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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)

**FIRST QUARTERLY REPORT OF 2020**

This announcement is made pursuant to Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.09 and 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 April 2020 and passed the resolution approving the first quarterly report of 2020 of the Company for the first quarter ended 31 March 2020 (the “**Reporting Period**” or “**Period**”) prepared in accordance with the PRC Accounting Standards for Business Enterprises.

**1. IMPORTANT NOTICE**

- 1.1 The Board and the supervisory committee of the Company together with the directors, supervisors and the senior management of the Company hereby guarantee that the contents of the quarterly report are true, accurate and complete and do not contain any false representation, misleading statement or material omission, and shall jointly and severally accept legal liability.
- 1.2 All directors of the Company attended the Board meeting to review the quarterly report.
- 1.3 Mr. Cai Jianjiang (legal representative and the Chairman of the Board of the Company), Mr. Xiao Feng (person in charge of accounting function and the Chief Accountant), and Mr. Zhan Zhong (person in charge of accounting department (accounting superintendent) and the general manager of finance department) hereby guarantee that the financial statements set out in this quarterly report are true, accurate and complete.
- 1.4 The first quarterly report of the Company is unaudited.

## 2. BASIC INFORMATION OF THE COMPANY

### 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 (%)
Total assets	293,524,188	294,253,553	-0.25
Net assets attributable to shareholders of the listed company	89,118,117	93,505,857	-4.69
	For the period from the beginning of the year to the end of the Reporting Period	For the corresponding period of the previous year	Increase/decrease as compared to the corresponding period of the previous year (%)
Net cash flows from operating activities	-8,716,790	5,935,389	-246.86
	For the period from the beginning of the year to the end of the Reporting Period	For the corresponding period of the previous year	Increase/decrease as compared to the corresponding period of the previous year (%)
Revenue	17,255,757	32,554,019	-46.99
Net profit attributable to shareholders of the listed company	-4,805,210	2,722,816	-276.48
Net profit attributable to shareholders of the listed company after deducting non-recurring profits and losses	-4,883,411	2,650,507	-284.24
Weighted average return on net assets (%)	-5.26	3.07	decreased by 8.33 percentage points
Basic earnings per share (RMB per share)	-0.35	0.20	-275.00
Diluted earnings per share (RMB per share)	N/A	N/A	N/A

Non-recurring profits and losses items and amounts

Applicable  Not applicable

Unit: RMB'000

<b>Items</b>	<b>Amounts for the Period</b>
Gains or losses on disposal of non-current assets	-556
Government subsidies recorded in the income statement for the current period (excluding those closely related to the Company's normal business and continuously entitled to in fixed amounts or quotas in accordance with the requirements of the state policy)	169,878
Gains or losses from changes in fair value of financial assets/liabilities held for trading and derivative financial assets/liabilities and investment gains from disposal of financial assets/liabilities held for trading and derivative financial assets/liabilities and other debt investments (except for effective hedging activities related to the Company's normal operating business)	-128
Other non-operating income and expenses not covered above	578
Effect of non-controlling shareholders' interests (after taxation)	-48,836
Effect of income tax	<u>-42,735</u>
Total	<u><u>78,201</u></u>

## 2.2 Total number of shareholders, particulars of the top 10 shareholders and the top 10 holders of tradable shares (or shares not subject to selling restrictions) as at the end of the Reporting Period

Unit: share

Name of shareholder (full name)	Particulars of the top 10 shareholders						
	Number of shares held as at the end of the Period	Shareholding percentage (%)	Number of shares held subject to selling restrictions	Shares pledged or frozen Status	Number	Nature of shareholder	
Total number of shareholders (account)							205,909
China National Aviation Holding Corporation Limited	5,952,236,697	40.98	0	Frozen	127,445,536	State-owned legal person	
Cathay Pacific Airways Limited	2,633,725,455	18.13	0	Nil	0	Foreign legal person	
HKSCC NOMINEES LIMITED	1,687,594,428	11.62	0	Nil	0	Foreign legal person	
China National Aviation Corporation (Group) Limited	1,556,334,920	10.72	0	Frozen	36,454,464	Foreign legal person	
China National Aviation Fuel Group Corporation	466,583,102	3.21	0	Nil	0	State-owned legal person	
China Securities Finance Corporation Limited	311,302,365	2.14	0	Nil	0	State-owned legal person	
Hong Kong Securities Clearing Company Ltd.	74,660,584	0.51	0	Nil	0	Foreign legal person	
Zhongyuan Equity Investment Management Co., Ltd.	63,981,101	0.44	0	Nil	0	State-owned legal person	
Jiang Hongye	28,000,000	0.19	0	Nil	0	Domestic natural person	
China Construction Bank Corporation – Zhong Ou New Blue Chip Flexible Allocation Hybrid Securities Investment Fund	27,010,711	0.19	0	Nil	0	Domestic non-state-owned legal person	

