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If you are in any doubt as to any aspect of this circular or the appropriate course of action, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other appropriate independent advisers.

If you have sold or transferred all your shares in **China Eastern Airlines Corporation Limited**, you should at once hand this circular to the purchaser or the transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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)

CONTINUING CONNECTED TRANSACTIONS; DISCLOSEABLE TRANSACTIONS AND MAJOR TRANSACTION; AND PROPOSED AMENDMENTS TO (1) THE ARTICLES OF ASSOCIATION; (2) THE RULES FOR PROCEDURES FOR GENERAL MEETINGS; AND (3) THE RULES FOR MEETINGS OF THE BOARD OF DIRECTORS

Independent Financial Adviser
to the Independent Board Committee and the Independent Shareholders

Opus Capital Limited 創富融資有限公司

Capitalised terms used in this cover page shall have the same meanings as those defined in the section headed "Definitions" of this circular. A letter from the Board is set out on pages 15 to 96 of this circular.

A letter from the Independent Board Committee, containing its advice to the Independent Shareholders of the Company, is set out on pages 97 to 98 of this circular.

A letter from the Independent Financial Adviser, containing its advice to the Independent Board Committee and the Independent Shareholders of the Company is set out on pages 99 to 156 of this circular.

A notice convening the EGM will be dispatched by the Company in due course. The Company will announce details of the EGM, including the date and venue as and when available in compliance with the Articles of Association and the Hong Kong Listing Rules.

31 July 2025

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

"2026-2028 Continuing Connected Transactions"	means the Renewed Continuing Connected Transactions and the continuing connected transactions contemplated under the Commercial Factoring Services Agreement
"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
"Additional Aircraft"	means the finance leased aircraft introduced after the Aircraft and Engines Lease and Related Services Agreement is approved by the Independent Shareholders at the EGM
"Aircraft and Engines Lease and Related Services Agreement"	means the 2026-2028 aircraft and engines lease framework agreement dated 4 July 2025 entered into between the Company and CES Leasing relating to the renewal of the Existing Aircraft and Engines Lease Agreements, details of which are set out under the section headed "Aircraft and Engines Lease Agreement" in this circular
"Aircraft Finance Lease Agreement(s)"	means the individual finance lease agreements in relation to the finance lease of the leased aircraft to be entered into by the Company pursuant to the Aircraft and Engines Lease and Related Services Agreement
"Aircraft Manufacturer(s)"	means manufacturer(s) of aircraft and/or engines
"Articles of Association"	means the articles of association of the Company
"associate(s)"	has the meaning ascribed to it under the Hong Kong Listing Rules
"Aviation Airborne Communication Agreement"	means the 2026-2028 aviation airborne communication continuing connected transactions framework agreement dated 4 July 2025 entered into between the Company and KDlink Technology in relation to the provision of project implementation, technical support and after-sales service for aviation airborne communication business to the Company, details of which are set out under the section headed "Aviation Airborne Communication Agreement" in this circular

"Aviation Complementary Services Agreement"	means the 2026-2028 aviation complementary services framework agreement dated 4 July 2025 entered into between the Company and Eastern Air Assets relating to the renewal of the Existing Aviation Complementary Services Agreement which was entered into between the Company and 東航實業集團有限公司 (CEA Development Co., Ltd., a wholly-owned subsidiary of Eastern Air Assets), details of which are set out under the section headed "Aviation Complementary Services Agreement" in this circular
"Bank Loans"	means the loans provided by the Designated Financial Institutions to the Lessor(s) or the Company under the Proposed Finance Lease contemplated under Aircraft and Engines Lease and Related Services Agreement
"Bellyhold Space"	means the vacant space in the bellyhold of passenger aircraft after priority has been given to load the passengers' registered luggage
"Board"	means the board of directors of the Company
"Business Competition"	means the business including international and domestic air cargo and mail delivery and cargo forwarding, warehousing and logistics, cargo terminal operations of the Company and all its subsidiaries that compete with the current business operations of China Cargo Airlines and Eastern Logistics and their subsidiaries
"Cargo Terminal Business Support Services"	has the meaning set out under the section headed "Freight Logistics Services Agreement" in this circular
"Catering and Aircraft On-board Supplies Support Agreement"	means the 2026-2028 catering and aircraft on-board supplies support framework agreement dated 4 July 2025 entered into between the Company and Eastern Air Catering Company relating to the renewal of the Existing Catering and Aircraft On-board Supplies Support Agreement, details of which are set out under the section headed "Catering and Aircraft On-board Supplies Support Agreement" in this circular

"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, CEA Holding is directly held as to: (i) 68.42% by the State-owned Assets Supervision and Administration Commission of the State Council ("SASAC"); (ii) 11.21% by China Life Investment Insurance Asset Management Company Limited (國壽投資保險資產管理有限公司), which is directly wholly-owned by China Life Insurance (Group) Company (中國人壽保險(集團)公司) which is in turn owned as to 90% by the Ministry of Finance of the PRC and 10% by the National Council for Social Security Fund; (iii) 10.19% by Shanghai Jiushi (Group) Co., Ltd. (上海久事(集團)有限公司), which is directly wholly-owned by SASAC of Shanghai Municipal Government; (iv) 5.09% by China Reform Asset Management Co., Ltd. (中國國新資產管理有限公司), which is directly wholly-owned by China Reform Holdings Corporation Ltd. (中國國新控股有限責任公司) and is ultimately wholly-owned by the State Council; and (v) 5.09% by China Tourism Group Co., Ltd. (中國旅遊集團有限公司), which is directly and wholly-owned by SASAC, respectively
"CEA Holding Entities"	means CEA Holding and its subsidiaries (excluding the Company for the purpose of this circular)
"CES Finance"	means 東航金控有限責任公司 (CES Finance Holding Co., Ltd.), which is a wholly-owned subsidiary of CEA Holding
"CES Global"	means 東航國際控股(香港)有限公司 (CES Global Holdings (Hong Kong) Limited), which is a wholly-owned subsidiary of CES Finance and a Shareholder and connected person of the Company
"CES Leasing"	means 東航國際融資租賃有限公司 (CES International Financial Leasing Corporation Limited), a company incorporated in the China (Shanghai) Pilot Free Trade Zone of the PRC, and is directly held as to: (i) 65% by CES Finance; and (ii) 35% by 東航國際控股(香港)有限公司 (CES Global Holdings (Hong Kong) Limited), and is ultimately wholly-owned by CEA Holding

"CES Leasing Entities"	means CES Leasing or the wholly-owned subsidiary(ies) established or to be established for the purpose of the finance lease, operating lease arrangement and sale of aircraft and engines
"China Cargo Airlines"	means 中國貨運航空有限公司 (China Cargo Airlines Co., Limited), which is directly held as to (i) 83% by Eastern Logistics; and (ii) 17% by 中遠海運物流有限公司 (COSCO SHIPPING Logistics Co., Ltd.), which is directly wholly-owned by 中國遠洋海運集團有限公司 (China COSCO SHIPPING Corporation Limited) and ultimately wholly-owned by the State Council
"COMAC"	means 中國商用飛機有限責任公司 (Commercial Aircraft Corporation of China Limited), a company established under the laws of the PRC with limited liability
"Commercial Factoring Services Agreement"	means the commercial factoring services agreement dated 4 July 2025 entered into between the Company and Eastern Air Factoring, details of which are set out under the section headed "Commercial Factoring Services Agreement" in this circular
"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
"connected person(s)"	has the meaning ascribed to it under the Hong Kong Listing Rules
"controlling shareholder"	has the meaning ascribed to it under the Hong Kong Listing Rules

"Delivery Date"	means: (i) in respect of the Existing Aircraft, the respective dates on which the Company delivers the Existing Aircraft to the Lessor(s), pursuant to the sale and purchase agreement entered into between the Company and the Lessor(s) in relation to the Existing Aircraft; and (ii) in respect of the Additional Aircraft, the respective dates on which the respective Aircraft Manufacturer delivers each of the Additional Aircraft to the Lessor(s), pursuant to (a) the respective sale and purchase agreements entered into between the Company and the respective Aircraft Manufacturer; and (b) the respective purchase agreement assignment entered into between the Company, the Aircraft Manufacturer and the Lessor(s) in relation to the Additional Aircraft
"Designated Financial Institutions"	means commercial banks or other designated financial institutions in the PRC, being independent third parties, as designated by the Company in relation to the provision of the Bank Loans in accordance with the terms and conditions of the Aircraft and Engines Lease and Related Services Agreement
"Director(s)"	means the director(s) of the Company
"Eastern Air Assets"	means 東航資產投資管理有限公司 (Eastern Air Assets Investment Management Co., Ltd.), formerly known as 上海東航投資有限公司 (Shanghai Eastern Airlines Investment Co., Ltd.), which is a wholly-owned subsidiary of CEA Holding, and is thus an associate of CEA Holding
"Eastern Air Assets Entities"	means each of Eastern Air Assets and its subsidiaries
"Eastern Air Catering Company"	means 東方航空食品投資有限公司 (China Eastern Air Catering Investment Co., Ltd.), which is directly interested as to: (i) 55% by CEA Holding, and (ii) 45% by the Company, respectively, and is thus an associate of CEA Holding

