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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)

**PLAN OF REPURCHASE OF SHARES
THROUGH CENTRALIZED PRICE BIDDING**

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“A Share(s)”	means the ordinary share(s) issued by the Company, with a RMB denominated par value of RMB1.00 each, which are subscribed for and paid up in RMB and are listed on the Shanghai Stock Exchange
“Articles of Association”	means the articles of association of the Company, as amended from time to time
“Board”	means the board of directors of the Company
“CEA Holding”	means 中國東方航空集團有限公司 (China Eastern Air Holding Company Limited*), the controlling shareholder of the Company
“close associate(s)”	has the meaning ascribed to it under the Hong Kong Listing Rules
“Company”	means 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 PRC with limited liability, whose H Shares and A Shares are listed on the Hong Kong Stock Exchange and the Shanghai Stock Exchange, respectively
“Company Law”	the Company Law of the People’s Republic of China
“controlling shareholder”	has the meaning ascribed to it under the Hong Kong Listing Rules
“core connected person(s)”	has the meaning ascribed to it under the Hong Kong Listing Rules
“CSRC”	means the China Securities Regulatory Commission
“Director(s)”	means the director(s) of the Company
“general meeting(s)”	means the general meeting(s) of the Company to be convened in due course to consider, and if thought fit, approve (among others) the plan of repurchase of shares through centralized price bidding
“Group”	means the Company and its subsidiaries

DEFINITIONS

“H Share(s)”	means the ordinary share(s) issued by the Company, with a RMB denominated par value of RMB1.00 each, which are subscribed for and paid up in a currency other than RMB and are listed on the Hong Kong Stock Exchange
“HK\$”	means Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	means Hong Kong Special Administrative Region of the PRC
“Hong Kong Listing Rules”	means the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“Hong Kong Stock Exchange”	means The Stock Exchange of Hong Kong Limited
“Latest Practicable Date”	means 24 September 2024, being the latest practicable date for ascertaining certain information included herein before the printing of this circular
“PRC”	means the People’s Republic of China, which for the purpose of this circular only, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Repurchase Mandate”	means the proposed general and unconditional mandate granted to the Board to exercise all the powers of the Company to repurchase H Shares and A Shares provided that the aggregate number of H Shares and A Shares repurchased shall not exceed 10% of the aggregate number of H Shares and A Shares of the Company in issue (excluding Treasury Shares) as at the date of passing the relevant resolution(s) at the general meetings respectively
“RMB”	means Renminbi yuan, the lawful currency of the PRC
“SFO”	means the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholders”	means the shareholders of the Company
“Takeovers Code”	means the Codes on Takeovers and Mergers and Share Buy-Backs

DEFINITIONS

“Treasury Shares” has the meaning ascribed to it under the Hong Kong Listing Rules

“%” means per cent

LETTER FROM THE BOARD



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)

Directors:

Wang Zhiqing (*Chairman*)

Li Yangmin (*Vice Chairman,
President*)

Sun Zheng (*Independent
non-executive Director*)

Lu Xiongwen (*Independent
non-executive Director*)

Luo Qun (*Independent non-executive
Director*)

Fung Wing Yee Sabrina (*Independent
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Rooms 1712–1716, 17th Floor
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Wan Chai
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27 September 2024

To the Shareholders of the Company

Dear Sir or Madam,

PLAN OF REPURCHASE OF SHARES THROUGH CENTRALIZED PRICE BIDDING

I. INTRODUCTION

Reference is made to the announcement of the Company dated 30 August 2024 in relation to, among other things, the plan of repurchase of shares through centralized price bidding.

LETTER FROM THE BOARD

The purpose of this circular is to provide you with details regarding, among other things, the plan of repurchase of shares through centralized price bidding, to enable you to make an informed decision on whether to vote for or against the proposed resolution(s) at the general meetings.