**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 Corporation Limited	5,952,236,697	RMB ordinary shares	5,952,236,697
Cathay Pacific Airways Limited	2,633,725,455	Overseas listed foreign shares	2,633,725,455
HKSCC NOMINEES LIMITED	1,687,594,428	Overseas listed foreign shares	1,687,594,428
China National Aviation Corporation (Group) Limited	1,556,334,920	RMB ordinary shares Overseas listed foreign shares	1,332,482,920 223,852,000
China National Aviation Fuel Group Corporation	466,583,102	RMB ordinary shares	466,583,102
China Securities Finance Corporation Limited	311,302,365	RMB ordinary shares	311,302,365
Hong Kong Securities Clearing Company Ltd.	74,660,584	RMB ordinary shares	74,660,584
Zhongyuan Equity Investment Management Co., Ltd.	63,981,101	RMB ordinary shares	63,981,101
Jiang Hongye	28,000,000	RMB ordinary shares	28,000,000
China Construction Bank Corporation – Zhong Ou New Blue Chip Flexible Allocation Hybrid Securities Investment Fund	27,010,711	RMB ordinary shares	27,010,711

Explanation 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 Corporation Limited. Accordingly, China National Aviation Holding Corporation Limited is directly and indirectly interested in 51.70% of the shares of the Company.

Explanation of holders of preference shares with restored voting rights and number of shares held

Nil

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 1,687,594,428 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 Corporation Limited, 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, particulars of the top 10 holders of preference shares and the shareholdings of 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

As affected by the novel coronavirus pneumonia pandemic, aviation demand dropped sharply in the first quarter. During this critical period, the Group earnestly performed its social responsibilities and its missions as a national flag carrier by safeguarding the transportation of personnel and materials for the prevention of the pandemic in an effort to maximize the protection for the health and safety of its passengers and employees. The Group grasped the changes in market demand, dynamically optimized the deployment of transport capacity, refined marketing control, optimized yield management, strengthened cost control, and actively sought to increase revenue through flexible adjustment between domestic and international flights, passenger and freight transportation, through resource guarantee mechanisms and other measures, all with an aim to minimize the impact of the pandemic with utmost efforts. However, in view of the serious impact of the pandemic on the civil aviation transport industry, the Group's revenue of the first quarter of 2020 was RMB17.256 billion, and the net loss attributable to shareholders of the parent company was RMB4.805 billion.

*Unit: RMB'000*

Items in consolidated balance sheet	31 March 2020	31 December 2019	Percentage of Change (%)	Reasons for Change
Inventories	2,797,373	2,098,673	33.29	Mainly due to the increase in the number of goods in process and spare parts of flight equipment
Short-term loans	26,701,346	13,566,403	96.82	Mainly due to the impact of new borrowings during the Reporting Period
Short-term bonds payable	10,029,905	7,381,933	35.87	Mainly due to the impact of the issuance of short-term bonds during the Reporting Period
Bills payable	1,010,000	-	N/A	Impact of the issuance of bank acceptance notes during the Reporting Period
Domestic air traffic liabilities	50,893	3,706,816	-98.63	Decrease in outstanding air traffic tickets as at the end of the Reporting Period as affected by the novel coronavirus pneumonia pandemic
International air traffic liabilities	2,544,829	6,273,484	-59.44	Decrease in outstanding air traffic tickets as at the end of the Reporting Period as affected by the novel coronavirus pneumonia pandemic
Employee compensations payable	1,905,759	3,196,108	-40.37	Mainly due to the impact of payment of employee compensations and enterprise annuity
Taxes payable	645,763	1,255,056	-48.55	Mainly due to the enterprise income tax paid during the Reporting Period
Other comprehensive income	402,908	-14,562	2,866.85	Mainly due to the impact of the increase in exchange difference on translation of financial statements in foreign currency during the Reporting Period