"Eastern Air Catering Entities"	means each of Eastern Air Catering Company and its subsidiaries
"Eastern Air Factoring"	means 東航商業保理有限公司 (Eastern Aviation Commercial Factoring Co., Ltd.), which is directly held as to: (i) 75% by CES Finance; and (ii) 25% by CES Global, and is ultimately wholly-owned by CEA Holding
"Eastern Air Finance Company"	means 東航集團財務有限責任公司 (Eastern Air Group Finance Co., Ltd.), which is directly interested as to: (i) 53.75% by CEA Holding; (ii) 25% by the Company; and (iii) 21.25% by CES Finance, receptively and is thus an associate of CEA Holding
"Eastern Air Finance Entities"	means each of Eastern Air Finance Company and its subsidiaries
"Eastern Logistics"	means 東方航空物流股份有限公司 (Eastern Airline Logistics Co., Limited), which is directly owned as to 40.50% equity interests by CEA Holding and its A shares are listed on the Shanghai Stock Exchange (stock code: 601156)
"Eastern Logistics Entities"	means Eastern Logistics and its subsidiaries
"EGM"	means the extraordinary general meeting of the Company to be convened on 27 August 2025, to consider, and if thought fit, approve, among others, the continuing connected transactions
"Exclusive Operation Agreement"	means the agreement dated 29 September 2020 entered into between the Company and China Cargo Airlines in relation to the agreement for China Cargo Airlines to exclusively operate the Company's Passenger Aircraft Cargo Business, pursuant to which the Company receives transportation service fees from China Cargo Airlines for exclusively operating the Company's Passenger Aircraft Cargo Business, details of which are set out in the paragraph headed "Exclusive Operation Agreement" in the Company's announcement dated 26 September 2022 and the Company's circular dated 25 October 2022

"Existing Aircraft"	means the finance leased aircraft introduced before the Aircraft and Engines Lease and Related Services Agreement is approved by the Independent Shareholders at the EGM
"Existing Aircraft and Aircraft Engines Operating Lease Framework Agreement"	means the 2023-2025 aircraft and aircraft engines operating lease framework agreement dated 26 September 2022 entered into between the Company and CES Leasing, details of which are set out in the paragraph headed "Aircraft and Engines Lease Agreement" in the Company's announcement dated 26 September 2022 and the Company's circular dated 25 October 2022
"Existing Aircraft and Engines Lease Agreement"	means the 2023-2025 aircraft and engines lease framework agreement dated 26 September 2022 entered into between the Company and CES Leasing, details of which are set out in the paragraph headed "Aircraft and Engines Lease and Related Services Agreement" in the Company's announcement dated 26 September 2022 and the Company's circular dated 25 October 2022
"Existing Aircraft Finance Lease Framework Agreement"	means the 2023-2025 aircraft finance lease framework agreement dated 26 September 2022 entered into between the Company and CES Leasing, details of which are set out in the paragraph headed "Aircraft Finance Lease Framework Agreement" in the Company's announcement dated 26 September 2022 and the Company's circular dated 25 October 2022
"Existing Aviation Airborne Communication Agreement"	means the 2023-2025 aviation airborne communication framework agreement dated 26 September 2022 entered into between the Company and KDlink Technology, details of which are set out in the paragraph headed "Aviation Airborne Communication Agreement" in the Company's announcement dated 26 September 2022 and the Company's circular dated 25 October 2022
"Existing Aviation Complementary Services Agreement"	means the 2023-2025 aviation complementary services framework agreement dated 26 September 2022 entered into between Eastern Air Assets and the Company, details of which are set out in the paragraph headed "Aviation Complementary Services Agreement" in the Company's announcement dated 26 September 2022 and the Company's circular dated 25 October 2022

"Existing Catering and Aircraft On-board Supplies Support Agreement"	means the 2023-2025 catering and aircraft on-board supplies support framework agreement dated 26 September 2022 entered into between the Company and Eastern Air Catering Company, details of which are set out in the paragraph headed "Catering and Aircraft On-board Supplies Support Agreement" in the Company's announcement dated 26 September 2022 and the Company's circular dated 25 October 2022
"Existing Continuing Connected Transactions"	means the existing continuing connected transactions of the Company with the CEA Holding Entities, i.e., the transactions contemplated under the following agreements: (1) the Existing Financial Services Agreement; (2) the Existing Aircraft and Engines Lease Agreement; (3) the Existing Catering and Aircraft On-board Supplies Support Agreement; (4) the Existing Complementary Services Agreement; (5) the Existing Property Leasing and Construction and Management Agency Agreements; (6) the Existing Freight Logistics Services Agreement; (7) the Existing Aviation Airborne Communication Agreement; and (8) the Exclusive Operation Agreement, details of which are set out in the announcements of the Company dated 26 September 2022, 12 October 2022 and 14 December 2022 and the circular of the Company dated 25 October 2022
"Existing Financial Services Agreement"	means the 2023-2025 financial services framework agreement dated 26 September 2022 entered into between Eastern Air Finance Company and the Company, details of which are set out in the paragraph headed "Financial Services Agreement" in the Company's announcement dated 26 September 2022 and the Company's circular dated 25 October 2022
"Existing Freight Logistics Services Agreement"	means the 2023-2025 Freight Logistics Services Agreement dated 26 September 2022 entered into between the Company and Eastern Logistics, details of which are set out in the paragraph headed "Freight Logistics Services Agreement" in the Company's announcement dated 26 September 2022 and the Company's circular dated 25 October 2022

"Existing Property Leasing and Construction and Management Agency Agreements"	means the 2023-2025 property leasing and construction and management agency framework agreement and property leasing framework agreement each dated 26 September 2022 entered into between CEA Holding, Eastern Air Assets and the Company, details of which are set out in the paragraph headed "Property Leasing and Construction and Management Agency Agreement and the Property Leasing Agreement" in the Company's announcement dated 26 September 2022 and the Company's circular dated 25 October 2022
"Financial Services Agreement"	means the 2026-2028 financial services framework agreement dated 4 July 2025 entered into between the Company and Eastern Air Finance Company relating to the renewal of the Existing Financial Services Agreement, details of which are set out under the section headed "Financial Services Agreement" in this circular
"Freight Logistics Business Support Services"	has the meaning set out under the section headed "Freight Logistics Services Agreement" in this circular
"Freight Logistics Services Agreement"	means the 2026-2028 Freight Logistics Services Agreement dated 4 July 2025 entered into between the Company and Eastern Logistics relating to the renewal of the Existing Freight Logistics Services Agreement, details of which are set out under the section headed "Freight Logistics Services Agreement" in this circular
"Group"	means the Company and its subsidiaries
"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
"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

"IFRS"	means the International Financial Reporting Standards issued by the International Accounting Standards Board
"IFRS 16"	means the International Financial Reporting Standard 16 issued by the International Accounting Standards Board, sets out the principles for the recognition, measurement, presentation and disclosure of leases
"Independent Board Committee"	means the board committee, comprising the independent non-executive Directors, to be established to advise the Independent Shareholders in respect of the Renewed Non-exempt Continuing Connected Transactions
"Independent Financial Adviser" or "Opus Capital"	means Opus Capital Limited, a corporation licensed to carry on Type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser appointed by the Company to: (i) advise the Board in respect of the period for the special vehicles and equipment leasing under the Aviation Complementary Services Agreement, the property lease agreements with Eastern Air Assets under the Property Leasing and Construction and Management Agency Agreement, the property lease agreements with Eastern Air Catering Company under the Catering and Aircraft On-board Supplies Support Agreement and the Aircraft Finance Lease Agreements and the operating lease agreements under the Aircraft and Engines Lease and Related Services Agreement pursuant to the requirements under Rule 14A.52 of the Hong Kong Listing Rules; and (ii) advise the Independent Board Committee and the Independent Shareholders in respect of the Renewed Non-exempt Continuing Connected Transactions
"Independent Shareholders"	means the Shareholders, other than CEA Holding and its associates

