3,782,891</b>	<b>8,563,155</b>	<b>4,331,678</b>
Less: Income tax expenses	669,073	809,475	1,882,844	911,027
<b>V. Net profit (net loss is represented by “-” sign)</b>	<b>2,361,389</b>	<b>2,973,416</b>	<b>6,680,311</b>	<b>3,420,651</b>
Net profits attributable to shareholders of the listed Company	2,331,227	2,687,167	6,280,498	3,170,512
Gains or losses attributable to non-controlling interests	30,162	286,249	399,813	250,139

Items	Amounts for the period (July to September)	Amounts for the corre- sponding pe- riod of the previous year (July to Sep- tember)	Amounts for the period from the beginning of the year to the end of the reporting peri- od (January to September)	Amounts for the period from the beginning of the previous year to the end of the last re- porting period (January to September)
<b>VI. Other comprehensive in-come after taxation</b>	788,152	78,553	1,498,998	-148,652
Other comprehensive income after taxation attributable to shareholders of the listed Company	786,429	38,464	1,477,316	-195,996
(I) Other comprehensive income that cannot be subsequently reclassified to profit or loss			-158	
1. Change arising from re- measurement of net liabilities or net assets in defined benefit plans			-158	
2. Share of other comprehensive income of the investees accounted for using the equity method that cannot be reclassified to profit or loss				
(II) Other comprehensive income that will be subsequently reclassified to profit or loss	786,429	38,464	1,477,474	-195,996
1. Share of other comprehensive income of the investees accounted for using the equity method that will be subsequently reclassified to profit or loss	-12,075	69,057	664,204	-362,156
2. Gains or losses arising from changes in fair value of available-for-sale financial assets	-6,187	218	15,835	2,898



Items	Amounts for the period (July to September)	Amounts for the corre- sponding pe- riod of the previous year (July to Sep- tember)	Amounts for	Amounts for
			the period from the beginning of the year to the end of the reporting peri- od (January to September)	the period from the beginning of the year to the end of the reporting period (January to September)
3. Gains or losses arising from reclassification of held-to-maturity investments to available-for-sale financial assets				
4. Effective portion of profit or loss on cash flow hedge				
5. Foreign exchange translation reserve	804,691	-30,811	797,435	163,262
6. Others				
Other comprehensive income after taxation attributable to non-controlling interests	1,723	40,089	21,682	47,344
<b>VII.Total comprehensive in-come</b>	<b>3,149,541</b>	<b>3,051,969</b>	<b>8,179,309</b>	<b>3,271,999</b>
Total comprehensive income attributable to shareholders of the listed Company	3,117,656	2,725,631	7,757,814	2,974,516
Total comprehensive income attributable to non-controlling interests	31,885	326,338	421,495	297,483
<b>VIII.Earnings per share:</b>				
(I) Basic (RMB)	0.19	0.22	0.51	0.26
(II) Diluted (RMB)	N/A	N/A	N/A	N/A

For the business combination under common control effected in the current period, the net profit realised by the combined party before the combination was RMB57,676,792, and the net profit realised by the combined party in the previous period was RMB52,093,200.

Legal representative of the Company: Cai Jianjiang  
Person in charge of accounting function: Xiao Feng  
Person in charge of accounting department: Zhan Zhong

## Income Statement of the Parent Company

January to September 2015

Prepared by Air China Limited

Unit: RMB '000 (Unaudited)