Unit: RMB'000

Items in consolidated income statement	First quarter of 2020	First quarter of 2019	Percentage of Change (%)	Reasons for Change
Revenue	17,255,757	32,554,019	-46.99	Mainly due to the impact of the decrease in traffic during the Reporting Period as a result of the novel coronavirus pneumonia pandemic
Selling expenses	1,064,170	1,655,505	-35.72	Mainly due to the corresponding decrease in handling fees from agency services and fees charged for reservation via computers during the Reporting Period as a result of the decrease in traffic volume
Other income	999,269	704,118	41.92	Mainly due to impact of recognition of the supportive policies in relation to the prevention and control of the pandemic during the Reporting Period
Investment income	-1,238,000	309,911	-499.47	Mainly due to the decline of result performance of the associates of the Group during the Reporting Period as affected by the novel coronavirus pneumonia pandemic
Income tax expenses	-1,172,789	848,053	-238.29	Due to deferred income tax expenses incurred in recognizing the deductible tax losses during the Reporting Period

Items in consolidated statement of cash flows	First quarter of 2020	First quarter of 2019	Percentage of Change (%)	Reasons for Change
Cash received from sales of goods and provision of services	11,619,620	31,766,329	-63.42	Mainly due to the year-on-year decrease in sales revenue during the Reporting Period as affected by the novel coronavirus pneumonia pandemic
Other cash received relating to operating activities	2,374,432	1,546,956	53.49	Mainly due to the year-on-year increase in deposits received by a subsidiary of the Group during the Period
Taxes and levies paid	618,697	1,685,285	-63.29	Due to the year-on-year decrease in taxes and levies paid during the Period
Cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets	2,811,387	1,559,059	80.33	Mainly due to the year-on-year increase in advance payments for aircraft during the Period
Cash received from the issuance of debentures	9,000,000	5,700,000	57.89	Due to the year-on-year increase in the issuance of debentures during the Period
Cash received from borrowings	15,321,878	786,183	1,848.89	Due to the year-on-year increase in new borrowings during the Period
Cash paid for repayment of borrowings	1,971,740	5,311,612	-62.88	Due to the year-on-year decrease in repayment of borrowings during the Period
Cash paid for repayment of debentures	5,300,000	1,400,000	278.57	Due to the year-on-year increase in repayment of debentures during the Period



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

Applicable  Not applicable

**3.3 Undertakings that were failed to fulfill as scheduled during the Reporting Period**

Applicable  Not applicable

**3.4 Warnings and explanations with regard to forecast of a probable loss in respect of the accumulative net profits from the beginning of the year to the end of the next reporting period or any significant changes as compared with that of the corresponding period of previous year**

Applicable  Not applicable

In the event that the impact of the novel coronavirus pneumonia pandemic on the global aviation industry extends into the next reporting period, it is estimated that the result of the Group during the period from the beginning of the year to the end of the next reporting period will be significantly affected.

Company name Air China Limited  
Legal representative Mr. Cai Jianjiang  
Date 29 April 2020

## IV. APPENDICES

### 4.1 Financial Statements

#### CONSOLIDATED BALANCE SHEET

31 March 2020

Prepared by Air China Limited

*Unit: RMB'000 (Unaudited)*

<b>Items</b>	<b>31 March 2020</b>	<b>31 December 2019</b>
<b>CURRENT ASSETS:</b>		
Cash and bank	11,197,453	9,663,667
Provisions on payables		
Contributions made		
Financial assets held-for-trading		
Derivative financial assets		
Bills receivable	87	362
Accounts receivable	5,167,147	5,997,690
Receivables financing		
Prepayments	502,203	479,029
Premium receivable		
Receivables on reinsurance		

<b>Items</b>	<b>31 March 2020</b>	<b>31 December 2019</b>
Provisions for reinsurance contracts		
Other receivables	3,258,440	3,245,439
Including: Interest receivable		
Dividend receivable		
Purchase of financial assets resold		
Inventories	2,797,373	2,098,673
Contract assets		
Held-for-sale assets		
Non-current assets due within a year		
Other current assets	3,289,817	3,331,996
Total current assets	26,212,520	24,816,856
<b>NON-CURRENT ASSETS:</b>		
Loans and advances		
Debt investments		
Other debt investments	1,251,962	1,688,451
Long-term receivables	809,053	814,507
Long-term equity investments	15,101,621	16,051,151
Investments in other equity instruments	195,964	255,156
Other non-current financial assets		
Investment properties	154,591	151,443
Fixed assets	87,612,568	88,890,118
Construction in progress	36,706,279	35,276,017
Biological assets for production		
Oil and gas assets		
Right-of-use assets	115,146,378	116,827,217