"KDlink Technology"	means 空地互聯網路科技股份有限公司 (KDlink Technology Co., Ltd), a company incorporated in the PRC with limited liability, which is directly held as to: (i) 42.5% by CEA Holding; (ii) 42.5% by 中國電信集團投資有限公司 (China Telecom Group Investment Co., Ltd.) (which is directly wholly owned by 中國電信集團有限 公司 (China Telecom Group Co., Ltd.) and is ultimately wholly-owned by the SASAC); and (iii) 15% by 上海華瑞金融科技有限公司 (Shanghai Huarui Financial Technology Co., Ltd.) and it is directly wholly-owned by 上海均瑤(集團)有限公司 (Shanghai Juneyao (Group) Co., Ltd.). To the best knowledge and belief of the Directors and having made all reasonable enquiries, Shanghai Huarui Financial Technology Co., Ltd. and its ultimate beneficial owner(s) are the third parties independent of the Company and the connected person(s) of the Company
"Latest Practicable Date"	means 28 July 2025, being the latest practicable date for ascertaining certain information included herein before the printing of this circular
"Lessor(s)"	means wholly-owned subsidiaries of CES Leasing to be incorporated by CES Leasing in the Pilot Free Trade Zone or the Bonded Zone of the PRC for the purpose of the Proposed Finance Lease contemplated under the Aircraft and Engines Lease and Related Services Agreement
"Passenger Aircraft Bellyhold Space Cargo Business"	means the passenger aircraft Bellyhold Space cargo business of the Company and all its principal operating subsidiaries

"Passenger Aircraft Cargo Business"	means the passenger aircraft cargo business of the Company and its principal operating subsidiaries, which is the provision of cargo services by utilization of passenger aircraft and a series of relevant business operation activities (under the conventional and unconventional circumstances), including but not limited to sales, pricing and settlement of aircraft cargo space; the provision of cargo services in Bellyhold Space under conventional circumstances and the provision of cargo services by passenger aircraft such as temporary Passenger-to-Cargo Conversion in general other than carrying cargoes in the Bellyhold Space under unconventional circumstances
"Passenger-to-Cargo Conversion"	means the enhancement of the cargo capacity in passenger aircraft under unconventional circumstances, which means using the passenger traffic rights of passenger aircraft to provide cargo transportation services, including the temporary conversion of existing passenger aircraft to cargo aircraft and cargo-only passenger aircraft
"PBOC"	means the People's Bank of China
"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, China
"Previous Aircraft and Aircraft Engines Leasing Transactions"	means the transactions under the Existing Aircraft and Engines Lease Agreements
"Property Leasing and Construction and Management Agency Agreement"	means the 2026-2028 property leasing and construction and management agency framework agreement dated 4 July 2025 entered into among the Company, CEA Holding and Eastern Air Assets relating to the renewal of the Existing Property Leasing and Construction and Management Agency Agreements, details of which are set out under the section headed "Property Leasing and Construction and Management Agency Agreement and Property Leasing Agreement" in this circular

"Proposed Finance Lease"	means the finance lease of the leased aircraft pursuant to the Aircraft and Engines Lease and Related Services Agreement
"Renewed Continuing Connected Transactions"	means (i) the transactions contemplated under the following agreements as well as the annual caps for the three years ending 31 December 2028: (1) the Financial Services Agreement; (2) the Aircraft and Engines Lease and Related Services Agreement; (3) the Catering and Aircraft On-board Supplies Support Agreement; (4) the Aviation Complementary Services Agreement; (5) the Property Leasing and Construction and Management Agency Agreement; (6) the Freight Logistics Services Agreement; (7) the Aviation Airborne Communication Agreement; and (ii) the annual caps for the Exclusive Operation Agreement for the three years ending 31 December 2028
"Renewed Non-exempt Continuing Connected Transactions"	means the renewed non-exempt continuing connected transactions which are subject to the Independent Shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules, which comprise: (a) the transactions as well as the proposed annual caps for the three years ending 31 December 2028 relating to, the provision of deposit services under the Financial Services Agreement, the transactions of expenditure items in respect of the catering related services and aircraft on-board supplies support related services under the Catering and Aircraft On-board Supplies Support Agreement, and the transactions of expenditure items under the Aircraft and Engines Lease and Related Services Agreement; and (b) the proposed annual caps for the transactions contemplated under the Exclusive Operation Agreement for the three years ending 31 December 2028
"RMB"	means Renminbi yuan, the lawful currency of the PRC
"Rules for Meetings of the Board"	means the rules for meetings of the board of directors of the Company
"Rules for Procedures for General Meetings"	means the rules for procedures for general meetings of the Company

"SFO"	means the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Shanghai Listing Rules"	means 上海證券交易所股票上市規則 (the Rules Governing Listing of Stocks on the Shanghai Stock Exchange)
"Shareholders"	means the shareholders of the Company
"Three Major Airlines"	means the three major state-owned airlines, namely the Company, Air China Corporation Limited and China Southern Airlines Co., Ltd.
"UATP"	means Universal Air Travel Plan. The UATP card issuance business is a global corporate travel payment solution led by airlines, the core function of which involves the issuance of virtual credit card accounts by the issuing institution to corporate clients, providing credit limits and billing cycle management for the centralized payment of air tickets and related services offered by partner airlines worldwide. Corporate clients may use UATP accounts to purchase tickets via travel management companies or direct channels. The issuing institution or financial service provider advances the payment to the airline, and the corporate client settles the account on a monthly basis
"USD"	means United States dollar, the lawful currency of the United States of America
"VAT"	means value added tax
"%"	means per cent

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)*
Liu Tiexiang *(Vice Chairman, President)*
Cheng Guowei *(Director)*

Sun Zheng *(Independent non-executive Director)*
Lu Xiongwen *(Independent non-executive Director)*
Luo Qun *(Independent non-executive Director)*
Fung Wing Yee Sabrina *(Independent non-executive Director)*
Zheng Hongfeng *(Independent non-executive Director)*

Jie Xiaoqing *(Employee Representative Director)*

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Principal place of business in Hong Kong:
Room D, 19/F.
United Centre
95 Queensway
Hong Kong

Hong Kong share registrar and transfer office:
Computershare Hong Kong Investor Services Limited
17M Floor
Hopewell Centre
183 Queen's Road East
Wan Chai
Hong Kong

31 July 2025

To the shareholders of the Company

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS;
DISCLOSEABLE TRANSACTIONS AND
MAJOR TRANSACTION;
AND
PROPOSED AMENDMENTS TO
(1) THE ARTICLES OF ASSOCIATION;
(2) THE RULES FOR PROCEDURES FOR GENERAL MEETINGS;
AND
(3) THE RULES FOR MEETINGS OF THE BOARD OF DIRECTORS

I. INTRODUCTION

Reference is made to (1) the announcement of the Company dated 4 July 2025 in relation to: (i) the Renewed Non-exempt Continuing Connected Transactions, (ii) the Renewed Continuing Connected Transactions, (iii) the entering into of the Commercial Factoring Services Agreement, and (iv) the proposed annual caps for the Exclusive Operation Agreement for the three years ending 31 December 2028; and (2) the announcement of the Company dated 1 July 2025 in relation to the proposed amendments to the Articles of Association, the Rules for Procedures for General Meetings and the Rules for Meetings of the Board.

The purpose of this circular is to provide you with, amongst others,

(1) further details of the Renewed Non-exempt Continuing Connected Transactions;

(2) a letter from the Independent Board Committee setting out its recommendation to the Independent Shareholders in respect of the Renewed Non-exempt Continuing Connected Transactions;

(3) a letter from the Independent Financial Adviser setting out its advice and recommendation to the Independent Board Committee and the Independent Shareholders in respect of the Renewed Non-exempt Continuing Connected Transactions;

(4) further information relating to the Renewed Continuing Connected Transactions, the Commercial Factoring Services Agreement which are required to be approved by the Independent Shareholders at the EGM pursuant to the Shanghai Listing Rules;

(5) further details of the proposed amendments to the Articles of Association;

(6) further details of the proposed amendments to the Rules for Procedures for General Meetings; and

(7) further details of the proposed amendments to the Rules for Meetings of the Board.

II. CONTINUING CONNECTED TRANSACTIONS, DISCLOSEABLE TRANSACTIONS AND MAJOR TRANSACTION

A. Background

Reference is made to the announcements of the Company dated 26 September 2022, 12 October 2022 and 14 December 2022, and the circular of the Company dated 25 October 2022 regarding, among others, the Existing Continuing Connected Transactions.

On 4 July 2025, the Company (i) renewed the following agreements and proposed to set the relevant annual caps for the three years ending 31 December 2028: (1) the Financial Services Agreement; (2) the Aircraft and Engines Lease and Related Services Agreement; (3) the Catering and Aircraft On-board Supplies Support Agreement; (4) the Aviation Complementary Services Agreement; (5) the Property Leasing and Construction and Management Agency Agreement; (6) the Freight Logistics Services Agreement; (7) the Aviation Airborne Communication Agreement; (ii) entered into the Commercial Factoring Services Agreement with Eastern Air Factoring and proposed to set the relevant annual caps for the three years ending 31 December 2028; and (iii) proposed to set the annual caps for the Exclusive Operation Agreement for the three years ending 31 December 2028.