Items	Amounts for the period (July to September)	Amounts for the corre- sponding pe- riod of the previous year (July to Sep- tember)	Amounts for the period from the be- ginning of the year to the end of the reporting period (January to September)	Amounts for the period from the be- ginning of the previous year to the end of the last re- porting period (January to September)
<b>I. Revenue from operations</b>	22,112,059	21,206,303	58,131,530	56,040,674
Less: Operating costs	15,221,410	16,052,793	43,192,772	45,711,385
Business taxes and other levies	30,533	24,319	95,123	68,637
Selling expenses	1,235,878	1,493,473	3,745,847	4,292,309
Administrative expenses	393,017	442,985	1,251,821	1,253,562
Finance expenses	2,868,235	599,041	4,074,951	2,212,885
Impairment loss of assets			3,615	5,482
Add: Gains from changes in fair value (loss is represented by “-” sign)				
Investment income (loss is represented by “-” sign)	221,903	184,488	644,552	375,235
Including: Gains arising from investments in associated companies and joint ventures	220,373	182,350	551,106	250,687
<b>II. Profit from operations (loss is represented by “-” sign)</b>	2,584,889	2,778,180	6,411,953	2,871,649
Add: Non-operating income	28,948	138,085	586,919	629,585
Including: Gains arising from disposal of non- current assets	5,897	107,040	131,088	129,400
Less: Non-operating expenses	27,070	33,635	77,149	80,204
Including: Loss arising from disposal of non- current assets	23,650	30,690	63,929	68,069

Items	Amounts for the period (July to September)	Amounts for the corre- sponding pe- riod of the previous year (July to Sep- tember)	Amounts for the period from the be- ginning of the year to the end of the reporting period (January to September)	Amounts for the period from the be- ginning of the previous year to the end of the last re- porting period (January to September)
<b>III. Total profit (total loss is represented by “-” sign)</b>	2,586,767	2,882,630	6,921,723	3,421,030
Less: Income tax expenses	556,502	656,903	1,490,985	732,341
<b>IV. Net profit (net loss is represented by “-” sign)</b>	2,030,265	2,225,727	5,430,738	2,688,689
<b>V. Other comprehensive income after taxation</b>		24,806	11,001	25,903
(I) Other comprehensive income that cannot be subsequently reclassified to profit or loss				
1. Change arising from re- measurement of net liabilities or net assets in defined benefit plans				
2. Share of other comprehensive income of the investees accounted for using the equity method that cannot be reclassified to profit or loss				
(II) Other comprehensive income that will be subsequently reclassified to profit or loss		24,806	11,001	25,903
1. Share of other comprehensive income of the investees accounted for using the equity method that will be subsequently reclassified to profit or loss		24,806	11,001	25,903
2. Gains or losses arising from changes in fair value of available-for-sale financial assets				

Items	Amounts for the period (July to September)	Amounts for the corre- sponding pe- riod of the previous year (July to Sep- tember)	Amounts for the period from the be- ginning of the year to the end of the reporting period (January to September)	Amounts for the period from the be- ginning of the previous year to the end of the last re- porting period (January to September)
3. Gains or losses arising from reclassification of held-to-maturity investments to available-for-sale financial assets				
4. Effective portion of profit or loss on cash flow hedge				
5. Foreign exchange translation reserve				
6. Others				
<b>VI.Total comprehensive income</b>	2,030,265	2,250,533	5,441,739	2,714,592

**VII.Earnings per share:**

(I) Basic (RMB)

(II) Diluted (RMB)

Legal representative of the Company: Cai Jianjiang

Person in charge of accounting function: Xiao Feng

Person in charge of accounting department: Zhan Zhong

## Consolidated Cash Flow Statement

January to September 2015

Prepared by Air China Limited

Unit: RMB '000 (Unaudited)

Items	Amounts for the period from the beginning of the year to the end of the re- porting period (January to September)	Amounts for the period from the beginning of the previous year to the end of the last reporting period (January to September)
<b>I. Cash flows from operating activities:</b>		
Cash received from sales of goods and provision of services	87,479,093	82,863,244
Net increase in deposits from clients and placements from other banks		
Net increase in borrowings from central bank		
Net increase in contributions made to other financial institutions		
Cash received from premiums of original insurance contracts		
Net cash receipt from reinsurance operations		
Net increase in reserve of the insured and investment		
Net increase in disposal of held-for-trading financial assets		
Cash received from interests, fees and commission		
Net increase in contributions received		
Net increase in cash from repurchase operations		
Refund of tax and levy	10,193	16,795
Other cash received relating to operating activities	5,355,733	3,342,286
Subtotal of cash inflows of operating activities	92,845,019	86,222,325
Cash paid for goods purchases and services received	42,875,119	49,285,841
Net increase in loans and advances to clients		
Net increase in deposits in central bank and to other banks		
Cash paid in respect of claims under original insurance contracts		
Cash paid for interests, fees and commission		