II. PLAN OF REPURCHASE OF SHARES THROUGH CENTRALIZED PRICE BIDDING

Reference is made to the announcement of the Company dated 30 August 2024 in relation to, among other things, that the Company held the fourth regular meeting of the Board in 2024 on 30 August 2024, and has considered and approved the Resolution on Repurchase and Cancellation of the Shares of the Company.

I. Consideration and Implementation Procedures of the Repurchase Plan

(I) Consideration of this Share Repurchase Plan by the Board

The Company held the fourth regular meeting of the Board in 2024 on 30 August 2024, and has considered and approved the Resolution on Repurchase and Cancellation of the Shares of the Company.

(II) Consideration of this Share Repurchase Plan at the General Meetings

According to the Articles of Association, this share repurchase plan is subject to consideration at the general meetings of the Company.

(III) Notification to Creditors of this Repurchase Plan

In order to reduce the registered capital of the Company, the implementation of this repurchase, according to the relevant provisions of the Company Law, is subject to the consent of creditors.

II. The Main Content of the Repurchase Plan

The main contents of this repurchase plan are as follows:

Date of first disclosure of the repurchase plan	30 August 2024
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Implementation period of the repurchase plan	12 months after the consideration and approval of the general meetings
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LETTER FROM THE BOARD

Date of the plan	30 August 2024
Estimated repurchase amount	RMB500 million (inclusive) ~ RMB1 billion (exclusive), of which the estimated repurchase amount of A Shares is not less than RMB250 million (inclusive) and not more than RMB500 million (exclusive); the estimated repurchase amount of H Shares is not less than RMB250 million (inclusive) and not more than RMB500 million (exclusive) (subject to translation into Hong Kong dollar based on exchange rate)
Source of funds for repurchase	Self-owned funds
Maximum repurchase price	The maximum repurchase price of A Shares is RMB4.39 per share; the maximum repurchase price of H Shares is HK\$3.04 per share (equivalent to approximately RMB2.76 per share), and the price for each repurchase of H Shares shall not be higher than 105% of the average closing price of H Shares of the Company for the 5 trading days prior to the repurchase
Purpose of repurchase	Reduction of registered capital
Method of share repurchase	Centralized price bidding
Number of repurchased shares	56,947,600 to 113,895,200 A Shares, 90,579,700 to 181,159,400 H Shares (calculated according to the maximum repurchase price)
Proportion of repurchased shares to total share capital	0.66%~1.32%

(I) Purpose of Share Repurchase

Based on the confidence in the Company's future development prospects and the recognition of the Company's long-term value, combined with the Company's operating conditions and financial conditions and other factors, in order to enhance market confidence, improve the efficiency of capital raising, increase earnings per share, and reflect the importance of investor returns, according to relevant regulations, the Company intends to use its own funds to repurchase part of the Company's public shares through centralized price bidding, which will be used to reduce the Company's registered capital.

LETTER FROM THE BOARD

(II) Types of Shares to be Repurchased

RMB-denominated ordinary shares (A Shares) and overseas listed foreign shares (H Shares) issued by the Company.

(III) Method of Share Repurchase

The Company intends to implement the repurchase through the stock trading systems of the Shanghai Stock Exchange and the Hong Kong Stock Exchange through centralized price bidding.

(IV) Implementation Period of Share Repurchase

1. The repurchase period is within 12 months from the date when the repurchase plan is considered and approved by the general meeting of the Company. According to the resolution of the general meetings, the Company will implement such repurchase at an appropriate time according to market conditions within the repurchase period.
2. The repurchase period will expire in advance if the following conditions are met:
 - (1) During the repurchase period, if the utilised amount of the repurchase funds reaches the maximum limit, the repurchase plan will be completed, that is, the repurchase period will expire in advance on that date;
 - (2) If the Board decides to terminate the repurchase plan, the repurchase period will expire in advance on the date when the Board decides to terminate the repurchase plan.

