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中國東方航空股份有限公司
CHINA EASTERN AIRLINES CORPORATION LIMITED

(A joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock code: 00670)

2023 ANNUAL RESULTS ANNOUNCEMENT

The board of directors (the "**Board**") of China Eastern Airlines Corporation Limited (the "**Company**" or "**CEA**") announces the audited consolidated results of the Company and its subsidiaries (collectively, the "**Group**") prepared in accordance with the IFRS Accounting Standards ("**IFRSs**") for the year ended 31 December 2023 (the "**Year**") with comparative figures for the year 2022.

FINANCIAL INFORMATION

A. PREPARED IN ACCORDANCE WITH IFRSs

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2023

	Notes	**2023** ***RMB million***	2022 *RMB million* *(Restated)*
Revenue	*4*	**113,741**	46,305
Other operating income and gains	*5*	**5,429**	3,613
Operating expenses			
Aircraft fuel		**(41,102)**	(22,230)
Take-off and landing charges		**(14,558)**	(6,253)
Depreciation and amortisation		**(25,023)**	(21,811)
Wages, salaries and benefits		**(23,613)**	(20,485)
Aircraft maintenance		**(4,542)**	(3,356)
Food and beverages		**(2,993)**	(1,030)
Selling and marketing expenses		**(2,932)**	(839)
Civil aviation development fund		**(1,056)**	(484)
Ground services and other expenses		**(564)**	(586)
Low value and short-term lease rentals		**(397)**	(591)
Impairment losses on financial assets, net		**(50)**	(28)
Impairment charges		**(22)**	(97)
Fair value changes of financial asset at fair value through profit or loss		**(7)**	(12)
Indirect operating expenses		**(4,230)**	(3,704)
Total operating expenses		**(121,089)**	(81,506)

	Notes	**2023** *RMB million*	2022 *RMB million (Restated)*
Operating loss		**(1,919)**	(31,588)
Share of results of associates		**115**	(155)
Share of results of joint ventures		**13**	(50)
Finance income	*6*	**495**	512
Finance costs	*7*	**(6,982)**	(8,833)
Loss before income tax		**(8,278)**	(40,114)
Income tax (expense)/credit	*8*	**(336)**	244
Loss for the year		**(8,614)**	(39,870)
Other comprehensive (loss)/income			
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:			
Effective portion of changes in fair value of hedging instruments arising during the period, net of tax		**(35)**	106
Net other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods		**(35)**	106

	Note	**2023** *RMB million*	2022 *RMB million (Restated)*
Other comprehensive (loss)/income that will not be reclassified to profit or loss in subsequent periods:			
Fair value changes of equity investments designated at fair value through other comprehensive income, net of tax		**6**	(4)
Share of other comprehensive income of an associate, net of tax		**5**	(1)
Actuarial (loss)/gain on the post-retirement benefit obligations, net of tax		**(81)**	19
Net other comprehensive (loss)/income that will not be reclassified to profit or loss in subsequent periods		**(70)**	14
Other comprehensive (loss)/income for the year, net of tax		**(105)**	120
Total comprehensive loss for the year		**(8,719)**	(39,750)
Loss is attributable to:			
Equity holders of the Company		**(8,168)**	(37,356)
Non-controlling interests		**(446)**	(2,514)
		(8,614)	(39,870)
Total comprehensive loss attributable to:			
Equity holders of the Company		**(8,280)**	(37,233)
Non-controlling interests		**(439)**	(2,517)
		(8,719)	(39,750)
Loss per share attributable to the equity holders of the Company			
– Basic and diluted (expressed in RMB per share)	*9*	**(0.37)**	(1.98)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

	Notes	**2023** **RMB million**	2022 RMB million (Restated)
Non-current assets			
Property, plant and equipment		**95,983**	89,214
Investment properties		**269**	248
Right-of-use assets		**118,330**	128,186
Intangible assets		**11,605**	11,658
Advanced payments on acquisition of aircraft		**15,183**	13,970
Investments in associates		**2,138**	2,062
Investments in joint ventures		**464**	434
Equity investments designated at fair value through other comprehensive income		**1,057**	452
Derivative financial instruments		**33**	94
Deferred tax assets		**9,851**	9,860
Other non-current assets		**4,157**	4,212
		259,070	260,390
Current assets			
Flight equipment spare parts		**1,634**	1,656
Trade receivables	*10*	**2,167**	817
Prepayments and other receivables		**9,724**	7,468
Financial asset at fair value through profit or loss		**65**	72
Derivative financial instruments		**16**	1
Restricted bank deposits		**316**	12
Cash and cash equivalents		**11,741**	18,015
		25,663	28,041

	Notes	2023 RMB million	2022 RMB million (Restated)
Current liabilities			
Trade and bills payables	*11*	**4,584**	2,498
Other payables and accruals		**20,582**	17,632
Contract liabilities		**7,423**	3,291
Current portion of borrowings		**53,006**	64,008
Current portion of lease liabilities		**19,428**	18,620
Income tax payable		**50**	35
Current portion of provision for lease return costs for aircraft and engines		**1,191**	460
		106,264	106,544
Net current liabilities		**(80,601)**	(78,503)
Total assets less current liabilities		**178,469**	181,887
Non-current liabilities			
Borrowings		**58,022**	57,939
Lease liabilities		**64,747**	78,387
Provision for lease return costs for aircraft and engines		**7,897**	8,008
Contract liabilities		**641**	743
Post-retirement benefit obligations		**2,188**	2,223
Other long-term liabilities		**1,511**	1,909
		135,006	149,209
Net assets		**43,463**	32,678
Equity			
Equity attributable to the equity holders of the Company			
– Share capital		**22,291**	22,291
– Perpetual bond		**20,057**	—
– Reserves		**504**	9,367
		42,852	31,658
Non-controlling interests		**611**	1,020
Total equity		**43,463**	32,678

1 CORPORATE AND GROUP INFORMATION

China Eastern Airlines Corporation Limited (the "**Company**"), a joint stock company limited by shares, was established in the People's Republic of China (the "**PRC**") on 14 April 1995. The address of the Company's registered office is 66 Airport Street, Pudong International Airport, Shanghai, the PRC. The Company and its subsidiaries (together, the "**Group**") are principally engaged in the operation of civil aviation, including the provision of passenger, cargo, mail delivery and other extended transportation services.

In the opinion of the directors, the holding company and ultimate holding company of the Company is China Eastern Air Holding Company Limited ("**CEA Holding**"), formerly named as China Eastern Air Holding Company, a state-owned enterprise established in the PRC.

The A shares and H shares are listed on the Shanghai Stock Exchange and the Stock Exchange of Hong Kong Limited, respectively.

2 BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES

2.1 Basis of preparation

These financial statements have been prepared in accordance with IFRS Accounting Standards ("**IFRSs**") issued by the International Accounting Standards Board ("**IASB**") and the disclosure requirements of the Hong Kong Companies Ordinance Cap. 622. They have been prepared under the historical cost convention, except for equity investments designated at fair value through other comprehensive income, financial assets at fair value through profit or loss and derivative financial instruments which have been measured at fair value. These financial statements are presented in Renminbi ("**RMB**") and all values are rounded to the nearest million except when otherwise indicated.

In 2023, the Group incurred net loss of RMB8.614 billion. As at 31 December 2023, the Group's current liabilities exceeded its current assets by approximately RMB80.601 billion. In preparing the financial statements, the Board has conducted a detailed review over the Group's going concern ability based on its financial condition and operating results. The Board has also considered the following factors:

- Sufficient unutilized banking facilities as at 31 December 2023;
- The Group's sound credit standing and history of cooperation with banks and other financial institutions; and
- The Group's expected net cash inflows from operating activities for not less than 12 months starting from the period end of the financial statements, considering the recovery of flights and the Group's major operating costs including fuel prices during such period.

The Board believes that the Group has sufficient source of financing to enable it to operate, as well as to meet its liabilities as and when they become due, and to support its the capital expenditures in the foreseeable future of not less than twelve months starting from the period end of the financial statements. Accordingly, the Board continued to prepare the Group's financial statements as of and for the year ended 31 December 2023 on a going concern basis.

2.2 Changes in accounting policies and disclosures

The Group has applied the following amendments for the first time for their annual reporting period commencing 1 January 2023.

- IFRS 17 Insurance Contracts
- Amendments to IAS 8 – Definition of Accounting Estimates
- Amendments to IAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting Policies

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

- Amendments to IAS 12 – International Tax Reform – Pillar Two Model Rules

The Group applies the exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12 issued in May 2023. The Group is in the process of assessing its exposure to the Pillar Two legislation for when it comes into effect.

2.3 Restatement

Formerly the Group held 45% interest of China Eastern Import & Export Co., Ltd. ("**CEA Import & Export**") and it was accounted for using the equity method of accounting. In December 2023, the Group acquired the remaining 55% equity interest in CEA Import & Export from CEA Holding, and CEA Import & Export has become a wholly-owned subsidiary of the Group upon the acquisition. The acquisition is considered as a business combination involving entities under common control and has been accounted for by using merger accounting method. Accordingly, the comparative figures of 2022 as set out in these consolidated financial statements have been restated to include the historical financial information of CEA Import & Export since the date when CEA Import & Export first came under the control of CEA Holding.

3 OPERATING SEGMENT INFORMATION

(a) Chief operating decision maker ("**CODM**") has been identified as office of the General Manager, who reviews the Group's internal reporting in order to assess performance and allocate resources.

The Group has one reportable operating segment, reported as "airline transportation operations", which comprises the provision of passenger, cargo, mail delivery and ground service.

Other services including primarily tour operations, air catering and other miscellaneous services are not included within the airline transportation operations segment, as their internal reports are separately provided to the CODM. The results of these operations are included in the "other segments" column.

Inter-segment transactions are entered into under normal commercial terms and conditions that would be available to unrelated third parties.

In accordance with IFRS 8, segment disclosure has been presented in a manner that is consistent with the information used by the Group's CODM. The Group's CODM monitors the results, assets and liabilities attributable to each reportable segment based on financial results prepared under the PRC Accounting Standards for Business Enterprises (the "**PRC Accounting Standards**"), which differ from IFRSs in certain aspects. The amount of each material reconciling item from the Group's reportable segment revenues and profit/(loss) before income tax, arising from different accounting policies is set out in Note 3(c) below.