<b>Items</b>	<b>31 March 2020</b>	<b>31 December 2019</b>
Intangible assets	3,667,790	3,722,394
Development expenses		
Goodwill	1,102,185	1,102,185
Long-term deferred expenses	342,167	366,554
Deferred tax assets	5,221,110	4,291,504
Other non-current assets		
Total non-current assets	267,311,668	269,436,697
Total assets	293,524,188	294,253,553
<b>CURRENT LIABILITIES:</b>		
Short-term loans	26,701,346	13,566,403
Short-term financing bonds payable	10,029,905	7,381,933
Borrowings from central bank		
Contributions received		
Financial liabilities held-for-trading		
Derivative financial liabilities		
Bills payable	1,010,000	
Accounts payables	15,140,650	17,307,980
Domestic air traffic liabilities	50,893	3,706,816
International air traffic liabilities	2,544,829	6,273,484
Receipts in advance		
Contract liabilities	1,203,255	1,037,031
Sale of financial assets repurchased		
Deposits from clients and placements from other banks		
Brokerage payable		
Underwriting fees payable		
Employee compensations payable	1,905,759	3,196,108
Taxes payable	645,763	1,255,056
Other payables	7,799,191	9,031,542
Including: Interest payable		
Dividend payable		
Fees and commissions payable		
Amounts payable on reinsurance		
Held-for-sale liabilities		
Non-current liabilities due within a year	14,691,771	14,873,364
Other current liabilities		
Total current liabilities	81,723,362	77,629,717

<b>Items</b>	<b>31 March 2020</b>	<b>31 December 2019</b>
<b>NON-CURRENT LIABILITIES:</b>		
Reserves on insurance contracts		
Long-term loans	1,430,167	1,200,430
Debentures payable	15,897,673	15,398,535
Including: Preference shares		
Perpetual bonds		
Lease liabilities	86,211,827	86,586,353
Long-term payables	5,046,218	4,971,572
Long-term employee compensation payables	280,028	249,933
Accrued liabilities	3,039,229	3,026,793
Deferred income	516,657	521,227
Deferred tax liabilities	353,597	621,440
Other non-current liabilities	2,856,811	2,670,910
Total non-current liabilities	115,632,207	115,247,193
Total liabilities	197,355,569	192,876,910
<b>OWNERS' EQUITY (OR SHAREHOLDERS' EQUITY):</b>		
Paid-up capital (or share capital)	14,524,815	14,524,815
Other equity instruments		
Including: Preference shares		
Perpetual bonds		
Capital reserve	26,270,841	26,270,841
Less: Treasury shares		

<b>Items</b>	<b>31 March 2020</b>	<b>31 December 2019</b>
Other comprehensive income	402,908	-14,562
Special reserves		
Surplus reserves	11,026,605	11,026,605
General risk provisions	110,628	110,628
Retained earnings	36,782,320	41,587,530
Total owners' equity (or shareholders' equity) attributable to equity shareholders of the Company	89,118,117	93,505,857
Non-controlling interests	7,050,502	7,870,786
Total owners' equity (or shareholders' equity)	96,168,619	101,376,643
Total liabilities and owners' equity (or shareholders' equity)	293,524,188	294,253,553

Legal representative: Mr. Cai Jianjiang

Person in charge of accounting function: Mr. Xiao Feng

Person in charge of accounting department: Mr. Zhan Zhong

**BALANCE SHEET OF THE PARENT COMPANY***31 March 2020*

Prepared by Air China Limited

*Unit: RMB'000 (Unaudited)*

<b>Items</b>	<b>31 March 2020</b>	<b>31 December 2019</b>
<b>CURRENT ASSETS:</b>		
Cash and bank	6,920,591	6,782,234
Financial assets held-for-trading		
Derivative financial assets		
Bills receivable		
Accounts receivable	4,224,076	4,746,976
Receivables financing		
Prepayments	206,538	220,809
Other receivables	2,780,774	2,663,180
Including: Interest receivable		
Dividend receivable		
Inventories	97,556	79,558
Contract assets		
Held-for-sale assets		
Non-current assets due within a year		
Other current assets	2,152,352	1,773,630
Total current assets	16,381,887	16,266,387