The Company shall not repurchase shares of the Company during the following periods:

1. From the date of occurrence or the decision-making process of a significant event that may cause a material impact on the price of the Company's shares, to the date of the disclosure of such event according to laws;
2. Other circumstances stipulated by the China Securities Regulatory Commission, the Shanghai Stock Exchange and the Hong Kong Stock Exchange.

LETTER FROM THE BOARD

(V) The Purpose, Quantity, Proportion to the Total Share Capital of the Company and Total Funds for the Shares to be Repurchased

The purpose, quantity, proportion to the total share capital of the Company and total funds for the repurchased shares are as follows:

Purpose of the repurchase	Quantity of shares to be repurchased calculated according to the maximum repurchase price	Proportion to the total share capital of the Company	Total funds for the shares to be repurchased (RMB100 million)	Implementation period of repurchase
To reduce the registered capital of the Company	56,947,600 to 113,895,200 A Shares, 90,579,700 to 181,159,400 H Shares	0.66%~1.32%	5 (inclusive) – 10 (exclusive)	Not more than 12 months from the date when the repurchase plan is considered and approved by the general meetings

(VI) Price of Repurchased Shares

The maximum repurchase price of A Shares is RMB4.39 per share; the maximum repurchase price of H Shares is HK\$3.04 per share (equivalent to approximately RMB2.76 per share), and the price for each repurchase of H Shares shall not be higher than 105% of the average closing price of H Shares of the Company for the 5 trading days prior to the repurchase. The specific repurchase price is determined based on the price of the shares in secondary market, financial position and operating conditions of the Company.

(VII) Source of Funds for Share Repurchase

The source of funds is self-owned funds of the Company.

LETTER FROM THE BOARD

(VIII) Estimated Changes in the Company's Shareholding Structure After the Repurchase

Class of shares	Before repurchase		After repurchase (calculated based on the lower limit of the repurchase amount)		After repurchase (calculated based on the upper limit of repurchase amount)	
	<i>Number</i>	<i>Proportion</i>	<i>Number</i>	<i>Proportion</i>	<i>Number</i>	<i>Proportion</i>
	<i>of shares</i> <i>(Shares)</i>	<i>(%)</i>	<i>of shares</i> <i>(Shares)</i>	<i>(%)</i>	<i>of shares</i> <i>(Shares)</i>	<i>(%)</i>
Listed shares with trading moratorium (A Shares)	2,494,930,875	11.19	2,494,930,875	11.27	2,494,930,875	11.34
Listed shares without trading moratorium (A Shares)	14,619,587,918	65.58	14,562,640,310	65.76	14,505,692,702	65.95
Number of H Shares	5,176,777,777	23.22	5,086,198,067	22.97	4,995,618,357	22.71
Total number of shares	22,291,296,570	100	22,143,769,252	100	21,996,241,934	100

(IX) Analysis of the Possible Impact of This Repurchase of Shares on the Company's Daily Operation, Finance, Research and Development, Profitability, Ability to Repay Debt, Future Development and Maintenance of Listing Status, etc.

1. The impact of this repurchase of shares on the Company's daily operation, finance, research and development, profitability, and ability to repay debt

Based on the Company's current operation, finance, profitability, etc., the repurchase funds represents a relatively small portion of the Company's total assets, net assets attributable to shareholders of the listed company and current assets. The Company believes that the repurchase will not have a material adverse impact on the Company's operation, finance, research and development, profitability, and ability to repay debt.

LETTER FROM THE BOARD

2. The impact of this repurchase of shares on the future development of the Company

This repurchase of shares is based on the Company's confidence in the sustainable and stable development in the future and recognition of the Company's value, and is intended to enhance the long-term investment value of the Company's shares and improve the efficiency of capital raising, which will be conducive to strengthening investors' confidence and promoting the healthy and sustainable development of the Company.

3. Analysis of whether this repurchase of shares affects the status of the listed company

After the implementation of this repurchase of shares, the Company's equity distribution still meets the listing conditions, does not affect the Company's listing status, and will not lead to changes in the Company's control.