The segment results for the year ended 31 December 2023 were as follows:

	Airline transportation operations *RMB million*	**Other segments** *RMB million*	**Eliminations** *RMB million*	**Unallocated*** *RMB million*	**Total** *RMB million*
Segment revenue					
Reportable segment revenue from external customers	**113,348**	**393**	**–**	**–**	**113,741**
Intersegment sales	**–**	**775**	**(775)**	**–**	**–**
Reportable segment revenue	**113,348**	**1,168**	**(775)**	**–**	**113,741**
Reportable segment loss before income tax	**(8,832)**	**419**	**–**	**135**	**(8,278)**
Other segment information					
Depreciation and amortisation	**24,767**	**256**	**–**	**–**	**25,023**
Impairment losses, net	**72**	**–**	**–**	**–**	**72**
Interest income	**1,068**	**12**	**(585)**	**–**	**495**
Interest expenses	**6,660**	**6**	**(585)**	**–**	**6,081**
Capital expenditure	**27,243**	**109**	**–**	**–**	**27,352**

The segment results for the year ended 31 December 2022 were as follows:

	Airline transportation operations *RMB million*	Other segments *RMB million*	Eliminations *RMB million*	Unallocated* *RMB million*	Total *RMB million*
Segment revenue					
Reportable segment revenue from external customers	46,049	256	—	—	46,305
Intersegment sales	—	919	(919)	—	—
Reportable segment revenue	46,049	1,175	(919)	—	46,305
Reportable segment loss before income tax	(40,127)	223	—	(210)	(40,114)
Other segment information					
Depreciation and amortisation	21,535	276	—	—	21,811
Impairment losses, net	125	—	—	—	125
Interest income	521	—	(9)	—	512
Interest expense	6,124	14	(9)	—	6,129
Capital expenditure	24,929	37	—	—	24,966

The segment assets and liabilities as at 31 December 2023 and 31 December 2022 were as follows:

	Airline transportation operations ***RMB million***	**Other segments** ***RMB million***	**Eliminations** ***RMB million***	**Unallocated*** ***RMB million***	**Total** ***RMB million***
At 31 December 2023					
Reportable segment assets	**277,281**	**3,778**	**(2,341)**	**3,773**	**282,491**
Reportable segment liabilities	**242,039**	**1,572**	**(2,341)**	**–**	**241,270**

	Airline transportation operations *RMB million*	Other segments *RMB million*	Eliminations *RMB million*	Unallocated* *RMB million*	Total *RMB million*
At 31 December 2022					
Reportable segment assets	280,936	3,860	(1,722)	3,115	286,189
Reportable segment liabilities	255,583	1,892	(1,722)	–	255,753

* Unallocated results primarily represent the share of results of associates and joint ventures, fair value changes of derivative financial instruments, fair value change of a financial asset at fair value through profit or loss and dividend income relating to equity investments. Unallocated assets and liabilities primarily represent investments in associates and joint ventures, derivative financial instruments, equity investments designated at fair value through other comprehensive income and financial asset at fair value through profit or loss.

(b) The Group's business operates in three main geographical areas, even though they are managed on a worldwide basis.

The Group's revenues by geographical area are analysed based on the following criteria:

1) Traffic revenue from services within the PRC (excluding the Hong Kong Special Administrative Region ("**Hong Kong**"), Macau Special Administrative Region ("**Macau**") and Taiwan) is classified as domestic operations. Traffic revenue from inbound or outbound services among Hong Kong, Macau and Taiwan is classified as regional operations while that with other overseas markets is classified as international operations.

2) Revenue from ticket handling services, ground services and other miscellaneous services are classified on the basis of where the services are performed.

	2023	2022
	RMB million	*RMB million*
Domestic	**90,143**	34,643
Regional	**2,848**	394
International	**20,750**	11,268
	113,741	46,305

3) The major revenue-earning assets of the Group are its aircraft, all of which are registered in the PRC. Since the Group's aircraft are deployed flexibly across its route network, there is no suitable basis of allocating such assets and the related liabilities by geographic hence segment assets and liabilities by geographic area are not presented.

(c) Segment revenue and loss before income tax are the same as the consolidated figures as reported in the consolidated financial statement for the years ended 31 December 2023 and 2022. Reconciliation of reportable assets to the consolidated figures as reported in the consolidated financial statements:

		2023	2022
	Notes	***RMB million***	*RMB million*
Assets			
Reportable segment assets		**282,491**	286,189
— Difference in intangible asset arising from the acquisition of Shanghai Airlines	*(i)*	**2,242**	2,242
Consolidated assets		**284,733**	288,431

Notes:

(i) The difference represents the different measurement of the fair value of acquisition cost of the shares from Shanghai Airlines between the PRC Accounting standards and IFRSs, which results in the different measurement of goodwill.

4 REVENUE

An analysis of revenue is as follows:

	2023	2022
	RMB million	*RMB million*
Revenue from contracts with customers	**113,505**	46,068
Revenue from other sources		
Rental income	**236**	237
	113,741	46,305

Revenue from contracts with customers

Disaggregated revenue information

For the year ended 31 December 2023

Segments	**Airline transportation operations** *RMB million*	**Other operations** *RMB million*	**Total** *RMB million*
Types of goods or services			
Traffic revenues			
— Passenger	**104,576**	—	**104,576**
— Cargo and mail	**3,634**	—	**3,634**
Ticket cancellation and commission service	**2,531**	—	**2,531**
Ground service income	**645**	—	**645**
Others	**1,962**	**393**	**2,355**
Total revenue from contracts with customers	**113,348**	**393**	**113,741**

For the year ended 31 December 2022

Segments	Airline transportation operations *RMB million*	Other operations *RMB million*	Total *RMB million*
Types of goods or services			
Traffic revenues			
— Passenger	35,004	—	35,004
— Cargo and mail	7,770	—	7,770
Ticket cancellation and commission service	1,147	—	1,147
Ground service income	556	—	556
Others	1,572	256	1,828
Total revenue from contracts with customers	46,049	256	46,305

5 OTHER OPERATING INCOME AND GAINS

	2023	2022
	RMB million	*RMB million*
Co-operation routes income (note (a))	**3,616**	1,904
Routes subsidy income (note (b))	**221**	438
Other subsidy income (note (c))	**1,165**	911
Gain on disposal of items of property,plant and equipment,right-of-use assets and intangible assets	**86**	180
Compensation from ticket sales agents	**174**	9
Others	**167**	171
	5,429	3,613

Notes:

(a) Co-operation routes income represents subsidies granted by various local authorities and other parties, with which the Group developed certain routes to support the development of local economy. The amounts granted are calculated based on the agreements entered into by all parties.

(b) Routes subsidy income represents subsidies granted by various authorities to support certain international and domestic routes operated by the Group.

(c) Other subsidy income represents subsidies granted by various local authorities based on certain amounts of tax paid and other government grants.

(d) There are no unfulfilled conditions or other contingencies related to subsidies that were recognized for the years ended 31 December 2023 and 2022.

6 FINANCE INCOME

	2023	2022
	RMB million	*RMB million*
Interest income	**495**	**512**

7 FINANCE COSTS

	2023	2022
	RMB million	*RMB million*
Interest on bank borrowings	**2,340**	2,367
Interest relating to lease liabilities	**2,980**	3,014
Interest relating to post-retirement benefit obligations	**67**	66
Interest relating to provision for lease return costs for aircraft and engines	**307**	278
Interest on bonds and debentures	**917**	889
Interest relating to interest rate swap contracts	**(60)**	(30)
Less: amounts capitalised (note (a))	**(470)**	(455)
	6,081	6,129
Foreign exchange losses, net (Note (b))	**901**	2,704
	6,982	8,833

Notes:

(a) The weighted average interest rate used for interest capitalisation is 3.24% per annum for the year ended 31 December 2023 (for the year ended 31 December 2022: 3.43%).

(b) The exchange gains and losses primarily related to the translation of the Group's foreign currency denominated borrowings and lease liabilities for the years ended 31 December 2023 and 2022.

8 INCOME TAX

Income tax credited to profit or loss was as follows:

	2023	2022
	RMB million	*RMB million*
Current	**318**	69
Deferred	**18**	(313)
	336	(244)

The Group operates international flights to overseas destinations. There was no material overseas taxation for the years ended 31 December 2023 and 2022, as there are tax treaties between the PRC and the corresponding jurisdictions relating to the aviation business.

The Company and its branches and subsidiaries in mainland China are subject to income tax rates ranging from 15% to 25% (2022: 15% to 25%), and certain subsidiaries of the Company in Hong Kong are subject to Hong Kong profits tax rate of 16.5% (2022:16.5%).

9 LOSS PER SHARE

The calculation of basic loss per share for the year ended 31 December 2023 was based on the loss attributable to equity holders of the Company of RMB8,168 million and the weighted average number of shares of 22,291,295,570 in issue during the year.

The calculation of basic loss per share for the year ended 31 December 2022 was based on the loss attributable to equity holders of the Company of RMB37,356 million and the weighted average number of shares of 18,875,999,286 in issue during the year.

The Company had no potentially dilutive options or other financial instruments relating to the ordinary shares in issue during the years ended 31 December 2023 and 2022.

10 TRADE RECEIVABLES

The credit terms given to trade customers are determined on an individual basis.

	2023	2022
	RMB million	*RMB million*
Trade receivables	**2,257**	899
Less: impairment	**(90)**	(82)
	2,167	817

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice/billing date and net of loss allowance, is as follows:

	2023	2022
	RMB million	*RMB million*
Within 90 days	**2,109**	732
91 to 180 days	**17**	26
181 to 365 days	**38**	53
Over 365 days	**3**	6
	2,167	817

11 TRADE AND BILLS PAYABLES

An ageing analysis of the trade and bills payables as at the end of the reporting period was as follows:

	2023	2022
	RMB million	*RMB million*
Within 90 days	**4,080**	2,211
91 to 180 days	**193**	35
181 to 365 days	**76**	51
1 to 2 years	**62**	90
Over 2 years	**173**	111
	4,584	2,498

12 DIVIDEND

The directors did not propose the payment of a dividend for the years ended 31 December 2023 and 2022.

SIGNIFICANT DIFFERENCES BETWEEN IFRSs AND PRC ACCOUNTING STANDARDS

	2023	2022
	RMB million	*RMB million*
Consolidated net assets attributable to equity holders of the Company		
As stated in accordance with the PRC Accounting Standards	**40,610**	29,416
Impact of IFRSs and other adjustments:		
— Intangible assets (goodwill)	**2,242**	2,242
As stated in accordance with IFRSs	**42,852**	31,658

Consolidated loss attributable to equity holders of the company as stated in accordance with the PRC Accounting Standards are the same as the consolidated loss attributable to equity holders of the company as stated in accordance with IFRSs for 2023 and 2022.