Items	31 March 2020	31 December 2019
<b>NON-CURRENT ASSETS:</b>		
Debt investments		
Other debt investments		
Long-term receivables	902,473	906,547
Long-term equity investments	25,457,272	25,773,081
Investments in other equity instruments	22,783	22,783
Other non-current financial assets		
Investment properties		
Fixed assets	62,745,486	63,603,497
Construction in progress	25,350,964	24,207,431
Biological assets for production		
Oil and gas assets		
Right-of-use assets	79,006,106	80,217,465
Intangible assets	2,556,256	2,584,849
Development expenses		
Goodwill		
Long-term deferred expenses	271,284	292,361
Deferred tax assets	4,463,803	3,684,145
Other non-current assets		
Total non-current assets	200,776,427	201,292,159
Total assets	217,158,314	217,558,546
<b>CURRENT LIABILITIES:</b>		
Short-term loans	19,826,496	10,743,223
Short-term financing bonds payable	3,000,000	–
Financial liabilities held-for-trading		
Derivative financial liabilities		
Bills payable	800,000	
Accounts payable	11,452,741	13,825,527
Domestic air traffic liabilities	17,981	2,561,488
International air traffic liabilities	2,414,577	5,639,236
Receipts in advance		
Contract liabilities	711,727	785,481
Employee compensations payable	372,389	1,339,255
Taxes payable	571,421	1,022,716
Other payables	9,951,375	9,948,496
Including: Interest payable		
Dividend payable		
Held-for-sale liabilities		
Non-current liabilities due within a year	9,281,381	10,212,519
Other current liabilities		
Total current liabilities	58,400,088	56,077,941



<b>Items</b>	<b>31 March 2020</b>	<b>31 December 2019</b>
<b>NON-CURRENT LIABILITIES:</b>		
Long-term loans	596,342	651,779
Debentures payable	10,500,000	10,500,000
Including: Preference shares		
Perpetual bonds		
Lease liabilities	59,399,806	59,443,076
Long-term payables	2,438,011	2,374,899
Long-term employee compensation payables		
Accrued liabilities	2,083,266	2,016,618
Deferred income	382,271	385,246
Deferred tax liabilities		
Other non-current liabilities	2,515,154	2,345,017
Total non-current liabilities	77,914,850	77,716,635
Total liabilities	136,314,938	133,794,576
<b>OWNERS' EQUITY (OR SHAREHOLDERS' EQUITY):</b>		
Paid-up capital (or share capital)	14,524,815	14,524,815
Other equity instruments		
Including: Preference shares		
Perpetual bonds		
Capital reserve	30,618,680	30,618,680
Less: Treasury shares		
Other comprehensive income	361,290	361,290
Special reserves		
Surplus reserves	10,989,499	10,989,499
Retained earnings	24,349,092	27,269,686
Total owners' equity (or shareholders' equity)	80,843,376	83,763,970
Total liabilities and owners' equity (or shareholders' equity)	217,158,314	217,558,546

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

## CONSOLIDATED INCOME STATEMENT

January to March 2020

Prepared by Air China Limited

Unit: RMB'000 (Unaudited)

Items	First quarter of 2020	First quarter of 2019
<b>I. Total revenue from operations</b>	17,255,757	32,554,019
Including: Operating income	17,255,757	32,554,019
Interest income		
Premium earned		
Fees and commission income		
<b>II. Total operating cost</b>	23,823,243	29,600,782
Including: Operating costs	19,365,536	26,936,042
Interest expenses		
Fees and commission expenses		
Returned premium		
Net reimbursement paid		
Net amounts of provisions on insurance obligations drawn		
Bonus paid on insurance policy		
Reinsurance premium		
Taxes and other levies	42,039	47,161
Selling expenses	1,064,170	1,655,505
General and administrative expenses	902,659	1,052,924
R&D expenses	119,234	22,086
Finance expenses	2,329,605	-112,936
Including: Interest expenses	1,277,782	1,200,965
Interest income	15,041	28,702
Add: Other income	999,269	704,118
Investment income (loss is represented by “-” sign)	-1,238,000	309,911
Including: Share of profits or losses of associates and joint ventures	-1,252,951	297,353
Derecognition of gains on financial assets measured at amortised cost		
Exchange gains (loss is represented by “-” sign)		
Gains from net exposure to hedging (loss is represented by “-” sign)		
Gains from changes in fair value (loss is represented by “-” sign)		
Impairment loss of credit (loss is represented by “-” sign)	16,994	12,829
Impairment loss of assets (loss is represented by “-” sign)		
Gains from disposal of assets (loss is represented by “-” sign)	387	-7