(X) Whether the Listed Company's Directors, Supervisors, Senior Management, Controlling Shareholder, De Facto Controllers and Parties Acting-in-concert Have Traded in the Company's Shares Within 6 Months Before the Board's Resolution on Share Repurchase, Whether They have Any Conflicts of Interest With This Repurchase Plan, and Whether There Is Any Engagement, Either Solely or Jointly With Other Parties, in Insider Trading and Market Manipulation, and the Plan on Increase or Decrease in Shareholding During the Repurchase Period

1. Trading of the Company's shares within six months before the resolution on share repurchase

On 12 September 2023, CEA Holding, the controlling shareholder of the Company, disclosed its shareholding increase plan, and accordingly, it increased its shareholding in the Company within six months before the Board's resolution on the repurchase of shares. The increase in shareholding is a normal increase of shareholding under the shareholding increase plan disclosed previously, which is not in conflict with this repurchase plan and does not involve any insider trading and market manipulation. The shareholding increase plan will expire on 12 September 2024.

LETTER FROM THE BOARD

Save as the increase in shareholding of the Company of the controlling shareholder of the Company as a result of the implementation of the above shareholding increase plan, the Directors, supervisors, senior management, controlling shareholder and de facto controllers of the Company did not trade in the Company's shares within six months before the Board approved the resolution on share repurchase; they did not have any conflicts of interest with this repurchase plan, and there was no insider trading and market manipulation.

2. Whether there is a plan on increase or decrease in shareholding during the repurchase period

As confirmed by the Company, save as disclosed above, as of the date when the Board approved the resolution of this repurchase plan, the Company's Directors, supervisors, senior management, controlling shareholder, and de facto controllers had no plans to increase or decrease their shareholding during the repurchase period. If the plan to increase or decrease shareholding is planned to be implemented in the future, the information disclosure obligation will be fulfilled in a timely manner in accordance with relevant regulations.

(XI) Details of The Listed Company's Enquiries on whether the Directors, Supervisors, Senior Management, Controlling Shareholder, De Facto Controllers, Parties Acting in Concert and Shareholders Holding More Than 5% of Shares Have Any Plans to Reduce Their Shareholding in the Next Three Months or the Next Six Months

As confirmed by the Company, as of the date of approval of the resolution on the repurchase plan by the Board, the Directors, supervisors, senior management, controlling shareholder and de facto controllers of the Company have replied that they had no plan to reduce their shareholdings in the Company in the next three months or the next six months. Shanghai Juneyao (Group) Co., Ltd. (上海均瑶(集團)有限公司), a Shareholder holding more than 5% of the Company's shares, planed to reduce its shareholdings by no more than 77,958,002 shares (representing no more than 0.35% of the total share capital of the Company) through centralized price bidding during the period from 16 July 2024 to 15 October 2024. The shareholding reduction plan has been disclosed on the Shanghai Stock Exchange (www.sse.com.cn) on 22 June 2024 with the possibility of further reduction in the future. If the above-mentioned entity plans to reduce its shareholdings in the future, the Company will strictly abide by the relevant laws and regulations and fulfill the obligation of information disclosure in a timely manner.

LETTER FROM THE BOARD

(XII) Relevant Arrangements for Cancellation or Transfer of Shares after Repurchase According to Laws

The repurchased shares will be cancelled and the Company's registered capital will be reduced, and the Company will perform its information disclosure obligations in a timely manner according to the specific implementation situation.

(XIII) Relevant Arrangements for the Company to Prevent Infringement of the Interests of Creditors

After a resolution on the cancellation of repurchased shares is made at the general meeting, the Company will perform legal procedures and information disclosure obligations such as notifying creditors in respect of the reduction of the Company's registered capital in accordance with relevant regulations, to fully protect the legal rights and interests of creditors.