<b>Items</b>	<b>Amounts for the period from the beginning of the year to the end of the re- porting period (January to September)</b>	<b>Amounts for the period from the beginning of the previous year to the end of the last reporting period (January to September)</b>
Cash paid for bonus paid on insurance policy		
Cash paid to or on behalf of employees	11,729,923	11,587,566
Tax and levies paid	3,251,520	2,953,187
Other cash paid relating to operating activities	7,123,351	8,049,791
Subtotal of cash outflows from operating activities	64,979,913	71,876,385
Net cash flows from operating activities	27,865,106	14,345,940
 <b>II. Cash flows from investment activities:</b>		
Cash received from sales and redemption of investments		
Cash received from investment income	443,096	328,751
Net cash received for acquisition of subsidiaries	145,380	
Net cash proceeds from disposal of fixed assets, intangible assets and other long-term assets	200,619	1,571,985
Other cash received relating to investment activities	434,660	1,019,732
Subtotal of cash inflows from investment activities	1,223,755	2,920,468
Cash paid for purchase of fixed assets, intangible assets and other long-term assets	7,312,864	10,262,885
Cash paid for investments	59,085	
Net cash payments for acquisition of subsidiaries and other business units		
Other cash paid relating to investment activities	500,241	257,930
Subtotal of cash outflows from investment activities	7,872,190	10,520,815
Net cash flows from investment activities	-6,648,435	-7,600,347

<b>Items</b>	<b>Amounts for the period from the beginning of the year to the end of the re- porting period (January to September)</b>	<b>Amounts for the period from the beginning of the previous year to the end of the last reporting period (January to September)</b>
<b>III. Cash flows from financing activities:</b>		
Cash received from capital injection		
Including: Cash received from capital injection of minority shareholders in subsidiaries		
Cash received from borrowings	12,531,354	30,051,598
Cash received from issue of debentures	600,000	
Other cash received relating to financing activities		
Subtotal of cash inflows from financing activities	13,131,354	30,051,598
Cash paid for repayment of borrowings	23,669,446	30,526,773
Cash paid for redemption of debentures	3,000,000	3,700,000
Cash paid for distribution of dividends, profits or payment of interest expenses	2,910,743	2,923,370
Including: Dividends and profit paid to minority shareholders by subsidiaries	87,110	138,465
Other cash paid relating to financing activities	4,099,023	3,482,801
Subtotal of cash outflows from financing activities	33,679,212	40,632,944
Net cash flows from financing activities	-20,547,858	-10,581,346
<b>IV. Effect of exchange rate changes on cash and cash     equivalents</b>		
	46,443	16,053
<b>V. Net increase in cash and cash equivalents</b>		
	715,256	-3,819,700
Add: Balance of cash and cash equivalents as at the beginning of the period	9,269,979	13,548,363
<b>VI. Balance of cash and cash equivalents as at the end     of the period</b>		
	9,985,235	9,728,663

Legal representative of the Company: Cai Jianjiang  
Person in charge of accounting function: Xiao Feng  
Person in charge of accounting department: Zhan Zhong

## Cash Flow Statement of the Parent Company

January to September 2015

Prepared by Air China Limited

Unit: RMB '000 (Unaudited)