SUMMARY OF OPERATING DATA

	For the twelve months ended 31 December		
	2023	2022	Change
Passenger transportation data			
ASK (available seat-kilometres) (millions)	**244,960.45**	96,210.85	154.61%
— Domestic routes	**199,818.68**	92,204.39	116.71%
— International routes	**40,338.30**	3,577.88	1,027.44%
— Regional[1] routes	**4,803.47**	428.58	1,020.78%
RPK (passenger traffic volume, revenue passenger-kilometres) (millions)	**182,299.38**	61,287.67	197.45%
— Domestic routes	**149,930.96**	59,030.04	153.99%
— International routes	**28,846.07**	2,019.22	1,328.57%
— Regional routes	**3,522.35**	238.41	1,377.43%
Number of passengers carried (thousands)	**115,617.54**	42,510.46	171.97%
— Domestic routes	**106,286.04**	42,027.14	152.90%
— International routes	**6,820.46**	322.69	2,013.63%
— Regional routes	**2,511.04**	160.63	1,463.24%
Passenger load factor (%)	**74.42**	63.70	10.72pts
— Domestic routes	**75.03**	64.02	11.01pts
— International routes	**71.51**	56.44	15.07pts
— Regional routes	**73.33**	55.63	17.70pts
Passenger-kilometres yield (RMB)*Note*	**0.593**	0.602	-1.50%
— Domestic routes	**0.582**	0.549	6.01%
— International routes	**0.629**	2.100	-70.05%
— Regional routes	**0.792**	1.040	-23.85%

1 In order to facilitate data statistics and analysis, the business is divided into "domestic routes", "international routes" and "regional routes" in conjunction with industry practices. Among them, the term "regional" refers to Hong Kong, China; Macau, China; and Taiwan, China.

	For the twelve months ended 31 December		
	2023	2022	Change
Freight transportation data			
AFTK (available freight tonne-kilometres) (millions)	**7,479.14**	6,349.11	17.80%
— Domestic routes	**4,107.63**	1,356.56	202.80%
— International routes	**3,183.17**	4,948.43	-35.67%
— Regional routes	**188.34**	44.11	326.98%
RFTK (freight traffic volume, revenue freight tonne-kilometres) (millions)	**2,504.35**	2,608.93	-4.01%
— Domestic routes	**886.40**	524.67	68.94%
— International routes	**1,600.16**	2,074.95	-22.88%
— Regional routes	**17.80**	9.31	91.19%
Weight of freight carried (million kg)	**842.15**	652.39	29.09%
— Domestic routes	**585.48**	352.17	66.25%
— International routes	**241.32**	290.88	-17.04%
— Regional routes	**15.35**	9.34	64.35%
Freight load factor (%)	**33.48**	41.09	-7.61pts
— Domestic routes	**21.58**	38.68	-17.10pts
— International routes	**50.27**	41.93	8.34pts
— Regional routes	**9.45**	21.10	-11.65pts
Freight tonne-kilometres yield (RMB)[Note]	**1.451**	2.978	-51.28%
— Domestic routes	**0.705**	1.031	-31.62%
— International routes	**1.829**	3.414	-46.43%
— Regional routes	**4.663**	15.682	-70.27%

	For the twelve months ended 31 December		
	2023	2022	Change
Consolidated data			
ATK (available tonne-kilometres) (millions)	**29,525.58**	15,008.09	96.73%
— Domestic routes	**22,091.31**	9,654.96	128.81%
— International routes	**6,813.62**	5,270.44	29.28%
— Regional routes	**620.65**	82.69	650.57%
RTK (total traffic volume, revenue tonne-kilometres) (millions)	**18,522.83**	8,025.31	130.81%
— Domestic routes	**14,063.03**	5,743.18	144.86%
— International routes	**4,133.89**	2,251.73	83.59%
— Regional routes	**325.91**	30.39	972.43%
Overall load factor (%)	**62.73**	53.47	9.26pts
— Domestic routes	**63.66**	59.48	4.18pts
— International routes	**60.67**	42.72	17.95pts
— Regional routes	**52.51**	36.75	15.76pts
Revenue tonne-kilometres yield (RMB)*Note*	**6.037**	5.567	8.44%
— Domestic routes	**6.249**	5.739	8.89%
— International routes	**5.098**	5.029	1.37%
— Regional routes	**8.815**	12.965	-32.01%

Note: In calculating unit revenue index, the relevant revenue includes incomes generated from co-operation routes and fuel surcharge.

FLEET STRUCTURE

In recent years, the Group implements its green development philosophy while continuing to optimise its fleet structure. In 2023, the Group centred around the new major models, introduced a total of 22 aircraft and retired 15 aircraft. The Group's fleet age structure continues to remain young. As the world's first user of the domestic C919 passenger aircraft, the Group officially launched the world's first commercial passenger flight of the C919 on 28 May 2023. As at 31 December 2023, the Group operated a total of 782 aircraft.

Fleet structure as at 31 December 2023

(Units)

No.	Model	Manufacturer	Net increase in 2023	Sub-total	Self-owned	Under finance lease	Under operating lease	Average fleet age (years)
1	B777 Series	Boeing	0	20	10	10	0	7.9
2	B787 Series	Boeing	0	10	3	7	0	4.9
3	A350 Series	Airbus	5	20	7	13	0	2.6
4	A330 Series	Airbus	0	56	32	19	5	10.1
Total number of wide-body aircraft			**5**	**106**	**52**	**49**	**5**	**7.8**
5	A320 Series	Airbus	7	379	134	127	118	9.1
6	B737 Series	Boeing	-8	276	104	70	102	9.1
7	C919 Series	COMAC	3	4	3	1	0	0.4
Total number of narrow-body aircraft			**2**	**659**	**241**	**198**	**220**	**9**
8	ARJ21 Series	COMAC	0	17	8	9	0	1.8
Total number of regional passenger aircraft			**0**	**17**	**8**	**9**	**0**	**1.8**
Total number of aircraft			**7**	**782**	**301**	**256**	**225**	**8.7**

Notes:

1. A350 Series include A350-900 and other aircraft models;
2. A330 Series include A330-200, A330-300 and other aircraft models;
3. A320 Series include A319, A320, A320NEO, A321 and other aircraft models;
4. B787 Series include B787-9 and other aircraft models;
5. B777 Series include B777-300ER and other aircraft models;
6. B737 Series include B737-700, B737-800, B737-8 and other aircraft models;
7. C919 Series include C919 and other aircraft models;
8. ARJ Series include ARJ21 and other aircraft models.

REPORT OF THE BOARD

In 2023, affected by unexpected factors such as the external environment and geopolitical issues, the global economic growth remained slow. According to the World Economic Outlook released by the International Monetary Fund (IMF) in January 2024, the estimated global economic growth rate in 2023 was approximately 3.1%, lower than the historical (2000-2019) average annual growth rate of 3.8%. As the world's largest developing economy, China withstood external pressures and overcame internal difficulties in the face of a complex and challenging international environment and daunting domestic tasks of reform, development and stability, and achieved national economic recovery. According to preliminary estimates by the National Bureau of Statistics, China's GDP for the full year of 2023 increased by approximately 5.2% compared to the previous year, demonstrating robust economic resilience.

As the national economy rebounded, China's civil aviation industry also ushered in a crucial year for consolidating the foundation, cultivating new growth, and resuming development after the transition in COVID-19 prevention and control. In 2023, the industry as a whole completed a total traffic volume of 118.83 billion tonne-kilometres and served 620 million passengers, representing a year-on-year increase of 98.3% and 146.1%, respectively, and recovering to 91.9% and 93.9% of the levels in 2019, respectively. Over the past year, the Company forged ahead against headwinds, seized market recovery opportunities, resumed safe production in an orderly manner, continuously improved operational quality, accelerated reform and innovation, continuously enhanced governance efficiency, and proactively fulfilled social responsibilities, thereby promoting solid, high-quality and stable growth. In 2023, the Company completed a total traffic volume of 18.52 billion tonne-kilometres, served 120 million passengers, and achieved operating income of RMB113.74 billion, representing a year-on-year increase of 130.8%, 172.0% and 145.6% respectively compared to 2022. The net loss attributable to the shareholders of the Company in 2023 was RMB8.17 billion, representing a year-on-year decrease in loss of RMB29.19 billion.

Safe Operation

The Group resolutely implemented the spirits of the important instructions to ensure "Two Absolute Safeties", always regarding safety as a top priority. As flights rapidly recovered, the Group maintained overall stability in safety conditions. Throughout the year, the Group completed a total of 2.282 million hours of safe flights and 954,000 take-offs and landings.

The Group advanced safety system construction to consolidate the foundation of safe production. The Group persistently advanced the construction of the "four major systems": safety management, production and operation, flight training, and aircraft maintenance. The Group implemented the "Safety Management Strengthening Year" campaign, focusing on enhancing the capability of the safety management team. The Group optimised production organisational models to establish organic and coordinated operational processes across capacity, fleet, and crew. The Group established a quality evaluation system for flight simulator training to continuously improve flight training quality. The Group intensified supervision and inspection on the safety of the aircraft maintenance system, improved fault management and control systems and mechanisms, and systematically strengthened standardised management.

The Group identified and rectified risks and hazards, firmly guarding the safety bottom line. The Group advanced the special investigation and rectification actions for major safety hazards in 2023, focusing on preventing potential hazards arising from aspects such as rapid flight recovery, temporary adjustments, initial operation of C919, and personnel skill deterioration. The Group organised comprehensive safety inspections, special inspections during seasonal transitions, fire hazard rectification, and special rectification of airport terminals and agents, etc. The Group strengthened safety awareness education to cultivate a "strict, meticulous, refined, and practical" work style and enhance the safety awareness of all staff members.

The Group comprehensively coordinated production organisation to enhance operational support capabilities. The Group coordinated standardised operations and centralised resource allocation and developed a visualised platform to resolutely prevent operations exceeding capacity and standards. Adhering to the principles of "strict organisation, scientific arrangements, acting within capacity, and striving to do best" in production organisation, the Group promptly planned work arrangements such as Spring Festival travel rush, orderly flight recovery, peak season production, and seasonal transition of fights. The Group strengthened communication with aircraft manufacturers, enhanced personnel training, and carried out initial commercial operation of C919 and performance improvement of ARJ21, thereby ensuring the safe and smooth operation of domestically produced civil aircraft.

Market Expansion, Revenue Increase, Cost Reduction, Efficiency Improvement

The Group adhered to the general principle of "seeking progress while maintaining stability". The production and operation steadily returned to normal, with operating income and passenger traffic recovering to over RMB100 billion and 100 million, respectively. The Group adopted a multi-pronged approach to reduce costs and expenses, resulting in a significant year-on-year reduction in losses.