Items	First quarter of 2020	First quarter of 2019
<b>III. Profit from operations (loss is represented by “-” sign)</b>	-6,788,836	3,980,088
Add: Non-operating income	17,633	114,880
Less: Non-operating expenses	17,998	9,730
<b>IV. Total profit (total loss is represented by “-” sign)</b>	-6,789,201	4,085,238
Less: Income tax expenses	-1,172,789	848,053
<b>V. Net profit (net loss is represented by “-” sign)</b>	-5,616,412	3,237,185
(I) Classified by continuity of operations		
1. Net profit from continuing operations (net loss is represented by “-” sign)	-5,616,412	3,237,185
2. Net profit from discontinued operation (net loss is represented by “-” sign)		
(II) Classified by ownership of equity		
1. Net profits attributable to shareholders of the Company (net loss is represented by “-” sign)	-4,805,210	2,722,816
2. Net profits attributable to non-controlling interests (net loss is represented by “-” sign)	-811,202	514,369
<b>VI. Other comprehensive income after taxation</b>	408,388	-472,019
(I) Other comprehensive income after taxation attributable to shareholders of the Company	417,470	-462,981
1. Other comprehensive income that cannot be subsequently reclassified to profit or loss	-22,641	2,961
(1) Changes arising on remeasurement of defined benefit plans		
(2) Other comprehensive income accounted for using the equity method that cannot be reclassified to profit or loss		
(3) Change in fair value of investments in other equity instruments	-22,641	2,961
(4) Change in fair value of own credit risk		
2. Other comprehensive income that will be reclassified to profit or loss	440,111	-465,942
(1) Other comprehensive income accounted for using the equity method that may be reclassified to profit or loss		
(2) Change in fair value of other debt investments	5,591	383
(3) Amount of financial assets reclassified into other comprehensive income		
(4) Provisions for credit impairment of other debt investments	-2,101	
(5) Reserve for cash flow hedging		
(6) Exchange difference on translation of financial statements in foreign currency	436,621	-466,325
(7) Others		

Items	First quarter of 2020	First quarter of 2019
(II) Other comprehensive income after taxation attributable to non-controlling interests	-9,082	-9,038
<b>VII. Total comprehensive income</b>	<b>-5,208,024</b>	<b>2,765,166</b>
(I) Total comprehensive income attributable to shareholders of the Company	-4,387,740	2,259,835
(II) Total comprehensive income attributable to non- controlling interests	-820,284	505,331
<b>VIII. Earnings per share:</b>		
(I) Basic earnings per share ( <i>RMB per share</i> )	-0.35	0.20
(II) Diluted earnings per share ( <i>RMB per share</i> )	N/A	N/A

Legal representative: Mr. Cai Jianjiang

Person in charge of accounting function: Mr. Xiao Feng

Person in charge of accounting department: Mr. Zhan Zhong

## INCOME STATEMENT OF THE PARENT COMPANY

January to March 2020

Prepared by Air China Limited

Unit: RMB'000 (Unaudited)

Items	First quarter of 2020	First quarter of 2019
<b>I. Revenue from operations</b>	12,074,346	22,202,958
Less: Operating costs	13,176,995	18,631,830
Taxes and other levies	17,135	18,237
Selling expenses	733,625	1,171,404
General and administrative expenses	367,534	435,612
R&D expenses	36,263	15,357
Finance expenses	1,674,339	-16,660
Including: Interest expenses	920,183	865,872
Interest income	22,643	39,676
Add: Other income	559,303	417,276
Investment income (loss is represented by “-” sign)	-315,809	45,000
Including: Share of profits or losses of associates and joint ventures	-315,809	44,441
Derecognition of gains on financial assets measured at amortised cost		
Gains from net exposure to hedging (loss is represented by “-” sign)		
Gains from changes in fair value (loss is represented by “-” sign)		
Impairment loss of credit (loss is represented by “-” sign)		
Impairment loss of assets (loss is represented by “-” sign)		
Gains from disposal of assets (loss is represented by “-” sign)	93	
<b>II. Profit from operations (loss is represented by “-” sign)</b>	-3,687,958	2,409,454
Add: Non-operating income	3,134	1,446
Less: Non-operating expenses	15,428	6,173
<b>III. Total profit (total loss is represented by “-” sign)</b>	-3,700,252	2,404,727
Less: Income tax expenses	-779,658	555,390
<b>IV. Net profit (net loss is represented by “-” sign)</b>	-2,920,594	1,849,337
(I) Net profit from continuing operations (net loss is represented by “-” sign)	-2,920,594	1,849,337
(II) Net profit from discontinued operations (net loss is represented by “-” sign)		