<b>Items</b>	<b>Amounts for the period from the beginning of the year to the end of the re- porting period (January to September)</b>	<b>Amounts for the period from the beginning of the previous year to the end of the last reporting period (January to September)</b>
<b>I. Cash flows from operating activities:</b>		
Cash received from sales of goods and provision of services	60,616,657	58,058,101
Refund of tax and levy	4,807	4,965
Other cash received relating to operating activities	2,047,750	1,819,260
Subtotal of cash inflows from operating activities	62,669,214	59,882,326
Cash paid for goods purchased and services received	30,722,967	35,997,536
Cash paid to or on behalf of employees	6,175,991	6,476,507
Tax and levies paid	2,200,143	2,023,452
Other cash paid relating to operating activities	4,205,863	5,204,011
Subtotal of cash outflows from operating activities	43,304,964	49,701,506
Net cash flows from operating activities	19,364,250	10,180,820



<b>Items</b>	<b>Amounts for the period from the beginning of the year to the end of the re- porting period (January to September)</b>	<b>Amounts for the period from the beginning of the previous year to the end of the last reporting period (January to September)</b>
<b>II. Cash flows from investment activities:</b>		
Cash received from sales and redemption of investments		
Cash received from investment income	266,782	227,835
Net cash proceeds from disposal of fixed assets, intangible assets and other long-term assets	408,392	924,903
Net cash proceeds from disposal of subsidiaries and other business units		
Other cash received relating to investment activities	54,485	788,479
Subtotal of cash inflows from investment activities	729,659	1,941,217
Cash paid for purchase of fixed assets, intangible assets and other long-term assets	4,960,376	4,928,332
Cash paid for investments	59,085	
Net cash payments for acquisition of subsidiaries and other business units	734,930	431,743
Other cash paid relating to investment activities		1,023,819
Subtotal of cash outflows from investment activities	5,754,391	6,383,894
Net cash flows from investment activities	-5,024,732	-4,442,677
<b>III. Cash flows from financing activities:</b>		
Cash received from capital injection		
Cash received from borrowings	9,679,060	20,076,997
Other cash received relating to financing activities		
Subtotal of cash inflows from financing activities	9,679,060	20,076,997
Cash paid for repayment of borrowings	15,410,730	20,165,199
Cash paid for redemption of debentures	3,000,000	3,000,000
Cash paid for distribution of dividends, profits or payment of interest expenses	2,181,195	2,115,306
Other cash paid relating to financing activities	3,052,617	2,716,087
Subtotal of cash outflows from financing activities	23,644,542	27,996,592
Net cash flows from financing activities	-13,965,482	-7,919,595

Items	Amounts for the period from the beginning of the year to the end of the re- porting period (January to September)	Amounts for the period from the beginning of the previous year to the end of the last reporting period (January to September)
<b>IV.Effect of exchange rate changes on cash and cash equivalents</b>	657	-3,940
<b>V. Net increase in cash and cash equivalents</b>	374,693	-2,185,392
Add: Balance of cash and cash equivalents as at the beginning of the period	3,258,265	5,924,189
<b>VI.Balance of cash and cash equivalents as at the end of the period</b>	3,632,958	3,738,797

Legal representative of the Company: Cai Jianjiang  
Person in charge of accounting function: Xiao Feng  
Person in charge of accounting department: Zhan Zhong

#### 4.2 The Audit Report

Applicable  Not Applicable

By order of the Board  
**Air China Limited**  
**Rao Xinyu      Tam Shuit Mui**  
*Joint Company Secretaries*

Beijing, the PRC, 29 October 2015

*As at the date of this announcement, the directors of the Company are Mr. Cai Jianjiang, Ms. Wang Yinxiang, Mr. Cao Jianxiong, Mr. Feng Gang, Mr. John Robert Slosar, Mr. Ian Sai Cheung Shiu, Mr. Song Zhiyong, Mr. Fan Cheng, Mr. Fu Yang\*, Mr. Pan Xiaojiang\*, Mr. Simon To Chi Keung\* and Mr. Stanley Hui Hon-chung\*.*

\* *Independent non-executive Director of the Company*