The Group closely monitored the pace of market recovery to scientifically allocate transportation capacity. The Group dynamically tracked market changes and rapidly increased investment in key domestic markets to expand market share. The Group scientifically analysed the characteristics of peak seasons to plan, deploy, took action early and adjusted the flight scheduling of Spring Festival and summer peak season accordingly. The Group dynamically carried out mid-season route adjustments, effectively increasing slot utilisation. The Group continuously optimised the route network structure based on market demand, built the "Air Silk Road" adapted to high-quality development, and opened more than 20 international routes along the "Belt and Road" such as Shanghai Pudong-Istanbul, Shanghai Pudong-Cairo, and Ningbo-Budapest. Throughout the year, ASK in domestic, international and regional market recovered to 116.4%, 43.8% and 75.0% of 2019 levels, respectively. Domestic, international and regional passenger transport volumes recovered to 97.5%, 38.8% and 67.7% of 2019 levels, respectively.

The Group continuously optimised marketing strategies and implemented multi-pronged measures to increase profits. The Group actively seized slot resources to further consolidate its market share advantage. The Group steadily resumed alliance cooperation to vigorously foster the recovery of international flights. The Group continued to strengthen transits, enhanced the design of transit products, optimised route connections to increase transit opportunities, and increased sales efforts for transit connecting flights. The Group strengthened the integration of passenger and cargo services, focusing on improving the profitability of international long-haul routes. The Group actively promoted the placement and sales of ancillary products and priority products across all channels. In 2023, the total revenue from ancillary products of the Group amounted to RMB6.86 billion, representing a year-on-year increase of 80.4%.

The Group comprehensively strengthened cost management and control and enhanced quality and efficiency through refined management. The Group deepened comprehensive budget management, consistently revitalised existing resources, and implemented cost control for significant cost items and large-amount projects, refining projects such as business and finance integration and quality and efficiency improvement. Throughout the year, the Group completed 160 quality and efficiency improvement projects, resulting in a cumulative efficiency increase of approximately RMB1.31 billion. The value creation role of business and finance integration further manifested. The Group accurately analysed changes in costs of 56 overseas stations and 153 domestic stations, resulting in significant decreases in take-off and landing fees, flight delay fees, and baggage compensation fees compared to 2019.

Service Enhancement and Brand Building

Taking the opportunities of the CAAC's themed activity of "Civil Aviation Service Assisting Industry Recovery Year" in 2023, the Group continuously enhanced service quality. In addition, the Group actively advanced the central enterprise brand leadership campaign as well as the benchmarking efforts in brand building to extensively strengthening brand building.

The Group optimised airline service processes with continuous improvement in operational indicators. The Group continued to advance the construction of a management and control platform for the entire service process. Based on the Service Manual, the Group identified 32 travel nodes from over 100 perspectives to upgrade the service panorama. The Group enhanced online service capabilities, establishing comprehensive customer communication channels through PC, App, and telephone terminals. The Group strengthened management and control of the service process, with excellent performance indicators in check-in and boarding services, baggage services, in-flight services, and services for special passengers. Satisfaction with meal supply services increased year by year. The flight on-time rate for the year reached 87.4%.

The Group broadened aviation service scenarios with new iterations of featured products. The Group continued to develop the "Punctual, Swift, and Superior" "Air Express" brand, introducing new marketing products such as "Eastern Air Value (惠享東方)", "C919 Priority (C919 優享)" and "New Joy (新有所享)", with full Wi-Fi coverage for wide-body aircraft. The Group introduced featured Wi-Fi products such as annual cards, multi-use cards, and "Star Packages (星享包)". Air-rail combined transportation products covered 46 cities and reached 710 train stations, achieving bilateral intermodal transportation between air segments and 1,240 train segments, meeting the public's increasing demand for enjoyable travel.

The Group intensively enriched its brand connotation, showcasing the characteristics of China Eastern Airlines brand. The promotional campaign for the maiden flight of C919 accumulated over 1 billion views and was recognised as an outstanding communication case for 2023 by the China Public Relations Association. The Group carried out a series of promotion campaigns for the tenth anniversary of the "Belt and Road" initiative, amplifying the narrative of China through the voice of China Eastern Airlines. The Group continued to provide "Four-in-One" service support for the sixth China International Import Expo, deepening the brand leadership of the "Four Fines" services, and leveraging the China Eastern Airlines brand to enhance the oriental charm at the Expo. We entered into a strategic cooperation agreement with the Shanghai Municipal Government to jointly build a super carrier in aviation transportation, promote the construction of a world-class aviation hub, and contribute to the establishment of the "Shanghai Service" brand with the strength of China Eastern Airlines. In 2023, the Group was ranked among the top 50 "BrandZ Most Valuable Chinese Brands" of the global brand communication group WPP, ranked 7th in "2023 Top 50 Global Airline Brand Value" of Brand Finance and received a variety of awards such as the Golden Bee 2023 Excellent Corporate Social Responsibility Report – Longevity Award.

Reform, Innovation, and Corporate Governance

Focusing on accelerating the construction of a world-class enterprise, the Group initiated and implemented actions to deepen and enhance the state-owned enterprise reform and promote innovation in key areas. The Group continued to improve corporate governance of state-owned enterprises with Chinese characteristics, promoted the transformation of institutional advantages into governance effectiveness, and continuously optimised system construction such as internal control, risk management, and compliance management.

The Group reaped results of reform and innovation and steadily improved the level of digitisation. The Group initiated and implemented a new round of actions to deepen and enhance the state-owned enterprise reform, further optimising management control in business lines such as flight, operation control, and aircraft maintenance. The Group continued to optimise and adjust its industrial layout, making the principal business positioning of the Group more prominent. The Group continued to improve its scientific and technological innovation system by issuing special development plans for scientific and technological innovation and accelerating the construction of the China Eastern Airlines' scientific and technological innovation sector. A research centre under the Company was rated Excellent in "Demonstration Enterprise for Scientific and Technological Reform". Innovative applications were launched and became effective, with several projects such as the Aircraft Release Monitoring System granted with patent authorisation, and innovative applications such as the Digital Twin Aircraft Maintenance receiving awards. Various projects such as the "Ground Service Transparent Apron", "Boarding Gate Workstation", and "Aircraft Towing Collision Avoidance" were piloted and advanced.

The Group continued to improve its institutional mechanisms, steadily improving its governance. The Group implemented the reform spirit of the independent director system, systematically amended more than 10 important regulations and systems such as the Articles of Association and Rules of Procedures for Shareholders' General Meeting, further improving the Group's governance system. The Group conducted the affairs as a listed company in compliance with regulations and received an A-level evaluation for information disclosure on the Shanghai Stock Exchange for the tenth consecutive year. With the support of the controlling shareholder, the Group successfully issued perpetual bonds at a fair interest rate, lowering the asset-liability ratio by nearly 6 percentage points. The Group attached great importance to the market value management as a listed company and promoted the A+H share increasing project by CEA Holding. The Group scientifically formulated investment plans, optimised fund allocation in a stringent and prudent manner, and reasonably advanced capacity reserves. The Group strengthened the construction of the internal control system, established a risk indicator database, and enhanced dynamic risk monitoring and defect governance. The Group deepened the construction of the compliance system, further improved the compliance management system, continued to address compliance concerns, strengthened overseas legal risk prevention, enhanced intellectual property management, and comprehensively promoted passenger information protection work.

Social Responsibilities

With a high sense of social responsibility, the Group implements the ecological development concept of "low carbon flight and protect environment with technology", and makes dedicated efforts to help rural revitalisation and continuously improve the happiness of employees.

The Group practiced environmental protection concepts and adhered to low-carbon emission operations. The Group formulated action plans to achieve carbon peaking and implemented market-oriented emission reduction mechanisms to promote the construction of energy conservation and environmental protection systems. The Group continued to promote the electrification of ground vehicles and the application of auxiliary power units (APUs) in aircraft to the fullest extent possible, changing or replacing plastic material for a total of 53 aircraft on-board supplies throughout the year. The Group advanced the deployment and application of sustainable aviation fuel (SAF), with SAF-blended fuel being used in more than 20 Airbus aircraft for delivery flights throughout the year. The Group actively participated in the SkyTeam Airline Alliance's "Sustainable Flight Challenge", marking the first time that SAF fuel is used for commercial flights of the Group.

The Group fulfilled its responsibilities as a central enterprise and contributed to rural revitalisation. The Group, together with its controlling shareholder, China Eastern Air Holding Company Limited ("**CEA Holding**"), diligently fulfilled the social responsibilities of central enterprises and persistently carried out targeted assistance work. For five consecutive years, the Group received the highest rating in the assessment of targeted assistance for central units. The Group fully leveraged the advantages of the aviation industry, operating over 3,500 flights by connecting the assisted areas, transporting more than 320,000 passengers, and contributing over RMB570 million to local GDP through air routes. The Group's assistance case "MU Tea (東航那杯茶)" was selected as a demonstration project in the Blue Book on Central State-owned Enterprises' Contribution to Rural Revitalisation (2022) (《中央企業助力鄉村振興藍皮書(2022)》)". The assistance project of the Group supporting the beekeeping industry in Cangyuan was honoured as an outstanding case of rural revitalisation by the China Association for Public Companies.

The Group implemented practical employee care and built a happy China Eastern Airlines family. The Group steadily advanced the "Caring for the Employees" initiative and promoted the implementation of ten practical projects such as the "Affordable Rental Housing Project for Employees" and the "Employee Health Care Project". The Group showed care for employees at frontline positions, initiating the renovation and reconstruction plan for heartwarming stations for outdoor workers, with a total of 234 heartwarming stations completing registration. The Group earnestly cared for female employees, organizing activities including legal education, mental and physical health seminars, thematic reading sessions, and Happy China Eastern Airlines Family Day events.

Operating Revenues

In 2023, the Group's passenger revenue amounted to RMB104,576 million, representing an increase of 198.75% from last year, and accounted for 96.64% of the Group's traffic revenue. The passenger traffic volume was 182,299.38 million passenger-kilometres, representing an increase of 197.45% from last year.

The passenger revenue of domestic routes amounted to RMB83,986 million, representing an increase of 174.72% from last year, and accounted for 80.31% of the passenger revenue. The passenger traffic volume was 149,930.96 million passenger-kilometres, representing an increase of 153.99% from last year.

The passenger revenue of international routes amounted to RMB17,825 million, representing an increase of 325.93% from last year, and accounted for 17.05% of the passenger revenue. The passenger traffic volume was 28,846.07 million passenger-kilometres, representing an increase of 1,328.57% from last year.

The passenger revenue of regional routes amounted to RMB2,765 million, representing an increase of 1,014.92% from last year, and accounted for 2.64% of the passenger revenue. The passenger traffic volume was 3,522.35 million passenger-kilometres, representing an increase of 1,377.43% from last year.

In 2023, the Group's cargo and mail traffic revenue amounted to RMB3,634 million, representing a decrease of 53.23% from last year, and accounted for 3.36% of the Group's traffic revenue. The cargo and mail traffic volume was 2,504.35 million tonne-kilometres, representing a decrease of 4.01% from last year.