Items	First quarter of 2020	First quarter of 2019
<b>V. Other comprehensive income after taxation, net</b>		
(I) Other comprehensive income that cannot be subsequently reclassified to profit or loss		
1. Changes arising on remeasurement of defined benefit plans		
2. Other comprehensive income accounted for using the equity method that cannot be reclassified to profit or loss		
3. Change in fair value of investments in other equity instruments		
4. Change in fair value of own credit risks of the Company		
(II) Other comprehensive income that will be reclassified to profit or loss		
1. Other comprehensive income accounted for using the equity method that may be reclassified to profit or loss		
2. Change in fair value of other debt investments		
3. Amount of financial assets reclassified into other comprehensive income		
4. Provisions for credit impairment of other debt investments		
5. Reserve for cash flow hedging		
6. Exchange difference on translation of financial statements in foreign currency		
7. Others		
<b>VI. Total comprehensive income</b>	-2,920,594	1,849,337
<b>VII. Earnings per share:</b>		
(I) Basic earnings per share ( <i>RMB per share</i> )		
(II) Diluted earnings per share ( <i>RMB per share</i> )		

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

## CONSOLIDATED CASH FLOW STATEMENT

January to March 2020

Prepared by Air China Limited

Unit: RMB'000 (Unaudited)

Items	First quarter of 2020	First quarter of 2019
<b>I. Cash flows from operating activities:</b>		
Cash received from sales of goods and provision of services	11,619,620	31,766,329
Net increase in deposits from clients and placements from banks		
Net increase in borrowings from central bank		
Net increase in borrowings from 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		
Cash received from interest, fees and commission		
Net increase in contributions received		
Net increase in cash from repurchase operations		
Net cash receipt from securities trading as agent		
Refund of taxes and levies	4,297	9,016
Other cash received relating to operating activities	2,374,432	1,546,956
Subtotal of cash inflows of operating activities	13,998,349	33,322,301
Cash paid for goods purchased and services received	12,857,493	16,579,439
Net increase in loans and advances to clients		
Net increase in deposits in central bank and other banks		
Cash paid in respect of claims under original insurance contracts		
Net increase in contributions made		
Cash paid for interest, fees and commissions		
Cash paid for bonus paid on insurance policy		
Cash paid to or on behalf of employees	7,044,573	6,662,886
Taxes and levies paid	618,697	1,685,285
Other cash paid relating to operating activities	2,194,376	2,459,302
Subtotal of cash outflows from operating activities	22,715,139	27,386,912
Net cash flows from operating activities	-8,716,790	5,935,389
<b>II. Cash flows from investing activities:</b>		
Cash received from sale and redemption of investments	394,656	
Recovery of the secured bank deposits	860	3,042
Cash received from investment income	11,570	559
Net cash proceeds from disposal of fixed assets, intangible assets and other long-term assets	8,022	36,739