Details of the background of the above-mentioned continuing connected transactions are set out as follows:

(i) since the agreements for the Existing Continuing Connected Transactions (except for the Exclusive Operation Agreement) will expire on 31 December 2025, the Company entered into the respective agreements relating to the Existing Continuing Connected Transactions in order to better manage the Existing Continuing Connected Transactions and to regulate the continuing business relationships between the Group and the CEA Holding Entities;

(ii) the Exclusive Operation Agreement with a term from 1 January 2020 to 31 December 2032 and the transactions contemplated thereunder were approved at the extraordinary general meeting of the Company convened on 18 November 2020, and the annual caps for the three years ending 31 December 2025 were approved at the extraordinary general meeting of the Company convened on 14 December 2022. Since the existing annual caps will expire on 31 December 2025, the Company proposed to set the annual caps for the transactions contemplated under the Exclusive Operation Agreement for the three years ending 31 December 2028;

(iii) general meeting of the Company convened on 18 November 2020, and the annual caps for the three years ending 31 December 2025 were approved at the extraordinary general meeting of the Company convened on 14 December 2022. Since the existing annual caps will expire on 31 December 2025, the Company proposed to set the annual caps for the transactions contemplated under the Exclusive Operation Agreement for the three years ending 31 December 2028;

(iv) the Company and Eastern Air Factoring entered into the Commercial Factoring Services Agreement, pursuant to which Eastern Air Factoring provides commercial factoring services to the Company, and the Company and Eastern Air Factoring also provides advisory services related to commercial factoring to each other.

Details of the 2026-2028 Continuing Connected Transactions are set out as follows:

No.	Agreements	Counterparties and connected person relationship
1.	Financial Services Agreement	Eastern Air Finance Company, which is directly interested as to approximately 53.75% by CEA Holding, and is thus an associate of CEA Holding.
2.	Aircraft and Engines Lease and Related Services Agreement	CES Leasing, which is a wholly-owned subsidiary of CEA Holding, and is thus an associate of CEA Holding.
3.	Catering and Aircraft On-board Supplies Support Agreement	Eastern Air Catering Company, which is directly interested as to 55% by CEA Holding, and is thus an associate of CEA Holding.
4.	Exclusive Operation Agreement	China Cargo Airlines, which is directly interested as to 83% by Eastern Logistics and in turn a non-wholly owned subsidiary of CEA Holding, and is thus an associate of CEA Holding.
5.	Aviation Complementary Services Agreement	Eastern Air Assets, which is a wholly-owned subsidiary of CEA Holding, and is thus an associate of CEA Holding.
6.	Property Leasing and Construction and Management Agency Agreement	CEA Holding, which is a controlling shareholder of the Company, holding approximately 54.25% equity interests in the Company, and thus a connected person of the Company; and Eastern Air Assets, which is a wholly-owned subsidiary of CEA Holding, and is thus an associate of CEA Holding.
7.	Freight Logistics Continuing Connected Transactions Framework Agreement	Eastern Logistics, which is directly interested as to 40.50% equity interests by CEA Holding, and is thus an associate of CEA Holding.
8.	Aviation Airborne Communication Agreement	KDlink Technology, a company incorporated in the PRC with limited liability, which is directly held as to 42.50% by 東方航空產業投資有限公司 (Eastern Airlines Industry Investment Company Limited), a wholly-owned subsidiary of CEA Holding, and is thus an associate of CEA Holding.
9.	Commercial Factoring Services Agreement	Eastern Air Factoring, which is a wholly-owned subsidiary of CEA Holding, and is thus an associate of CEA Holding.

B. The 2026–2028 Continuing Connected Transactions and the Proposed Annual Caps

1. Financial Services Agreement

Eastern Air Finance Company is a non-bank finance company approved and regulated by the relevant PRC regulatory authorities including the PBOC and the National Financial Regulatory Administration. Eastern Air Finance Company is principally engaged in providing financial services to the group companies of CEA Holding.

Please refer to the Company's announcement dated 26 September 2022 and the Company's circular dated 25 October 2022 for the background and history of the Existing Financial Services Agreement.

On 4 July 2025, the Company entered into the Financial Services Agreement relating to the renewal of the Existing Financial Services Agreement with Eastern Air Finance Company, pursuant to which the Eastern Air Finance Entities agreed from time to time to provide the Group with a range of financial services including: (i) deposit services; (ii) comprehensive credit line services; and (iii) other financial services.

Term

The Financial Services Agreement will be effective for a term of three years commencing from 1 January 2026 to 31 December 2028.

With effect from 1 January 2026, the Existing Financial Services Agreement will be terminated.

Pricing

Under the Financial Services Agreement:

(a) ***provision of deposit services:*** the Company will deposit a portion of temporarily idle working capital and a portion of funds generated in operation into the account opened in Eastern Air Finance Company under the principles of voluntary deposit and free withdrawal. A separate account, which shall not be the account opened in Eastern Air Finance Company, shall be opened for depositing the proceeds raised by the Company as required by the China Securities Regulatory Commission. The deposit interest rate shall be in line with the requirements by the PBOC with regard to that of similar deposits and be determined by the parties by market principles, i.e. the Company and Eastern Air Finance Company will further negotiate on an arm's length basis to determine the deposit interest rate prior to entering into any of the transactions with reference to the quotation by financial institutes in the market that are independent third parties which meets the Company's internal control requirements for similar services in respect of the relevant types and content of the relevant services, so as to ensure that the pricing of the deposit services is on normal commercial terms and will be no less favourable to the Company

than those terms available from other commercial banks and broker companies. The deposit interest rate offered by Eastern Air Finance Company to the Company shall not be lower than that available to the Company from major domestic commercial banks for deposits of same grade in same period.

(b) ***provision of comprehensive credit line services:*** Eastern Air Finance Company shall give priority in satisfying the Company's need for comprehensive credit line service according to its own financial capacity. The aforementioned comprehensive credit line includes loans and other credit-related services that Eastern Air Finance Company can lawfully provide. Where the Company applies for loan from Eastern Air Finance Company, a loan agreement shall be signed between the parties, setting out, among others, the amount, usage and term of loan. The interest rate for the loan shall be determined based on the Loan Prime Rate (LPR) by the parties after arm's length negotiations by market principles with reference to the quotation by financial institutes that are independent third parties. The interest rate of the loan granted to the Company by Eastern Air Finance Company shall not be higher than that is available to the Company from other domestic financial institutes for the same amount of loan for the same period.

(c) ***provision of other financial services***: according to the Company's need during its normal operation, Eastern Air Finance Company may accept the Company's engagement, to provide the Company with services on letters of guarantee, entrusted loans, foreign exchange settlement and sale, local and foreign currency settlement and other financial services within the business scope of Eastern Air Finance Company. Except for the provision of deposit and loan services, Eastern Air Finance Company will charge service fees for other financial services, in compliance with the regulations on charging standards, which are publicly available information, formulated by the PBOC or National Financial Regulatory Administration; in addition to the abovementioned requirements, the amount of service fees charged by Eastern Air Finance Company to the Company for its provision of financial services shall not exceed the charging standard for the same services provided by major domestic commercial banks.

With regard to the deposit services, the Eastern Air Finance Entities will inform the Company's finance department the relevant rates set by the PBOC for similar services and provide the Company with the interest rates set by major domestic commercial banks for the same amount of loan for the same period when the Group's deposits are being placed in the Eastern Air Finance Entities, which rates shall be independently verified by the Company by comparing the rates and terms offered by at least two major domestic commercial banks. In addition, in making its choice of service provider, the Company will consider the quality of services provided by the Eastern Air Finance Entities and other third-party banks or financial institutions in light of service efficiency, safety of deposits, size of capital, customers coverage, credit risks and reputation of financial institutions, etc. With regard to the deposit services and comprehensive credit line services, the Company's finance department will check the relevant rates set by the PBOC or the

relevant LPR for similar services and compare with the rates provided by at least two other independent third-party commercial banks or financial institutions when deposit services and comprehensive credit line services are needed by the Group.

To further safeguard the Group's fund security, the Company's finance department shall obtain and review the latest audited annual report of Eastern Air Finance Company to assess the risk before the deposits are actually made by the Company. During the period the deposits are placed with the Eastern Air Finance Entities, the Company's finance department shall have access to and review the financial reports of Eastern Air Finance Company regularly to assess the risk of the Group's deposits in the Eastern Air Finance Entities. In addition, Eastern Air Finance Company will inform the Company's finance department the daily balance of the Group's deposits in the Eastern Air Finance Entities and the daily balance of loans provided by the Eastern Air Finance Entities to the Group on a monthly basis. The finance department of the Company will designate a staff who is specifically responsible to monitor the relevant rates set by the PBOC for similar deposits services and the policy promulgated by the PBOC, and the relevant LPR for similar comprehensive credit line services to ensure that each transaction under the Financial Services Agreement is conducted in accordance with the pricing policy above.