In 2023, the Group's other revenue amounted to RMB5,531 million, representing an increase of 56.64% from last year.

Operating Expenses

In 2023, the Group's total operating expenses was RMB121,089 million, representing an increase of 48.56% from last year. As air passenger traffic rebounded at a steady pace coupled with a healthy growth in passenger traffic volume and the number of passengers carried, a number of the Group's costs, including take-off and landing charges, catering supply expenses, depreciation and amortisation, increased year on year. In 2023, the analysis of the changes in the Group's operating cost items is set out as follows:

Aircraft fuel costs accounted for one of the most substantial parts of the Group's operating expenses. In 2023, the Group's aircraft fuel cost was RMB41,102 million, representing an increase of 84.89% from last year, and was mainly due to increase in the number of flights of the Group. The volume of refuelling increased by 104.23% from the same period last year, leading to an increase in aircraft fuel costs by RMB23,171 million. As crude oil prices decreased, the average price of aircraft fuel decreased by 9.47% from the same period last year, leading to a decrease in aircraft fuel cost by RMB4,299 million.

In 2023, the Group's take-off and landing charges amounted to RMB14,558 million, representing an increase of 132.82% from last year, and was primarily due to the increase in the number of flight take-offs and landings driven by recovery of demand for air passenger transportation.

In 2023, the Group's depreciation and amortisation amounted to RMB25,023 million, representing an increase of 14.73% from last year, and was primarily due to the increase in the traffic volume and the increase in the depreciation of components.

In 2023, the Group's wages, salaries and benefits amounted to RMB23,613 million, representing an increase of 15.27% from last year, and was primarily due to the increase in the traffic volume, leading to the increase in the flight hour fees of aircrew members.

In 2023, the Group's aircraft maintenance expenses amounted to RMB4,542 million, representing an increase of 35.34% from last year, and was primarily due to the increase in the traffic volume, and the increase in the aircraft and daily engine maintenance expenses.

In 2023, the Group's catering supply expenses amounted to RMB2,993 million, representing an increase of 190.58% from last year, and was primarily due to the increase in the number of passengers carried, leading to an increase in meals and on-board supplies.

In 2023, the Group's sales and marketing expenses amounted to RMB2,932 million, representing an increase of 249.46% from last year, and was primarily due to the increase in the number of passengers, leading to an increase in the administration expenses of the agency business and system reservation fees.

In 2023, the Group's contribution to the civil aviation development fund of the Civil Aviation Administration of China (the "**CAAC**") amounted to RMB1,056 million, representing an increase of 118.18% from last year, and was primarily due to the recovery of the aviation passenger transportation market and the increase in the Company's traffic volume.

Other Operating Income and Gains

In 2023, the Group's other operating income and gains amounted to RMB5,429 million, representing an increase of 50.26% from last year, and was primarily due to the increase in the number of passengers, increased investment in transportation capacity and the increase in income from co-operation routes.

Finance Income/Costs

In 2023, the Group's finance income amounted to RMB495 million, representing a decrease of 3.32% from last year. Finance costs amounted to RMB6,982 million, representing a decrease of 20.96% from last year, and was primarily due to the decrease in the exchange losses.

Net Loss during the Year

In 2023, net loss attributable to equity holders of the Company amounted to RMB8,168 million. In the same period in 2022, net loss attributable to equity holders of the Company amounted to RMB37,356 million. In 2023, the loss per share attributable to equity holders of the Company was RMB0.37. In 2022, the loss per share attributable to equity holders of the Company was RMB1.98.

Liquidity and Capital Structure

As at 31 December 2023, the Group had total assets of RMB284,733 million, representing a decrease of 1.28% from 31 December 2022. Its asset-to-liability ratio was 84.74%, representing a decrease of 3.93 percentage points from 31 December 2022.

In particular, the Group's total current assets amounted to RMB25,663 million, which accounted for 9.01% of the total assets and represented a decrease of 8.48% from 31 December 2022. The Group's non-current assets amounted to RMB259,070 million, which accounted for 90.99% of the total assets and represented a decrease of 0.51% from 31 December 2022.

As at 31 December 2023, the Group had total liabilities of RMB241,270 million, comprising current liabilities of RMB106,264 million which accounted for 44.04% of total liabilities, and non-current liabilities of RMB135,006 million which accounted for 55.96% of total liabilities.

Among the current liabilities, interest-bearing liabilities (short-term bank borrowings, long-term bank borrowings due within one year, bonds payable due within one year and lease liabilities due within one year) amounted to RMB72,097 million, representing a decrease of 12.33% from 31 December 2022.

Among the non-current liabilities, interest-bearing liabilities (long-term bank borrowings, bonds payable and lease liabilities) amounted to RMB122,991 million, representing a decrease of 10.49% from 31 December 2022.

In 2023, in order to deal with exchange rate fluctuations, the Group actively optimised the currency structure of the Group's liabilities and reduced exchange rate risks. As at 31 December 2023, the breakdown of the Group's interest-bearing obligations by currencies is as follows:

Unit: RMB million

Currency	**RMB equivalent** **As at 31 December 2023**		As at 31 December 2022		
	Amount	**Proportion (%)**	Amount	Proportion (%)	Movement (%)
RMB	**160,214**	**82.13**	182,428	83.06	-12.18
USD	**30,945**	**15.86**	32,840	14.95	-5.77
Others	**3,929**	**2.01**	4,366	1.99	-10.01
Total	**195,088**	**100.00**	219,634	100.00	-11.18

As at 31 December 2023, the Group's interest-bearing liabilities included long-term and short-term bank borrowings and bonds payable equivalent to RMB110,541 million, representing a decrease of 8.82% from RMB121,231 million as at 31 December 2022. The breakdown by currencies is as follows:

Unit: RMB million

Currency	**RMB equivalent** **As at 31 December 2023**	As at 31 December 2022	Movement (%)
RMB	106,694	117,094	-8.88
SGD	2,681	2,582	3.83
EUR	1,166	1,555	-25.02
Total	**110,541**	121,231	-8.82

As at 31 December 2023, the lease liabilities in the Group's interest-bearing liabilities amounted to RMB84,547 million, representing a decrease of 14.08% from RMB98,403 million as at 31 December 2022. The breakdown by currencies is as follows:

Unit: RMB million

	RMB equivalent		
Currency	**As at 31 December 2023**	As at 31 December 2022	Movement (%)
RMB	**53,520**	65,334	-18.08
USD	**30,945**	32,840	-5.77
HKD	**19**	172	-88.95
JPY	**31**	12	158.33
SGD	**4**	6	-33.33
Others	**28**	39	-28.21
Total	**84,547**	98,403	-14.08

Interest Rate Fluctuation

The interest-bearing liabilities of the Group include short-term interest-bearing liabilities and long-term interest-bearing liabilities, of which the proportion of interest-bearing liabilities with fixed interest rates is 50.28%, and the proportion of interest-bearing liabilities with floating interest rates is 49.72%. The Group's total interest-bearing liabilities as at 31 December 2023 and 31 December 2022 were equivalent to RMB195,088 million and RMB219,634 million (including long-term and short-term bank borrowings, lease liabilities, bonds payable and super short-term debentures), of which short-term interest-bearing liabilities accounted for 36.96% and 37.44%, respectively.

The Group's interest-bearing liabilities were primarily denominated in USD and RMB. As at 31 December 2023 and 31 December 2022, the Group's interest-bearing liabilities denominated in USD accounted for 15.86% and 14.95%, respectively, of total interest-bearing liabilities while the Group's interest-bearing liabilities denominated in RMB accounted for 82.13% and 83.06%, respectively, of total interest-bearing liabilities. Fluctuations in the USD and RMB interest rates have a relatively significant impact on the Group's finance costs. Through interest rate swap contracts, the Group may lock in interest rates to reduce the exposure to fluctuations in floating rate of the USD-denominated debts.

In 2023, the Group made careful assessments based on the derivatives market conditions and did not enter into any new interest rate swap contract transactions. As at 31 December 2023, the outstanding interest rate swap contracts held by the Group amounted to a notional amount of approximately USD189 million, which will expire between 2024 and 2025. As at 31 December 2022, such amount was approximately USD327 million.

Exchange Rate Fluctuation

As at 31 December 2023, the Group's total interest-bearing liabilities denominated in foreign currencies amounted to RMB34,874 million, of which interest-bearing liabilities denominated in USD accounted for 88.73% of all interest-bearing liabilities denominated in foreign currencies. In the case of significant fluctuations in the USD exchange rate, USD assets and liabilities will generate a larger amount of foreign exchange gains and losses, which will affect the Group's profitability and assets and liabilities. The Group can lock the exchange rate through forward currency contracts to hedge against the impact of fluctuations in the USD exchange rate.

In 2023, the Group made careful assessments based on the derivatives market conditions and did not carry out any foreign exchange hedging transactions. As at 31 December 2023, the Group had no outstanding foreign exchange forward contracts.

Fluctuation of Jet Fuel Prices

As one of the largest operating costs of the Group, the fluctuation of jet fuel prices has a significant impact on the efficiency of the Group. The Group can lock in jet fuel costs through crude oil swap contracts, crude oil call options, collar options portfolios, crude oil futures contracts etc., to reduce the adverse impact of jet fuel price fluctuations.

In 2023, the Group made careful assessments based on the derivatives market conditions and did not carry out any jet fuel hedging transactions. As at 31 December 2023, the Group had no outstanding jet fuel hedging contracts.

Pledges on Assets and Contingent Liabilities

As at 31 December 2023, the value of the Group's assets used to secure certain bank loans was RMB31,669 million, and as at 31 December 2022, the value of the Group's assets used to secure certain bank loans was RMB31,629 million, representing a year-on-year increase of 0.13%.

As at 31 December 2023, the Group had no significant contingent liabilities.

Capital Expenditure

According to the agreements that have been entered into in relation to aircraft and engines, as at 31 December 2023, the Group expected its capital expenditures for the coming three years on aircraft and engines to be approximately RMB63,215 million in total, including the expected capital expenditure of approximately RMB21,202 million, RMB22,347 million and RMB19,666 million for each year from 2024 to 2026, respectively.

The above capital expenditure plan of the Group may vary due to factors such as entering into new purchase contracts for aircraft, engines and other flight equipment based on development strategy and market demand, variations to the original contracts and changes in price index.

Human Resources

As at 31 December 2023, the Group had 81,781 employees, the majority of whom were located in China. The wages of the Group's employees primarily consisted of basic salaries and performance bonuses.

COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS WHICH MAY HAVE A SIGNIFICANT IMPACT ON THE GROUP

As at 31 December 2023, the Board was not aware of any significant matters which may cause impact on the Group or any non-compliance with the laws and regulations which may have a significant impact on the Group.