Items	First quarter of 2020	First quarter of 2019
Net cash proceeds from disposal of subsidiaries and other business units		
Other cash received relating to investing activities	15,041	36,941
Subtotal of cash inflows from investing activities	430,149	77,281
Cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets	2,811,387	1,559,059
Cash paid for investments		119,476
Net increase in secured loans		
Net cash payments for acquisition of subsidiaries and other business units		
Other cash paid relating to investing activities	1,631	150
Subtotal of cash outflows from investing activities	2,813,018	1,678,685
Net cash flows from investing activities	-2,382,869	-1,601,404
<b>III. Cash flows from financing activities:</b>		
Cash received from issue of debentures	9,000,000	5,700,000
Cash received from capital injection		
Including: Cash received from capital injection of minority shareholders in subsidiaries		
Cash received from borrowings	15,321,878	786,183
Other cash received relating to financing activities		
Subtotal of cash inflows from financing activities	24,321,878	6,486,183
Cash paid for repayment of borrowings	1,971,740	5,311,612
Cash paid for repayment of debentures	5,300,000	1,400,000
Cash paid for distribution of dividends, profits or payment of interest expenses	1,462,255	1,303,106
Including: Dividends and profits paid to minority shareholders by subsidiaries		
Other cash paid relating to financing activities	2,749,273	3,519,190
Subtotal of cash outflows from financing activities	11,483,268	11,533,908
Net cash flows from financing activities	12,838,610	-5,047,725
<b>IV. Effect of exchange rate changes on cash and cash equivalents</b>	24,514	-63,831
<b>V. Net increase in cash and cash equivalents</b>	1,763,465	-777,571
Add: Balance of cash and cash equivalents as at the beginning of the Period	8,935,282	6,763,183
<b>VI. Balance of cash and cash equivalents as at the end of the Period</b>	10,698,747	5,985,612

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



## CASH FLOW STATEMENT OF THE PARENT COMPANY

January to March 2020

Prepared by Air China Limited

Unit: RMB'000 (Unaudited)

Items	First quarter of 2020	First quarter of 2019
<b>I. Cash flows from operating activities:</b>		
Cash received from sales of goods and provision of services	6,952,959	21,226,675
Refund of taxes and levies		
Other cash received relating to operating activities	968,627	872,089
Subtotal of cash inflows of operating activities	7,921,586	22,098,764
Cash paid for goods purchased and services received	9,349,929	12,174,483
Cash paid to or on behalf of employees	3,916,282	3,234,234
Taxes and levies paid	527,452	1,203,083
Other cash paid relating to operating activities	630,850	1,398,544
Subtotal of cash outflows from operating activities	14,424,513	18,010,344
Net cash flows from operating activities	-6,502,927	4,088,420
<b>II. Cash flows from investing activities:</b>		
Cash received from sale and redemption of investments		
Cash received from investment income		559
Net cash proceeds from disposal of fixed assets, intangible assets and other long-term assets	2,271	364,970
Net cash proceeds from disposal of subsidiaries and other business units		
Other cash received relating to investing activities	22,643	39,676
Subtotal of cash inflows from investing activities	24,914	405,205
Cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets	2,328,567	661,770
Cash paid for investments		
Net cash payments for acquisition of subsidiaries and other business units		
Other cash paid relating to investing activities		
Subtotal of cash outflows from investing activities	2,328,567	661,770
Net cash flows from investing activities	-2,303,653	-256,565

Items	First quarter of 2020	First quarter of 2019
<b>III. Cash flows from financing activities:</b>		
Cash received from capital injection		
Issue of debentures	3,000,000	
Cash received from borrowings	10,566,500	
Other cash received relating to financing activities		
Subtotal of cash inflows from financing activities	13,566,500	
Cash paid for repayment of borrowings	1,558,821	1,630,169
Cash paid for distribution of dividends, profits or payment of interest expenses	996,478	956,538
Other cash paid relating to financing activities	2,060,798	2,505,318
Subtotal of cash outflows from financing activities	4,616,097	5,092,025
Net cash flows from financing activities	8,950,403	-5,092,025
<b>IV. Effect of exchange rate changes on cash and cash equivalents</b>	-5,466	-45,380
<b>V. Net increase in cash and cash equivalents</b>	138,357	-1,305,550
Add: Balance of cash and cash equivalents as at the beginning of the Period	6,751,816	7,149,360
<b>VI. Balance of cash and cash equivalents as at the end of the Period</b>	6,890,173	5,843,810

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

**4.2 Particulars in relation to adjustments made to the financial statements as at the beginning of the year for the initial implementation of New Revenue Standard and New Lease Standard since 2020**

Applicable  Not applicable

**4.3 Description of the retrospective adjustment to the comparable figures for the previous period due to the initial implementation of the New Revenue Standard and the New Lease Standard since 2020**

Applicable  Not applicable

**4.4 Auditor's Report**

Applicable  Not applicable

By Order of the Board  
**Air China Limited**  
**Zhou Feng Huen Ho Yin**  
*Joint Company Secretaries*

Beijing, the PRC, 29 April 2020

*As at the date of this announcement, 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*