In respect of other financial services, the Company's finance department will check the standard fees and charges as specified by PRC regulatory authorities and, if necessary, the fees and charges provided by independent third-party commercial banks or broker companies in the PRC and compare with the fees and charges provided by the Eastern Air Finance Entities in accordance with the implementation agreement(s) between the relevant member(s) of the Group and the respective Eastern Air Finance Entity to ensure the service fees and charges will be no less favourable to the Company than terms available from other commercial banks and broker companies. Moving forward, the Company expects to obtain at least two or more offers before deciding to choose the Eastern Air Finance Entity or other commercial bank or financial institution as service provider.

Reasons for and benefits of the transactions

Through the long-term cooperation between the Company and Eastern Air Finance Entities in respect of deposit services, comprehensive credit line services and other financial services, the transactions under the Financial Services Agreement will satisfy the operational needs of the Company and ensure effective development of the Company's business. The benefits of the transactions under the Financial Services Agreement are set out as follows:

(i) the Company will receive interest on its money deposited with the respective Eastern Air Finance Entities at rates which are not less than the relevant rates set by the major domestic commercial banks, with an aim to maximise the Company's returns, resulting in an increase in the Company's capital gain;

(ii) the Company will be able to obtain the comprehensive credit line from the respective Eastern Air Finance Entities with priority at interest rates of loans not higher than the relevant rates set by the major domestic commercial banks, allowing the Company to be able to obtain funds promptly and cost-effectively, and its financial expenses will be reduced;

(iii) Eastern Air Finance Company, as the fund clearing platform to the Company, is familiar with the capital needs and business processes of the aviation industry and the Company, can help the Company strengthen the centralized management of funds and reduce in-transit time of funds to better meet the Company's operating capital needs;

(iv) the Company expects to increase in earnings due to interest income from the funds deposited by Eastern Air Finance Company; and

(v) the Company directly holds 25% of the shares of Eastern Air Finance Company, and CEA Holding holds in aggregate 75% of the shares of Eastern Air Finance Company. Eastern Air Finance Company undertakes higher initiatives to protect the interests of the Company than external entities.

Further, the Company may withdraw the whole or part of its deposits placed with Eastern Air Finance Company at any time to ascertain the safety and liquidity of such deposits. The ownership of such deposits remains with the Group and does not pass to the Eastern Air Finance Entities. In addition, the rules and regulations promulgated by National Financial Regulatory Administration to regulate the activities of non-bank finance companies, including Eastern Air Finance Company, and the internal policies of the Company further monitor and safeguard the Group's deposits in the Eastern Air Finance Entities. The Company is not restricted under the Financial Services Agreement to approach, and in fact may choose, any bank or financial institution to satisfy its financial service needs. Its criteria in making the choice could be made on costs and quality of services. Therefore, the Group may, but is not obliged to, continue to use the Eastern Air Finance Entities' services if the service quality is competitive. Having such flexibility afforded under the Financial Services Agreement, the Group is able to better manage its current capital and cash flow position. In addition, it is also expected that the Eastern Air Finance Entities will provide more efficient settlement service to the Group, as compared to independent third-party financial institutions.

Accordingly,

(a) with regard to the transactions relating to the provision of deposit services under the Financial Services Agreement, the Directors (including the independent non-executive Directors) believe that the relevant transactions are conducted on normal commercial terms or on terms no less favourable to the Company than those available from independent third parties, and are entered into in the ordinary and usual course of business of the Company, and are fair

and reasonable and in the interests of the Company and its shareholders as a whole. As such transactions will be subject to the Independent Shareholders' approval at the EGM, the independent non-executive Directors will establish the Independent Board Committee to advise the Independent Shareholders in respect of such transactions in accordance with the Hong Kong Listing Rules; and

(b) with regard to the transactions relating to the provision of comprehensive credit line services and other financial services under the Financial Services Agreement, the Directors (including the independent non-executive Directors) believe that the relevant transactions are conducted on normal commercial terms or on terms no less favourable to the Company than those available from independent third parties, and are entered into in the ordinary and usual course of business of the Company, and are fair and reasonable and in the interests of the Company and its shareholders as a whole.

Historical amounts

The historical maximum daily outstanding balance of the deposit services provided by the Eastern Air Finance Entities to the Group in respect of the Existing Financial Services Agreement for each of the two years ended 31 December 2023 and 2024 and five months ended 31 May 2025 is approximately RMB13,703 million, RMB13,975 million and RMB7,537 million, respectively.

The historical maximum daily outstanding balance of the loan and financing services provided by the Eastern Air Finance Entities to the Group in respect of the Existing Financial Services Agreement for each of the two years ended 31 December 2023 and 2024 and five months ended 31 May 2025 is RMB2,800 million, RMB8,900 million and RMB1,600 million, respectively. It is reasonable for the Company to deposit idle cash to Eastern Air Finance Company in consideration for fund security and convenience of fund allocation, which is also in the interest of the Shareholders. With thousands of suppliers of the Company scattering around the world, the Company would engage depository financial institutions that are capable of offering convenience, timeliness and safety when meeting the global demand of cash flow. In addition, the Company directly holds 25% of shares of Eastern Air Finance Company, while the remaining 75% is held by CEA Holding. Eastern Air Finance Company could more proactively safeguard the interests of the Company. Therefore, such arrangement is in the interest of the Company and its shareholders as a whole.

In respect of the provision of other financial services under the Existing Financial Services Agreement, the fees and charges paid for such transactions for each of the two years ended 31 December 2023 and 2024 are minimal. Accordingly, pursuant to Rule 14A.76 of the Hong Kong Listing Rules, such transactions are exempt from all reporting, announcement, annual review and Independent Shareholders' approval requirements under the Hong Kong Listing Rules.

Proposed annual caps

The proposed annual caps for the provision of deposit services under the Financial Services Agreement for the three years ending 31 December 2028 are determined primarily based on the following factors:

(i) With the continuous increase in the Company's passenger revenue, cash inflows from operating activities have increased year by year over the past two years;

(ii) Considering the need for refinancing maturing debt and raising additional funds, the total financing scale of the Company is expected to continue expanding over the next three years by way of issuance of super-short term bonds, medium-term notes, foreign currency debt and other financing tools. Funds raised may be temporarily deposited with Eastern Air Finance Company for management, which could lead to a short-term surge in deposit volume. As at the Latest Practicable Date, save as disclosed above, the Company has no concrete plans or intentions to conduct fundraising activities in the next twelve months;

(iii) The Company continues to strengthen the centralized collection and management of funds and operating income from its subsidiaries and business units, and the demand for deposits is expected to increase;

(iv) China Eastern Airlines Import & Export Co., Ltd. and China Eastern Airlines Media Co., Ltd. have become the wholly-owned subsidiaries of the Company in 2023 and 2024, resulting in the further increase in the deposit needs of the Company; and

(v) Eastern Air Finance Company has been providing the Company with a broad range of financial services. As the scope of such services continues to expand, the associated service fees are expected to increase accordingly. Maintaining parity between the daily maximum aggregate credit balance and the daily maximum deposit balance enables Eastern Air Finance Company to extend greater financial support to the Company.

Having considered the historical transaction amounts and taking into account the circumstances mentioned above, the proposed annual caps for the provision of deposit services under the Financial Services Agreement are set out as below:

(Unit: RMB million)

	Proposed Annual Caps For the years ending 31 December		
Transaction Item(s)	**2026**	**2027**	**2028**
The maximum daily outstanding balance of deposits contemplated under the Financial Services Agreement	18,500	19,500	20,500

The Directors believe that these proposed annual caps will be able to provide the Group with sufficient flexibility for its expected financial arrangements with the Eastern Air Finance Entities in the future.

Financial impact of the transaction

The Company expects increase in earnings due to interest income from the funds deposited by Eastern Air Finance Company. The provision of deposit services under the Financial Services Agreement will not affect the assets or liabilities of the Company.

Hong Kong Listing Rules implications

Since CEA Holding is the controlling shareholder of the Company, each member of the CEA Holding Entities (including Eastern Air Finance Company) is therefore a connected person of the Company under the Hong Kong Listing Rules.

In respect of the provision of deposit services under the Financial Services Agreement, the highest applicable percentage ratio as defined under the Hong Kong Listing Rules exceeds 5% but is less than 25% on an annual basis in the on-going performance of the agreement. Such transactions together with the annual caps therefore are subject to the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules and the requirements applicable to discloseable transactions under Chapter 14 of the Hong Kong Listing Rules.