(XIV) Specific Authorization to Handle this Repurchase of Shares

In order to ensure the smooth implementation of this repurchase of shares, in accordance with the Company Law and the Articles of Association and other relevant regulations, the Board proposes to the general meetings to authorize the Board which will authorize the working group, to implement the repurchase and cancellation of shares and other related work, reduce the registered capital according to the actual repurchase situation, amend the relevant provisions of the Articles of Association, and handle matters related to this repurchase, such as industrial and commercial change registration in accordance with laws and regulations. The above authorization shall take effect from the date of consideration and approval by the general meetings of the Company until the date of completion of the above-mentioned authorization matters.

III. Uncertainty Risks of the Repurchase Plan

(I) Uncertainty Risks

1. This share repurchase plan is still subject to consideration and approval at the general meetings of the Company, and there is a risk that it cannot be considered and approved by the general meetings;
2. This repurchase plan is subject to approval by the creditors, and there is a risk that the creditors will not approve the repurchase plan and it will be difficult to implement;

LETTER FROM THE BOARD

3. There is a risk that the Company's share price continues to exceed the price range disclosed in the repurchase plan during the repurchase period in terms of this repurchase of shares, resulting in the failure of the repurchase plan;
4. There is a risk that the repurchase plan may be changed or terminated according to the rules due to major changes in the production and operation and financial condition of the Company and external objective conditions.

(II) Countermeasures

The Company will strengthen communication with the Shareholders and creditors of the Company, make capital arrangements in advance, and make and implement repurchase decisions at an appropriate time according to market conditions within the repurchase period. In the event that there are relevant risks leading to the failure of this repurchase plan of the Company, the Company will perform corresponding consideration and approval and information disclosure procedures, and choose an opportunity to amend or terminate the repurchase plan in due course in accordance with laws and regulations and the Articles of Association. The Company will perform its information disclosure obligations in a timely manner according to the progress of the repurchase of shares, and investors are advised to pay attention to investment risks.

III. RECOMMENDATION

The Board considers that the resolution(s) to be proposed at the general meetings are in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the resolution(s) to be proposed at the general meetings.

IV. ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendixes to this circular.

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

The following is an explanatory statement as required under the Hong Kong Listing Rules to provide Shareholders with the information reasonably necessary for them to make an informed decision on whether to vote for or against the resolution(s) proposed at the general meetings in relation to the grant of the Repurchase Mandate.

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1. TOTAL NUMBER AND CLASSES OF SHARES PROPOSED TO BE REPURCHASED

As of the Latest Practicable Date, the total share capital in issue of the Company was 22,291,296,570 shares, comprising 17,114,518,793 A Shares with par value of RMB1.00 each and 5,176,777,777 H Shares with par value of RMB1.00 each.

The share classes proposed to be repurchased are A Shares and H Shares issued by the Company. As calculated according to the maximum repurchase price, the proposed number of A Shares to be repurchased ranges from 56,947,600 to 113,895,200 A Shares and the proposed number of H Shares to be repurchased ranges from 90,579,700 to 181,159,400 H Shares.

The total number of A Shares to be repurchased by the Company shall not exceed 10% of the number of A Shares issued by the Company as at the date of the general meetings at which this repurchase plan was considered and approved; the total number of H Shares to be repurchased by the Company shall not exceed 10% of the number of H Shares issued by the Company as at the date of the general meetings at which this repurchase plan was considered and approved.

The Directors consider that there will not be a material adverse impact on the working capital and on the gearing ratio of the Company in the event that the repurchase mandate is to be exercised in full at any time during the proposed repurchase period (as compared with the position disclosed in the latest published audited accounts contained in the annual report of the Company for the year ended 31 December 2023). That being said, with the upper limits of repurchase amount being set, the Directors will not propose to exercise the Repurchase Mandate to such extent that would have a material adverse effect on the working capital requirements of the Company or the gearing levels of the Company. The number and price of A Shares and/or H Shares to be repurchased on any occasion and other terms upon will be decided by the Directors at the relevant time taking into account the actual circumstances during the repurchase, in order to act in the best interests of the Company.