RISK ANALYSIS

1. Risk Related to Economic and Trade Environment, Geopolitical Situation and Public Health Affairs

The aviation industry is closely connected to the economic and trade environment. The civil aviation industry is more sensitive to macro-economic climate, which directly affects the development of economic activities, disposable income of residents and changes in the amount of import and export activities. These factors will in turn affect the demand for air transportation. Meanwhile, international economic and trade relations, geopolitical conflict or war will have a relatively significant impact on the demand for aviation market in such location and its surrounding areas. In addition, above-mentioned risks may drive large fluctuations in the prices of energy and other large commodities, thereby affecting the global economic activities and causing greater impacts on the Group's operating results and financial condition. Public health emergencies may have a great impact on the demand for air travel and normal operation of the Group.

The Group pays close attention to the impacts caused by changes in the domestic and overseas macro-economic situation, international economic and trade relations, the geopolitical situation, public health emergencies and related policies and flexibly adjusts its transportation capacity deployment and market sales, so as to actively respond to such impacts.

2. Policy and Regulation Risk

Airlines have business operations around the world. Hence, the aviation industry is largely affected by domestic and overseas economic policies and laws and regulations. The adjustments of and changes in relevant domestic and foreign laws and regulations, industrial policies, and regulatory policies may bring certain uncertainties to the future business development and operating results of the Group. At the same time, as the Company is a public company listed in Shanghai and Hong Kong, the changes in the securities regulatory laws and regulations of the places of listing may have impact and bring uncertainties on the shareholder structure, liquidity, price and continuity of the shares of the Company.

With respect to industrial policies and regulations, the Group has played an active role in various discussions concerning their formulation and revision, and promptly analysed and considered their latest changes and impact on the Group, so as to seize the development opportunities arising from such updates and prudently respond to the risks, challenges and uncertainties arising from the changes in policies and regulations.

3. Operational Safety Risk

Flight safety is the pre-condition and foundation for aviation companies to maintain normal operations and good reputation. Bad weather, mechanical failure, human errors, aircraft irregularities, national and international terrorism and other force majeure events may have an adverse impact on the flight safety, aviation security and operational safety of the Group.

The Group solidly promoted the construction of safe work practices, strictly executed rules, regulations and operating standards, implemented the accountability system for safe operation, strengthened the investigation and management of security risks, enhanced its safety and risk prevention and control system, and strengthened safety management and control capabilities, so as to actively respond to operational safety risk.

4. Core Resources Risk

The rapid growth of the industry may place air transportation enterprises under the risk of insufficient reserves in air traffic rights and time slot resources at important domestic and overseas destinations, as well as core resources such as management personnel in key positions and professional technical personnel, which may constrain the efforts of the Group to achieve its projected development goals or have a material adverse impact on the production and operations of the Group.

The Group reserves core market time slot resources by actively negotiating with regulators regarding domestic and overseas air traffic rights and time slot resources and actively participating in the market-based competition for time slot resources. The Group has proactively developed a core backup workforce through promoting the building of corporate culture of "Love at CEA", improving its incentive scheme for core technical staff, providing training programs to a pool of multi-tier backup management personnel and launching a core technical staff recruitment scheme.

5. Competition Risk

Along with the opening-up of the domestic aviation market, development of low-cost airlines and increased investment in the Chinese market by international airlines, future competition in the domestic aviation industry may intensify, which may bring uncertainties to the Group's air traffic rights and time slot resources, ticket price level and market share, and therefore have an impact on the Group's operating results. In addition, there is a certain level of overlap between railway, highway and ship transportation and air transportation in certain markets. Certain routes of the Group may experience higher competitive pressure.

The Group has actively responded to industry competition, proactively strived for new air traffic rights and time slots in hub markets and core markets, continuously refined its route network, and steadily improved and consolidated its market share in the hubs and core markets. Through improving service quality and enhancing flight punctuality rates, the passenger experience was enhanced, which further strengthened the Group's competitiveness.

6. Risk Associated with the Fluctuation of Jet Fuel Prices

Jet fuel costs is one of the major expenses of the airlines. Significant fluctuations of international oil prices will significantly impact jet fuel prices and the Company's revenue from fuel surcharge, and accordingly the Company's operating results.

Without considering adjustment in fuel surcharge and other factors and on the basis of the fuel consumption of flights operated in 2023, if the average jet fuel price increases or decreases by 5%, jet fuel costs of the Company will increase or decrease by approximately RMB2,055 million.

The Group has optimised its transportation capacity allocation, strengthened marketing and strove to increase passenger load factor and unit yield level, so as to respond to the pressure of rising jet fuel prices. The Company will proactively analyse the trend of oil prices, and, as authorised by the Board, prudently conduct jet fuel hedging activities. Exposure to jet fuel price fluctuations may be partially offset by the implementation of fuel surcharge mechanism in China's civil aviation industry.

7. Exchange Rate Fluctuation Risk

The Company has sizeable currency liabilities. As the Company's foreign currency liabilities are mainly USD-denominated, if the exchange rate of USD against RMB fluctuates significantly, USD-denominated liabilities will generate a large amount of foreign exchange loss/gain, which will directly affect the Company's profit for that period and result in a relatively great impact on the Company's operating results.

As at 31 December 2023, if USD had strengthened or weakened by 1% against RMB with all other variables held constant, the effect on the Company's total profit and other comprehensive income would have been as follows:

Unit: RMB million

	Effect on total profit		**Effect on other comprehensive income**	
	Appreciation	**Depreciation**	**Appreciation**	**Depreciation**
USD exchange rates	-297	297	–	–

In 2023, the Company paid close attention to the exchange rate market and further optimised the mix of currency denomination of the Company's debts by means of issuing super short-term debentures and corporate bonds and acquiring RMB borrowings, so as to reduce exchange rate volatility risks. Against the backdrop of the Company's expansion into the international market and the promotion of international business, it may be exposed to the risk of significant fluctuations in the currency exchange rates in certain countries, however, at present, the impact on the Company is relatively small due to the low percentage of revenue from such type, with overall risk being manageable, and the Company will also adopt various measures, such as local income and expenditure currency matching in the overseas market, to further minimise the impact arising from exchange rate fluctuations on the Company's operations.

8. Interest Rate Fluctuation Risk

The majority of the Company's liabilities are attributable to USD-denominated liabilities and RMB-denominated liabilities generated from introduction of aircraft, engines and aviation equipment, etc. The adjustment in interest rates of USD and RMB may cause changes in the borrowing costs of the Company's existing loans that carry floating interest rates, as well as future finance costs, which in turn may affect the Company's finance expenses.

As at 31 December 2023, assuming all other variables remain constant, if the interest rate had increased or decreased by 25 basis points, the effect on the Company's total profit and other comprehensive income would have been as follows:

Unit: RMB million

	Effect on total profit		Effect on other comprehensive income	
	Increase	**Decrease**	**Increase**	**Decrease**
Floating rate instruments	-231	231	3	-3

The Company launches transactions in derivatives to further optimise the Company's proportion of floating-rate debts to the USD-denominated debts in the future. At the same time, the Company will actively seize the opportunity to issue super short-term debentures and corporate bonds to minimise RMB finance costs.

9. Digital and Information Security Risk

The development of various businesses during the Group's operation is closely related to the information network system. If there is any design defect, operational failure in the network information system of the Group or inadequate training and education on compliance and lack of security awareness on the part of internal staff, or if the system experiences external network attacks, the Group's business and operations may be affected, and customer data and information of the Group may be leaked. The occurrence of any of the foregoing may have an adverse impact on the operating results and brand image of the Group.

The Group has continuously promoted the construction of information and network security projects, iteratively modified rules and regulations such as the "Network Security Management Manual", established a sound information and network security-related technical protection and security management mechanism, and strengthened information network security management capabilities. The Group has appointed a "data protection officer" and established a customer data system based on identification information such as ID cards, so as to improve data and information security protection capabilities.

10. Development and Transformation Risk

During the process of expanding into new international markets, conducting external investments, mergers and acquisitions and restructuring existing businesses and assets, the Group may face risks associated with decision-making, management, legal, regulation and interference of competitors, which may affect the results of the development strategies of the Group. There remain certain risks associated with the failure of achieving expected goals of transformation projects or business adjustments in the future.

The Group has made continuous improvements to the monitoring and management of the whole process of external investment, and will enhance the research of projects, strictly monitor various investment activities and refine its risk management mechanism through due diligence and asset valuation during its expansion into new international markets, commencement of external investments, mergers and acquisitions and restructuring existing businesses and assets.

11. Supply Chain Risk

Air transportation enterprises require essential facilities and equipment including aircraft, engines and aviation equipment, as well as flight, maintenance and operation systems that are suitable for operation and core technologies for their normal operations. If there is any abnormality in the operation of the Group's suppliers for essential facilities and equipment and core technologies in the supply chain, or under special circumstances, the suppliers are unable to provide essential facilities and equipment and core technological services support required for the Group's operations normally, the Group's normal operations may be adversely or materially adversely affected.

The Group regularly assesses the contractual performance capacity of suppliers of essential facilities and equipment and core technological services that are closely related to its supply chain of business and operations. The Group has also continuously paid close attention to the changes in the market price and the policies and regulations for the introduction of essential facilities and equipment and core technological services, and proactively responds to the risks related to the suppliers of essential facilities and equipment and core technological services support in respect of the supply chain.

12. Securities Market Fluctuations Risks

The share price of a listed company is not only dependent on the Company's current results and projection for future operations, but also on factors including laws and requirements of the place of listing, policy environment, macro-economics, flow of market capital and investor structure and sentiment, etc. The Company's share price may be subject to significant changes due to the aforementioned factors, which may directly or indirectly result in loss to the investors.

The Company has continuously enhanced its corporate governance standards, earnestly fulfilled its obligations of information disclosure, constantly improved its operational management capability and strove for outstanding operating results. In the meantime, the Company has strengthened the communication between capital markets and various investors, paid close attention to the Company's share price performance and media coverage, gave timely response to the market and strove to avoid abnormal fluctuations in the Company's share price.

13. Risk Associated with the Changes in Environmental Policy

The increasing importance attached to environmental policies including carbon emissions and noise control globally and changes in consumption behavior caused by passengers' low carbon travel may impose restrictions on airline operations. In order to meet the changes in regulatory requirements of environmental policies, airlines may increase its investment in issues related to saving energy and reducing emissions and noise control, which in turn increases operating costs.