In respect of the provision of comprehensive credit line services under the Financial Services Agreement, the interest rate for the loan shall be determined based on the Loan Prime Rate (LPR) which is released by the National Interbank Funding Center as the designated issuer with the authorization from the PBOC by the parties after arm's length negotiations by market principles with reference to the quotation by financial institutes that are independent third parties. The interest rate of the loan granted to the Company by Eastern Air Finance Company shall not be higher than that is available to the Company from major domestic commercial banks for the same amount of loan for the same period. The transaction involves provision of financial assistance by the Eastern Air Finance Entities for the benefit of the Group on normal commercial terms (or better to the Group) where no security over the assets of the Group is granted in respect of the financial assistance. This part of the transaction is therefore exempt from the reporting, announcement, annual review and Independent Shareholders' approval requirements, by virtue of Rule 14A.90 of the Hong Kong Listing Rules.

However, with respect to the provision of comprehensive credit line services, pursuant to the relevant provisions of the Shanghai Listing Rules and the best practice of corporate governance, such transactions will be subject to the Independent Shareholders' approval at the EGM.

In respect of the provision of other financial services under the Financial Services Agreement, the relevant services provided by the Eastern Air Finance Entities for each of the two years ended 31 December 2023 and 2024 are minimal and any future transactions that may take place between the Group and the Eastern Air Finance Entities in respect of such services is expected to be minimal. Accordingly, pursuant to Rule 14A.76 of the Hong Kong Listing Rules, such transactions are exempt from all reporting, announcement, annual review and Independent Shareholders' approval requirements. Should the actual transaction amount exceed the de minimis threshold in future, the Company will comply with the applicable connected transaction regulatory requirements under Chapter 14A of the Hong Kong Listing Rules.

However, with respect to the provision of other financial services, pursuant to the relevant provisions of the Shanghai Listing Rules and the best practice of corporate governance, such transactions will be subject to the Independent Shareholders' approval at the EGM.

2. Aircraft and Engines Lease and Related Services Agreement

CES Leasing is principally engaged in the provision of leasing and other leasing services, purchase of domestic and foreign finance lease assets, handling salvage value and maintenance of finance lease assets, and provision of advisory services and guarantee for lease transactions, and engaged in commercial factoring related to principal businesses etc.

Please refer to the Company's announcement dated 26 September 2022 and the Company's circular dated 25 October 2022 for the background and history of the Existing Aircraft and Engines Lease Agreement, and the announcement of the Company dated 4 July 2025 in relation to, among others, the revision of the Existing Aircraft and Engines Lease Agreement.

The Removal of Transaction Limit

Pursuant to the revision of the Existing Aircraft and Engines Lease Agreement, the Company proposed to remove the maximum limit on the transaction amount of the aircraft and engine leasing with CES leasing (the "**Transaction Limit**"), i.e. half of the aggregate amount of the aircraft and engines scheduled to be introduced in each year (excluding aircraft/engines for which purchase, and sale agreements were signed in prior years, but the delivery was delayed) (the "**Removal of Transaction Limit**").

CES Leasing was established in 2014, while the continuing connected transaction in respect of the aircraft and engines leasing between CES Leasing and the Company commenced in 2016. Taking into consideration the operational scale of CES Leasing at the time, the Company set the Transaction Limit. Over the past decade, CES Leasing has continuously adjusted its business structure, focusing more on its core operations and developing its aviation leasing business. With its growing capital strength and increasing level of specialization, CES Leasing is now capable of handling a higher proportion of the

Company's aircraft and engines leasing business. However, the Transaction Limit constrained the Company's ability to secure optimal commercial terms and minimise comprehensive financing costs, particularly when CES Leasing offers competitive pricing. This was encountered by the Company particularly in 2024 when the Company could not accept the more favourable and competitive financing terms offered by CES Leasing compared to other independent third party leasing providers due to the Transaction Limit. Given that the annual cap already serves as a safeguard against excessive exposure, the Company proposed to remove the Transaction Limit in order to enhance the Company's flexibility and to maximize its benefits in such transactions with CES Leasing.

The Removal of Transaction Limit complies with the relevant rules and regulations. Furthermore, as the Transaction Limit is merely an internal arrangement of the Company and is not a term stipulated in the Existing Aircraft and Engines Lease Agreement, the Removal of Transaction Limit is not subject to the approval of local authority or Shareholders under the Hong Kong Listing Rules.

The Removal of Transaction Limit will not affect the assets or liabilities of the Company. If the pricing proposed by CES Leasing is more competitive than other service providers, selecting CES Leasing for the aircraft and engines leasing transactions will further reduce the Company's overall cost for the relevant transactions.

Having considered CES Leasing's current capital strength, operational scale, level of specialization and its cooperation history with the Company, the Company recognized that there is no material associated risks for the Removal of Transaction Limit.

Taking into account the factors above, the Board is of the view that the Removal of Transaction Limit is fair and reasonable, and in the interests of the Company and its Shareholders as a whole.

2025 Sale of aircraft and engines

The Company expects to dispose of no more than five aircraft in 2025 based on its actual need for the optimization of fleet structure. As at the Latest Practicable Date, there was no sale of aircraft and engines between the Company and CES Leasing.

According to the pricing policy for the sale of aircraft and engines, the purchase proposal(s) provided by CES Leasing should have competitive advantages over other parties (including but not limited to, the comprehensive return of the proposal(s) offered by CES Leasing shall not be lower than those offered by at least two other independent third parties). If such approach is not applicable, the transaction price shall be determined by both parties after arm's length negotiation with reference to valuation provided by an independent professional appraisal agency. Save as above, other terms of the revised

Existing Aircraft and Engines Lease Agreement shall apply to the sale of aircraft and engines and are considered fair and reasonable, on normal commercial terms, and in the interests of the Company and its Shareholders as a whole.

As disclosed in the announcement of the Company dated 4 July 2025, the annual cap for the sale of aircraft and engines for the year ending 31 December 2025 is RMB1,800 million. As the highest applicable percentage ratio set out in the Hong Kong Listing Rules in respect of the sale of aircraft and engines exceeds 0.1% but is less than 5% on an annual basis, the sale of aircraft and engines is subject to the reporting, announcement and annual review requirements under Chapter 14A of the Hong Kong Listing Rules, and exempt from (a) the Independent Shareholders' approval requirement under Chapter 14A of the Hong Kong Listing Rules; and (b) the requirements applicable to discloseable transactions or higher under Chapter 14 of the Hong Kong Listing Rules.

However, pursuant to the relevant provisions of the Shanghai Listing Rules and the best practice of corporate governance, the revision of the Existing Aircraft and Engines Lease Agreement (including the Removal of Transaction Limit and sale of aircraft and engines for 2025) is also subject to the Independent Shareholders' approval at the EGM.

Aircraft and Engines Lease and Related Services Agreement for 2026 to 2028

On 4 July 2025, the Company entered into the Aircraft and Engines Lease and Related Services Agreement with CES Leasing to jointly renew the aircraft and engine finance lease and operating lease on substantially the same terms with reference to the transaction practices of the Previous Aircraft and Aircraft Engines Leasing Transactions between the parties over a number of years, and included the aircraft and engine sales based on the Company's future business need.

According to the Aircraft and Engines Lease and Related Services Agreement, if the finance lease or the operating lease plans proposed by CES Leasing should have competitive advantages over at least two other independent third parties on the same condition (including but not limited to, the comprehensive costs, business model, etc.), the Company agrees to select CES Leasing for relevant transactions. If such approach is not applicable, the rental fee and other terms shall be determined by both parties after arm's length negotiation and the comprehensive costs of such proposal shall not be higher than the comprehensive costs of the same finance leasing structure for the same category of equipment during the same period; if the sale of aircraft and engines plans proposed by CES Leasing should have competitive advantages over at least two other independent third parties on the same condition (including but not limited to the operation stability, tax saving, transaction cost, transaction efficiency, and capability and capacity to enter into relevant transactions, etc.), the Company agrees to select CES Leasing for relevant transactions. If such approach is not applicable, the rental fee and other terms shall be determined by both parties after arm's length negotiation and the comprehensive costs of such proposal shall not be higher than the comprehensive costs of the same finance leasing structure for the same category of equipment during the same period.