2. REASONS FOR REPURCHASE

Based on the confidence in the Company's future development prospects and the recognition of the Company's long-term value, combined with the Company's operating conditions and financial conditions and other factors, in order to enhance market confidence, improve the efficiency of capital raising, increase earnings per share, and reflect the importance of investor returns, according to relevant regulations, the Company intends to use its own funds to repurchase part of the Company's public shares through centralized price bidding, which will be used to reduce the Company's registered capital.

3. SOURCE OF THE REPURCHASE FUNDS

The source of the repurchase funds will be financed by the Company's self-owned funds, which are legally available for the purpose of share repurchase in accordance with the Articles of Association and the applicable laws, rules and regulations of the PRC.

4. IMPLICATION UNDER TAKEOVERS CODE AND THE PUBLIC FLOAT REQUIREMENT

If a share repurchase by the Company results in a Shareholder's interest in the voting rights of the Company increasing proportionately, such increase may be treated as an acquisition for the purpose of the Takeovers Code. Accordingly, a Shareholder, or group of Shareholders acting in concert, may obtain or consolidate control of the Company or become obligated to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

The Directors are not aware of any consequences which will arise under the Takeovers Code and/or any similar applicable law, as a result of any repurchase to be made under the Repurchase Mandate. Moreover, the Directors will not make share repurchases if such repurchases would result in the requirements under Rule 8.08 of the Hong Kong Listing Rules not being complied with by the Company.

5. STATUS OF REPURCHASED SHARES

All shares repurchased by the Company shall be processed accordingly in accordance with the laws and regulations of the PRC and the Hong Kong Listing Rules respectively.

If permitted by the Articles of Association, the Hong Kong Listing Rules, or any other applicable laws and regulations, the repurchased shares will be cancelled within a specific period. If these shares are cancelled, the registered capital of the Company will be reduced by an amount equivalent to the aggregate par value at the time of such cancellation.

6. A SHARE PRICES AND H SHARE PRICES

The highest and lowest prices at which the A Shares and H Shares of the Company were traded on the Shanghai Stock Exchange and the Hong Kong Stock Exchange respectively during each of the previous twelve months and as of the Latest Practicable Date were as follows:

	Per A Share		Per H Share	
	Highest	Lowest	Highest	Lowest
	<i>RMB</i>	<i>RMB</i>	<i>HK\$</i>	<i>HK\$</i>
2023				
September	4.59	4.23	2.82	2.64
October	4.42	3.89	2.74	2.50
November	4.35	4.12	2.72	2.48
December	4.24	3.77	2.52	2.15
2024				
January	4.03	3.63	2.29	1.87
February	3.90	3.48	2.05	1.82
March	3.81	3.58	2.14	1.91
April	3.88	3.38	2.08	1.83
May	4.09	3.77	2.33	1.96
June	4.04	3.83	2.25	1.95
July	4.09	3.72	2.11	1.94
August	4.15	3.66	2.12	1.98
September (as of the Latest Practicable Date)	3.79	3.42	2.01	1.72

7. GENERAL

Having made all reasonable enquiries, to the best knowledge of the Directors, if the proposed repurchases are exercised, none of the Directors or any of their close associates, as defined in the Hong Kong Listing Rules, currently propose to sell any shares to the Company, and no core connected person, as defined in the Hong Kong Listing Rules, has notified the Company that he/she/it has a current intention to sell any shares to the Company, or has undertaken not to do so.

So far as the same may be applicable, the Directors will exercise the power of the Company to make repurchases of A Shares and H Shares in the Company pursuant to the general mandate to be granted by the Shareholders at the general meetings in accordance with the Hong Kong Listing Rules, the applicable laws of the PRC, and the Articles of Association.

No repurchase of shares (whether on the Hong Kong Stock Exchange or otherwise) was made by the Company in the six months preceding the Latest Practicable Date.

The Directors confirm that there is nothing unusual about this explanatory statement or the proposed share repurchase.