The Group adheres to the basic concept of sustainable development while strictly abiding by relevant policies and regulations on environmental protection. It implements refined management and control of aircraft fuel saving through the introduction of advance fuel-saving and noise-reducing models and promotes the use of ground facilities and equipment to replace auxiliary power units and the "diesel-to-electric" transformation plan of ground vehicles while actively conducting works related to saving energy and reducing emissions as well as noise control through continuously promoting energy-saving and environmental protection technologies. The Group abides by international and domestic carbon emission regulatory requirements by participating in EU carbon emission trading and Shanghai local pilot carbon trading mechanism, with an aim to fulfill carbon emission obligations through market-oriented mechanisms, and explore ways to improve carbon emission management capabilities. In addition, the Group continues to study the application of sustainable aviation fuel and explores the carbon emission reduction model of the aviation industry, with an aim to continuously improve the level of ecological environment governance and green and low-carbon development.

14. Other Force Majeure and Unforeseeable Risks

The aviation industry is highly sensitive to external factors. Apart from above-mentioned risks, natural disasters and the navigational or personnel restrictions imposed by countries may also affect market demand and the normal operation of airlines. Flight suspension, decrease in passenger volume and income, as well as increase in safety and insurance costs may adversely affect the business and operations of the Group.

The Group strengthened risk management and control and actively responded to unexpected risks to minimise the relevant losses and protect the interests of the shareholders.

OUTLOOK FOR 2024

The Group would like to bring to the attention of readers of this report that this report contains certain forward-looking statements, including forward-looking statements of international and domestic economies and the aviation industry, and descriptions of the Group's future operating plans for 2024 and beyond. Such forward-looking statements are subject to many uncertainties and risks. The actual events that occur may be different from forward-looking statements of the Group which, therefore, do not constitute any commitment by the Group to future operating results.

Firmly Holding the Bottom Line of Safety

The Company will reinforce the safety risk management and control at source, and improve the standards, working mechanism and data model for identifying risks and hidden dangers; enhance the building of the "four systems" for safety, and promote the production safety accountability system for all staff at place. In addition, we will intensify the building of safety practice by warning all cadres and staff to stay alert to the fact that "the overarching priority lies in safety"; we also will enhance the competence in flight, maintenance and operation in domestic civil aircraft, and promote the dual enhancement in the scale and quality of operation for domestic civil aircrafts.

Constantly Improving Operating Efficiency

The Company will improve the hub competitiveness by expediting the building of a route network structure benchmarking the function and positioning of the super carrier, pooling favourable resources to improve the hub accessibility, and strengthening the international transit; we will also improve the product competitiveness by actively acquiring time slot resources, constantly improving service quality, and placing innovative service products with precision. Under the premises of improving market competitiveness, the Company will arrange in advance the peak season market by flexibly allocating resources such as air network, flights and aircraft types, and broaden the consumer market in the travel chain by leveraging the large e-commerce platform to increase revenue from auxiliary products; in addition, the Company will improve the lean operation capability to enhance fine management in the aspects such as revenue generation and diversification, cost and expenditure reduction and asset revitalisation, and expand the coverage for industry and finance integration, so as to minimise the cost with great efforts.

Deepening Branding of Services

The Company will improve the key contact service level by giving full play to the "Four Fines" brand effects, poising itself on passenger demand, strengthening the ability to handle irregular flights and passenger satisfaction, and further optimising member privilege services. In addition, we will upgrade the service management level, reinforce the normalised and collaborative mechanism for marketing and operation by facilitating the flow of operational information on the business units and terminals, so as to improve the closed-loop in the service standard system. Also, the Company will enhance the CEA brand strength by means of intensifying the brand building in a comprehensive manner, in an effort to build an outstanding brand coupled with global strength and presence.

Resolutely Advancing Digital Transformation

We insist on the philosophy of innovation-driven development by perfecting the management system covering science and technology innovation and digital transformation, promoting the pooling of competitive resources into strategic emerging industries. Beyond focusing on key areas to quicken the digital transformation, we will improve the intelligence level for flight arrangement and schedule, revenue management and marketing by means of big data and other technologies so as to promote the landing and application of innovative outcomes.

Preventing and Addressing Major Risks

The Company will intensify risk prevention by staying close to key areas such as safe operation, overseas operation, aviation fuel fluctuation and exchange rate and interest rate fluctuation, and enhance its capability to forecast and mitigate major risks. Other than this, the Company will improve its financial management system, strengthen debt risk monitoring and liquidity management to ensure liquidity security with view to further promoting the compliance management, fostering the combination of our business with laws and regulations, as well as further strengthening the personal information protection and data security management.

FLEET PLAN

Introduction and Retirement Plan of Aircraft for 2024 to 2026

(Units)

Model	2024 Introduction	2024 Retirement	2025 Introduction	2025 Retirement	2026 Introduction	2026 Retirement
C919 Series	6	–	10	–	10	–
ARJ Series	16	–	2	–	–	–
Total number of COMAC aircraft	22	–	12	–	10	–
A350 Series	–	–	–	–	–	–
A320 Series	21	14	31	22	34	16
Total number of Airbus aircraft	21	14	31	22	34	16
B787 Series	5	–	4	–	7	–
B737 Series	8	1	–	14	9	10
Total number of Boeing aircraft	13	1	4	14	16	10
Total number of aircraft	**56**	**15**	**47**	**36**	**60**	**26**

Notes:

1. According to confirmed orders, the Group plans to introduce 26 aircraft and retire 26 aircraft in 2027;

2. The Company has optimised and adjusted the introduction of certain aircraft, and the Company does not rule out that the aircraft introduction and retirement plans will be adjusted in a timely manner based on changes in the external market environment and the capacity planning of the Company.

SHARES

1. As at 31 December 2023, the shareholding structure of the Company is set out as follows:

		Total number of shares	Approximate percentage in shareholding (%)
I	**A shares**	17,114,518,793	76.78
	1. Listed shares with trading moratorium	3,633,883,040	16.30
	2. Listed shares without trading moratorium	13,480,635,753	60.48
II	**H shares**	5,176,777,777	23.22
	1. Listed shares with trading moratorium	0	0.00
	2. Listed shares without trading moratorium	5,176,777,777	23.22
III	**Total number of shares**	22,291,296,570	100.00

Note:

As at 31 December 2023, the total number of A shares of the Company amounted to 17,114,518,793 shares, of which, 3,633,883,040 shares were listed shares with trading moratorium, 13,480,635,753 shares were listed shares without trading moratorium. The total number of H shares of the Company was 5,176,777,777 shares, of which, 0 share was listed shares with trading moratorium, 5,176,777,777 shares were listed shares without trading moratorium. The total number of shares issued by the Company amounted to 22,291,296,570 shares.

SIGNIFICANT EVENTS

1. Dividends

On 28 March 2024, the Board considered and approved the 2023 profit distribution proposal at the second regular meeting in 2024, and recommended the Company not to distribute profit for 2023.

The aforesaid profit distribution proposal is subject to consideration at the 2023 annual general meeting of the Company.

2. Purchase, Sale or Redemption of Securities

In 2023, neither the Company nor its subsidiaries purchased, sold or redeemed any of its listed securities ("**securities**" has the meaning ascribed thereto under Section 1 of Appendix D2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**")).

3. Material Litigation

As at 31 December 2023, the Group was not involved in any material litigation, arbitration or claim.

4. Corporate Governance

The Board has reviewed the relevant provisions and corporate governance practices under the codes of corporate governance adopted by the Group, and is of the view that the Group's corporate governance practices for the year ended 31 December 2023 met the requirements under the provisions of the Corporate Governance Code set out in Part 2 of Appendix C1 of the Listing Rules.

The Company continued to strengthen the construction of the corporate governance system, formulated the Measures of Accountability on Irregularities of Operation and Investment and the Detailed Working Rules for the Special Meeting of Independent Directors in accordance with the securities regulatory requirements and the actual conditions of the Company, amended and refined the Articles of Association, the Rules for Procedures for General Meeting, the Detailed Working Rules for the Audit and Risk Management Committee of the Board Of Directors, the Detailed Working Rules for the Nomination and Remuneration Committee of the Board of Directors, the Annual Report Working Rules of the Audit and Risk Management Committee of the Board of Directors, the Working Rules for the Secretary to the Board of Directors, the Management Regulations of Connected Transactions, the Regulations on the Management of the Proceeds, the Information Disclosure Management System, the Regulations for the Management of Investor Relationship, Regulation of Inside Information Registration Management, the Internal Audit Management Regulations, the Working Rules for Independence Directors, Management Measures for Guarantee and etc., and abolished the Regulations on Management of Information Disclosure (U.S. Regulatory Requirement), Code of Professional Ethics for Senior Management and the Regulation for Administration for Non-daily Transactions, which effectively safeguards the standardised operation of the Company.

To further strengthen the awareness of compliance among the directors, supervisors and senior management of the Company, and to enhance their understanding and application of the relevant rules, the directors, supervisors and senior management of the Company understand the latest development of the relevant laws, rules and regulations regarding the duties and responsibilities of directors, supervisors and senior management of a listed company by attending the training courses for directors, supervisors and executives of listed companies, the follow-up training for independent directors and the special training for the reform of the independent director system organized by regulatory bodies, as well as by means of written materials.

During the year ended 31 December 2023, the Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules as the securities transactions code for the directors and supervisors of the Company. Having made specific enquiries to all directors and supervisors of the Company, it is the Company's understanding that its directors and supervisors have complied with the requirements as set forth in the Model Code regarding directors' and supervisors' securities transactions.

5. Audit and Risk Management Committee

The audit and risk management committee has reviewed with the management of the Company the accounting principles and methods adopted by the Company, and has discussed with the Board the internal controls and financial reporting issues, including a review of the consolidated results for the year ended 31 December 2023 prepared in accordance with IFRSs.

The audit and risk management committee has no disagreement with the accounting principles and methods adopted by the Company.

6. Changes in Personnel

Appointment

Name	Date of Appointment	Reason for Change	Position
Wang Zhiqing	20 November 2023	Elected by the Board	Chairman of the Board
	20 November 2023	Elected by general meeting	Director
Wan Qingchao	28 September 2023	Appointed by the Board	Vice President

Cessation

Name	Date of Cessation	Reason for Change	Position
Xi Sheng	21 April 2023	Work arrangements	Vice President

For details, please refer to the announcements of the Company published on the website of the Hong Kong Stock Exchange on 21 April 2023, 28 September 2023 and 20 November 2023.