The major terms of the aircraft and/or engine finance lease and operating lease and the sale of aircraft and engines under the Aircraft and Engines Lease and Related Services Agreement are set out below, respectively:

The major terms of the aircraft finance lease

Lessor(s):	CES Leasing Entities
Lessee:	the Company and its subsidiaries
Financier:	Lessor(s) or the Designated Financial Institutions (being independent third parties)
Aircraft under the Proposed Finance Lease:	The leased aircraft comprises part of the aircraft in the Company's aircraft introduction plan for the years 2026 to 2028 which will be disclosed annually and subject to adjustment from time to time. The Company has signed or will sign aircraft purchase agreements in batches with the Aircraft Manufacturer(s) in relation to the leased aircraft, which agreements have been or will be negotiated and agreed independently and separately, and has obtained or will obtain approvals from the Board and the Shareholders and has complied or will comply with the disclosure requirements in accordance with relevant laws and regulations. In the event that the Company introduces any of the leased aircraft before the Aircraft and Engines Lease and Related Services Agreement is approved by the Independent Shareholders at the EGM, the Company shall pay to the Aircraft Manufacturer(s) the relevant purchase price of the Existing Aircraft according to the respective financing arrangement(s). After the Aircraft and Engines Lease and Related Services Agreement is approved by the Independent Shareholders at the EGM, the Company will enter into the relevant aircraft purchase agreements in relation to each of the Existing Aircraft with the Lessor(s) to transfer the ownership of the Existing Aircraft to the Lessor(s) in accordance with the relevant lease amount (which shall not be more than 100% of the purchase price of the relevant Existing Aircraft).

Aggregate principal amount of the finance leases:

not more than 100% of the consideration for the purchase of the leased aircraft.

Rental fee/ Interest rate:

The rental fee is the repayment of the principal amount for the leased aircraft and the interest under the Proposed Finance Lease, which will be determined through requests for proposals issued by the Company or through other bidding processes (which will comprise of at least two other proposals from independent third parties), and will be negotiated and determined between the Company, CES Leasing and the Designated Financial Institutions.

Under the Proposed Finance Lease, the interest rate will be further determined and agreed with reference to the results of the Company's requests for proposals or other bidding processes in respect of financing of the aircraft and engines.

The finance leasing proposal(s) provided by CES Leasing in relation to the finance leasing services should have competitive advantages over other service provider, including but not limited to, the comprehensive costs (including the relevant rental fee plus handling fee and deduct other costs which would be saved according to favourable condition such as deductible VAT) of the proposal(s) regarding the finance leasing services offered by CES Leasing shall not be higher than those offered by at least two other independent third parties. Additionally, the comprehensive costs provided by CES Leasing to the Company shall not be higher than (i) the comprehensive costs of the same type of transaction carried out by the Company during the relevant period, or (ii) the comprehensive costs provided by other independent third parties quotations.

If such approach is not applicable, the rental fee and other terms shall be determined by both parties after arm's length negotiation and the comprehensive costs of such proposal shall not be higher than the comprehensive costs of the same finance leasing structure for the same category of equipment during the same period.

Bank Loans: Under the Proposed Finance Lease, if the Designated Financial Institutions provides Bank Loans to the Lessor(s), the principal amount of which will be not more than the principal amount of each individual Aircraft Finance Lease Agreement.

The material rights and obligations (including the right to obtain delivery of aircraft, the obligation to pay consideration, etc.) of the Company as a purchaser under the relevant aircraft sale and purchase agreement(s) will be transferred to the Lessor(s). If the Designated Financial Institutions provides the Bank Loans, the leased aircraft will be mortgaged to the Designated Financial Institutions as security for the Bank Loans according to the loan agreements to be entered into between the Lessor(s) and the Designated Financial Institutions in due course.

Arrangement fee: The respective arrangement fee, a one-time fee charged by the Lessor(s) for organizing and structuring the transaction, which is no more than 1% of the principal amount for each of the leased aircraft shall be paid by the Company to the Lessor or CES Leasing pursuant to the terms of the specific leasing agreement (if any).

Buy-back: Upon the expiry of the lease term of each of the leased aircraft, the Company is entitled to purchase each relevant aircraft back from the Lessor(s) at a nominal purchase price of RMB/USD (depending on the financing currency) 1 per aircraft.

Implementation agreements: To implement the Proposed Finance Lease, separate written agreements will be entered into between the Company, CES Leasing, the Lessor(s) and the Designated Financial Institutions etc. (as appropriate), including but not limited to:

(i) the sale and purchase agreement(s) to be entered into between the Company and the Lessor(s) in respect of each of the Existing Aircraft or the aircraft to be introduced;

(ii) the purchase agreement assignment(s) to be entered into between the Company, the Lessor(s) and/or the Designated Financial Institutions etc. in respect of each of the Additional Aircraft; and

(iii) the Aircraft Finance Lease Agreement(s) to be entered into between the Company and the Lessor(s) in respect of each of the leased aircraft.

Payment terms: The financing amount is agreed by the parties. In respect of the Existing Aircraft, the financing amount will be paid directly to the Company. In respect of the Additional Aircraft, the financing amount will be paid directly to manufacturers of the Additional Aircraft by the financier on the Delivery Date of the Additional Aircraft. The actual financing amount of each aircraft will be adjusted and determined based on the actual delivery price of the aircraft.

The rental fee, of which the principal portion is measured according to the equal-principal (equal instalment principal and corresponding interests incurred by the remaining principal), average-capital-plus-interests (average instalment for all the principal and interests) standard or other principles agreed by the parties, is payable quarterly or semi-annually in arrears, commencing from the Delivery Date. Lessor(s) will issue VAT special invoices to the lessee according to the relevant national laws and regulations.

By adopting the equal-principal standard, the principal to be paid by the Lessee(s) in each period remain constant throughout the entire repayment period with a gradually decreasing interests to be paid towards the end of the repayment period. By adopting the average-principal-plus-interests standard, the principal and interests to be repaid by the Lessee(s) in each period are constant throughout the entire repayment period, such that with the passage of time the principal to be paid by the Lessee(s) will be increasing while the interests to be paid by the Lessee(s) will be decreasing. Having considered that the adoption of the equal-principal standard and the average-principal-plus-interests standard are in line with the market practice, the Board considered that the above pricing mechanism is fair and reasonable and on normal commercial terms.

The rental fee and other expenses will be paid by the Company to the designed bank account of Lessor(s) on the respective rent payment dates and the payment date of other expenses (if it is different from the rent payment date) under the lease agreements.

The major terms of the aircraft and aircraft engine operating lease

Parties: (1) CES Leasing Entities; and

(2) the Company

Subjects to be leased: Aircraft and aircraft engines

Term of lease: During the period between 1 January 2026 and 31 December 2028 by CES Leasing Entities, the term of each of the lease agreements (the "Operating Lease Agreements") shall be determined by both parties after arm's length negotiation and shall commence from the Delivery Date for each leasing of the aircraft and aircraft engines by CES Leasing Entities (as the lessor(s)) to the Group (as the lessee(s)).

Rental fee and other lease-related payments: The operating leasing proposal(s) provided by CES Leasing in relation to the operating leasing services should have competitive advantages over other service provider, including but not limited to, the comprehensive costs (including the relevant rental fee plus maintenance cost and any other charges) of the proposal(s) regarding the operating leasing services offered by CES Leasing shall not be higher than those offered by at least two other independent third parties. The other service providers will be evaluated using various selection criteria, including but not limited to registered capital, capital adequacy, risk and customer concentration and credit rating, to ensure that the selection process is fair and reasonable.

Pursuant to the Aircraft and Engines Lease and Related Services Agreement, the rental fee for leasing of the aircraft and engines is determined after (i) inviting bidding offers by way of public tender; and (ii) taking into consideration the prevailing market rate for aircraft lease transactions of comparable nature. The Company will invite bidding offers by requesting lease proposal from CES Leasing and two other independent third parties who have been long-term business partners of the Group. If such approach is not applicable, the rental fee and other terms shall be determined by both parties after arm's length negotiation after taking into account certain factors including the lease terms, the feature of the leasing subject and the comparable market rental prices, and the comprehensive costs of such proposal shall not be higher than the comprehensive costs of the same finance leasing structure for the same category of equipment during the same period.

Having considered the above, the Board considered that the above pricing mechanism is fair and reasonable, on normal commercial terms, in the interests of the Company and its Shareholders and no less favourable than those available from independent third parties.

The rental is payable by the Group quarterly or monthly (or at another frequency mutually agreed upon by both parties) in arrears.

The major terms of the sale of aircraft engines

Parties: (1) CES Leasing Entities

(2) the Company

Subject of sale: Aircraft and aircraft engines

The Company shall sell aircraft and aircraft engines through ownership transfer or other legal means (including sale and leaseback, etc.). CES Leasing Entities and the Company shall sign separate agreement(s) based on actual circumstances regarding the payment of consideration, rights and obligations of each party, and other specific matters.