7. Change of Particulars of Directors or Supervisors under Rule 13.51B(1) of the Listing Rules

Name	Name of other entities	Position(s) held	Date of appointment	Date of cessation
Wang Zhiqing	CEA Holding	Chairman	October 2023	
	CEA Holding	Party secretary	October 2023	
Li Yangmin	Juneyao Airlines Co., Ltd.	Director	November 2019	August 2023
Lin Wanli	CEA Holding	External director	December 2020	March 2024
	China National Agricultural Development Group Co., Ltd.	External director	February 2017	October 2023
Cai Hongping	COSCO SHIPPING Development Co., Ltd.	Independent director	June 2016	February 2023
Dong Xuebo	China National Machinery Industry Corporation	External director	December 2019	May 2023
Sun Zheng	Shanghai Rural Commercial Bank Co., Ltd.	Independent director	April 2017	March 2023
	Industrial Securities Co., Ltd.	Independent director	June 2017	November 2023
	Industrial Bank Co., Ltd.	External supervisor	May 2023	
Guo Liju	CES International Financial Leasing Corporation Limited	Chairman	April 2021	January 2024
	Eastern Airline Logistics Co., Limited	Chairman	November 2023	
Fang Zhaoya	CEA Development Co., Limited	Director	June 2019	January 2023
	Eastern Airlines Industry Investment Co., Ltd.	Director	June 2019	January 2023
	CES International Financial Leasing Corporation Limited	Director	August 2021	January 2023
Feng Dehua	Eastern Airline Logistics Co., Limited	Chairman	February 2020	November 2023
	Juneyao Airlines Co., Ltd.	Director	August 2023	
Cheng Guowei	Shanghai Eastern Aircraft Maintenance Co., Ltd.	Chairman	October 2019	December 2023
Wan Qingchao	CEA Holding	Party member	August 2023	
	CEA Holding	Vice President	September 2023	
Wang Jian	Eastern Airlines Industry Investment Company Limited	Chairman	February 2019	January 2024
	Eastern Airlines Industry Investment (Hong Kong) Company Limited	Chairman	April 2019	March 2024
Xi Sheng	CEA Holding	Chief auditor	September 2009	April 2023
	CEA Holding	Vice President	January 2018	April 2023
	CEA Holding	Party member	January 2018	March 2023

8. 2023 Annual General Meeting

The notice convening the 2023 annual general meeting, containing details of the date, time and location of the 2023 annual general meeting as well as the period and procedures of the closure of register of members, will be published and dispatched to shareholders of the Company who requested for a printed copy in due course.

9. Miscellaneous

(1) On 12 January 2023, the procedures of registration, custody and trading moratorium for the non-public issuance of 3,416,856,492 A shares by the Company with China Securities Depository and Clearing Corporation Limited, Shanghai Branch were completed. For details, please refer to the announcement of the Company published on the website of the Hong Kong Stock Exchange on 13 January 2023.

(2) On 13 January 2023, the Company has notified the New York Stock Exchange of its proposed application for voluntary delisting of its American depositary shares (the "**ADSs**") from the New York Stock Exchange and deregistration of such ADSs and the underlying overseas listed foreign shares under the U.S. Securities Exchange Act of 1934, as amended. The delisting of ADSs became effective on 3 February 2023 (U.S. Eastern Time) and deregistration of such ADSs and the underlying overseas listed foreign shares became effective on 8 May 2023 (U.S. Eastern Time). The ADSs program was terminated on 8 May 2023 (U.S. Eastern Time). For details, please refer to the announcements of the Company published on the website of the Hong Kong Stock Exchange on 13 January 2023 and 9 May 2023.

(3) On 12 July 2023, the non-public issuance of 2,277,904,327 A shares with trading moratorium by the Company were listed. For details, please refer to the announcement of the Company published on the website of the Hong Kong Stock Exchange on 6 July 2023.

(4) CEA Holding, the controlling shareholder of the Company, and CES Finance Holding Co., Limited, a wholly-owned subsidiary of CEA Holding, intended, via its wholly-owned subsidiary CES Global Holdings (Hong Kong) Limited, to increase the shareholdings of the A shares and the H shares of the Company with their own funds within 12 months from the date of the first increase in shareholdings on 12 September 2023 in compliance with certain market conditions, with a proposed cumulative amount of increase in the shareholdings of not less than RMB500 million (inclusive) but not exceeding RMB1,000 million (inclusive). As of the market close on 26 February 2024, CEA Holding has cumulatively increased its shareholding in the A shares of the Company by 113,746,036 shares; and CES Finance has cumulatively increased its shareholding in the H shares of the Company by 109,370,000 shares, with the additional shareholding reaching 1% of the total share capital of the Company. For details, please refer to the announcements of the Company published on the website of the Hong Kong Stock Exchange on 12 September 2023, 27 September 2023 and 26 February 2024.

(5) On 28 September 2023, the 24th ordinary meeting of the 9th session of the Board of the Company considered and approved the Resolution on the Introduction of Domestic Aircraft by the Company. The Company proposed to purchase 100 C919 series aircraft from Commercial Aircraft Corporation of China, Ltd. ("**COMAC**") and signed an agreement between the two parties on the same day. The resolution is subject to the consideration at the general meeting. For details, please refer to the announcement and circular of the Company published on the website of the Hong Kong Stock Exchange on 28 September 2023 and 30 November 2023.

(6) On 27 October 2023, the 5th regular meeting of the Board of the Company in 2023 considered and approved the Resolution on Obtaining Finance by the Company by Issuing Perpetual Bond to CEA, and on 21 November 2023, the Company entered into the Perpetual Bond Agreement with CEA Holding, pursuant to which the Company issued a perpetual bond of RMB20.0 billion to CEA Holding, the controlling shareholder of the Company. For details, please refer to the announcements of the Company published on the website of the Hong Kong Stock Exchange on 27 October 2023 and 22 November 2023.

(7) On 14 December 2023, the 27th ordinary meeting of the ninth session of the Board of the Company considered and approved the Resolution in Relation to the Acquisition of 55% Equity Interests of China Eastern Import & Export Co., Ltd. ("**CEA Import & Export**") by Eastern Airlines Technic Co., Ltd. ("**CEA Technic**"), and on 21 December 2023, CEA Technic, a wholly-owned subsidiary of the Company, entered into the Equity Transfer Agreement with CEA Holding, pursuant to which CEA Technic shall acquire 55% equity interests of CEA Import & Export held by CEA Holding at a consideration for the equity acquisition of approximately RMB429,923,400. For details, please refer to the announcements of the Company published on the website of the Hong Kong Stock Exchange on 14 December 2023 and 21 December 2023.

(8) On 14 December 2023, the 27th ordinary meeting of the ninth session of the Board of the Company considered and approved the Resolution in Relation to the Acquisition of 55% Equity Interests of China Eastern Media Co., Ltd. ("**China Eastern Media**") by China Eastern Airlines E-Commerce Co., Ltd. ("**China Eastern E-Commerce**"), and on 24 January 2024, China Eastern E-Commerce, a wholly-owned subsidiary of the Company, entered into the Equity Transaction Contract with CEA Holding, pursuant to which China Eastern E-Commerce shall acquire 55% equity interests of China Eastern Media held by CEA Holding at a consideration for the equity acquisition of approximately RMB126,203,000. For details, please refer to the announcements of the Company published on the website of the Hong Kong Stock Exchange on 14 December 2023 and 24 January 2024.

(9) The estimated transaction caps for the continuing connected transactions, which were considered and approved by the Board and at the general meetings of the Company, and their actual amounts incurred up to 31 December 2023, are set out as follows:

Unit: RMB million

Approved category	**Actual amount incurred up to 31 December 2023**	**2023 estimated transaction caps**
Financial services — maximum balance of deposits per day	13,703	15,000
Financial services — maximum balance of comprehensive credit line per day *(pursuant to the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange)*	2,800	15,000
Financial services — total amounts of the service fees of other financial services *(pursuant to the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange)*	11	39
Catering-related services and on-board supplies support services — amount paid	2,393	4,000
Businesses related to catering support services — as a lessor — amount of annual rent and on-board supplies — amount received	88	220
Businesses related to catering support services — as a lessee — annual rent of properties leasing — amount paid	3	8
Businesses related to catering support services — as a lessee — total value of right-of-use assets of property leasing	4	160
Aviation ancillary services — amount paid	656	1,750
Aviation ancillary services — total value of right-of-use assets [1]	952	2,070
Import and export services — amount paid[5]	195	800
Properties leasing and construction and management agency services — as a lessor — annual rent of properties leasing — amount received	4	6
Properties leasing and construction and management agency services — as a lessee — annual rent of properties leasing and fees for construction and management agency services — amount paid	156	400
Properties leasing and construction and management agency services — as a lessee — total value of right-of-use assets of property leasing [2]	163	735

Approved category	**Actual amount incurred up to 31 December 2023**	**2023 estimated transaction caps**
Advertising agency services — amount paid	24	80
Total amount for leasing of aircraft and engines — amount paid [3]	–	USD1,500 million or equivalent RMB
Total value of right-of-use assets of leasing of aircraft and engines [4]	–	USD1,250 million or equivalent RMB
Freight logistics business support services — amount received	435	690
Cargo terminal business support services — amount paid	470	820
Transportation service fees of exclusive operation service for passenger aircraft cargo business — amount received	3,634	8,900
Aviation Internet services — amount paid	61	72
Aviation information technology services — amount paid *(pursuant to the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange)*	623	850
AIR FRANCE-KLM aviation transportation cooperation and support services — amount paid *(pursuant to the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange)*	78	310
AIR FRANCE-KLM aviation transportation cooperation and support services — amount received *(pursuant to the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange)*	8	130

Notes:

1. The total value of right-of-use assets for the involved vehicle equipment leasing at the end of the reporting period;

2. The total value of right-of-use assets for the involved property leasing under properties leasing and construction and management agency services at the end of the reporting period;

3. The total amount includes the total lease amount, interest and arrangement charge for the newly-introduced finance lease aircraft, operating lease aircraft and engines;

4. The total value of right-of-use assets for the newly-introduced finance lease aircraft, operating lease aircraft and engines for the reporting period;

5. In December 2023, CEA Technic, a wholly-owned subsidiary of the Company, acquired 55% equity interests of CEA Import & Export held by CEA Holding. The actual amount incurred from the aforesaid continuing connected transactions for import and export services represents the amount incurred from the beginning of 2023 to the date of acquisition.

10. Publication of 2023 Annual Results Announcement

The 2023 Annual Results Announcement of the Company is published on the website of the Hong Kong Stock Exchange (http://www.hkexnews.hk) and the Company's website (http://www.ceair.com).

By order of the Board
CHINA EASTERN AIRLINES CORPORATION LIMITED
Wang Zhiqing
Chairman

Shanghai, the People's Republic of China
28 March 2024

As at the date of this announcement, the directors of the Company include Wang Zhiqing (Chairman), Li Yangmin (Vice Chairman, President), Tang Bing (Director), Lin Wanli (Director), Cai Hongping (Independent non-executive Director), Dong Xuebo (Independent non-executive Director), Sun Zheng (Independent non-executive Director), Lu Xiongwen (Independent non-executive Director) and Jiang Jiang (Employee Representative Director).