Pricing principles: The purchase proposal(s) provided by CES Leasing should have competitive advantages over other service provider, (including but not limited to, the comprehensive return of the proposal(s) offered by CES Leasing shall not be lower than those offered by at least two other independent third parties). If such approach is not applicable, the rental fee and other terms shall be determined by both parties after arm's length negotiation with regards to valuation provided by an independent professional appraisal agency.

Scope of Transfer: The Company shall sell to the buyer one or more aircraft fuselages and associated engines, aircraft documentation, or one or more engines, in accordance with the terms of separately signed agreements.

Arrangement fee: The respective arrangement fee for each of sale shall be paid by the Company to the buyer pursuant to the terms of the specific leasing agreement (if any).

Term

The Aircraft and Engines Lease and Related Services Agreement will be effective for a term of three years commencing from 1 January 2026 to 31 December 2028.

With effect from 1 January 2026, the Existing Aircraft and Aircraft Engines Operating Lease Framework Agreement and the Existing Aircraft Finance Lease Framework Agreement will be terminated. Individual operating lease agreements in relation to the operating lease of the leased aircraft and/or engines entered into by the Company pursuant to the Existing Aircraft and Aircraft Engines Operating Lease Framework Agreement and individual finance lease agreements in relation to the finance

lease of the leased aircraft entered into by the Company pursuant to the Existing Aircraft Finance Lease Framework Agreement will remain effective after the termination of the Existing Aircraft and Aircraft Engines Operating Lease Framework Agreement and the Existing Aircraft Finance Lease Framework Agreement. As the lease periods of such aircraft and/or aircraft engines exceed three years, pursuant to Rule 14A.52 of the Hong Kong Listing Rules, the Company had engaged an independent financial adviser to explain why a period exceeding three years for such agreements is required and the independent financial adviser had confirmed that it is in the normal business practice for contracts of these types to be of such duration. For details of the independent financial adviser's opinions, please refer to the circular of the Company dated 25 October 2022.

Historical amounts

The historical figures for the annual caps in respect of the Existing Aircraft and Engines Lease Agreement for each of the two years ended 31 December 2023, 2024 and five months ended 31 May 2025 are set out below:

(Unit: RMB million (Unless specified otherwise))

	For the year ended 31 December					Actual Amount
	2023		2024		2025	for the five
Transaction item(s)	Existing Annual Caps	Actual Amount[(1)]	Existing Annual Cap	Actual Amount[(2)]	Existing Annual Caps	months ended 31 May 2025[(3)]
Total rental fee payable	USD1,500 million (or the equivalent amount in RMB)	–	USD3,200 million (or the equivalent amount in RMB)	6,634	USD4,600 million (or the equivalent amount in RMB)	5,612
Total value of right-of-use assets in relation to the finance and operating leases entered into by the Company as the lessee	USD1,250 million (or the equivalent amount in RMB)	–	USD2,600 million (or the equivalent amount in RMB)	6,681	USD3,650 million (or the equivalent amount in RMB)	4,922

Notes:

1. The historical rental fees under the Existing Aircraft and Engines Agreement was nil in 2023, primarily attributable to the Company's actual lower leasing demand than initially projected. Specifically, the Company did not conduct financing tenders for some new aircrafts delivered in 2023, and no new aircraft and/or engine leasing transactions was signed with CES Leasing during 2023. Additionally, in 2023, the Company completed the issuance of 3,416,856,492 A Shares, the purpose of such issuance was to raise proceeds for the introduction of 38 aircraft. As such, the Company did not enter into any transaction with CES Leasing under the Existing Aircraft and Engines Lease Agreement. For details, please refer to the circular of the Company dated 9 June 2022 and the announcement of the Company dated 12 January 2023.

2. The historical rental fees for 2024 increased significantly to RMB6,634 million but still remained below 50% of the existing annual cap. Such variance was mainly attributable to the following factors: (i) supply chain disruptions causing manufacturers to adjust delivery schedules, resulting in the Company receiving fewer aircrafts than planned, thereby reducing the actual leasing amount below the estimated annual cap; (ii) there were more competitive proposals offered by independent third party leasing providers in the final winning bids during the Company's public market tenders during 2024; and (iii) for the 16-aircrafts financing lease project in the second half of 2024, despite CES Leasing submitting the most competitive bid and its cumulative quoted amount not exceeding the estimated annual cap for 2024, the Company was unable to accept the financing proposal by CES Leasing due to the Transaction Limit.

3. The historical rental fees for the five months ended 31 May 2025 reached RMB5,612 million and representing approximately 42.4% of utilisation rate. This subdued level largely reflects the impact of the Transaction Limit. The Company anticipates that the rental fees will continue to increase for the remainder of 2025, upon the Removal of the Transaction Limit and the planned aircraft introductions coming on line. The increasing trend observed for the year ended 31 December 2024 and the five months ended 31 May 2025 was mainly attributable to (i) rapid growth in global demand for travel in 2024; (ii) the volume of global air passenger traffic achieving a new record high in 2024; and (iii) the launch of 11 new international routes and additional express services during 2024.

Proposed annual caps

The total rental fee payable by the Company under the Aircraft and Engines Lease and Related Services Agreement mainly includes the total principal and interest of the aircraft and engines under finance leases for the entire lease period, the total rent of the aircraft and engines under operating leases for the entire lease period in the next three years. The total consideration payable by CES Leasing is the transfer price for the sale of aircraft and engines.

Combining the new aircraft and engines orders signed by the Company, the number of new aircraft and engines that may be introduced in the future and the number of old aircraft and engines planned for finance leases and operating leases, the Company has made planned arrangements for financing leases and operating leases of aircraft from 2026 to 2028. Over the next three years, the Company plans to introduce aircraft including Boeing B737-8, B787-9, B787-10, Airbus A320NEO, A321NEO, and COMAC C919, etc. Among which, the number of the aircraft to be introduced under the finance and operating leases between the Company and CES Leasing in 2027 is expected to be higher than those of 2026 and 2028. Based on the planned introduction schedule, estimated unit purchase price for each aircraft type which will be in line with the purchase price under the previous similar transactions after taking into account the price concessions granted to the Company by the same Aircraft Manufacturer, the total lease principal, interest, and arrangement fees associated with the planned annual aircraft introduction are calculated using finance lease model during a certain period. Additionally, considering the future market conditions and the possibility of other aircraft leasing services in the coming years, and given that aircraft represents significant capital expenditures with high unit price, a reasonable buffer of 30% is reserved to provide necessary operational flexibility and to accommodate possible fluctuation in foreign

exchange rates and other unforeseen circumstances, and aligns with high capital requirements of fleet expansion. As the actual method of aircraft introduction is currently uncertain, the proposed annual cap will also apply to aircraft introduced via operating leases.

In respect of the sale of aircraft and engines, given that there is no historical amount as at the Latest Practicable Date, the annual cap for the three years ending 31 December 2028 are determined primarily according to (i) the estimated number and type of the aircraft that the Company plans to sell based on the fleet age, the need for optimization of fleet structure, the aircraft introduction plan and the market conditions at the time, and (ii) the estimated unit transaction amount determined with reference to the then book value of each aircraft. Considering the future market conditions, the uncertainties in these transactions and the significant capital amount and high unit price of aircraft, a reasonable buffer of 20% is reserved to accommodate unforeseen circumstances and will serve as the annual cap for the sale of aircraft and engines.

For the past three years, due to the impact of epidemic, the civil aviation industry experienced gradual recovery from the downturn, and the manufacturers adjusted the delivery schedule, resulting in a lower-than-expected number of aircraft deliveries to the Company. Besides, in 2023, the Company completed the issuance of A Shares and the proceeds raised was also used for aircraft purchase. As a result, the utilisation rate of the existing annual caps under the Existing Aircraft and Engines Lease Agreement was relatively low. In the next three years, the Company expects that the market demands for civil aviation industry will further increase. On the basis of the above, the Company estimated the total rental fee payable by the Company under the Aircraft and Engines Lease and Related Services Agreement for the three years ending 31 December 2028 are USD3,310 million (or the equivalent amount in RMB), USD5,760 million (or the equivalent amount in RMB) and USD3,370 million (or the equivalent amount in RMB), respectively, and the total amount receivable by the Company in relation to the sale of aircraft and engines under the Aircraft and Engines Lease and Related Services Agreement for the three years ending 31 December 2028 are RMB2,340 million, RMB2,340 million and RMB2,520 million, respectively.

Pursuant to IFRS 16, the Proposed Finance Lease and the aircraft and aircraft engines operating lease by the Company as lessee under the Aircraft and Engines Lease and Related Services Agreement will be recognised as right-of-use assets. The proposed annual caps are set on the total value of right-of-use assets relating to the Proposed Finance Lease and the aircraft and aircraft engines operating lease, which are calculated during the future years by discounting the estimated total rental for newly added aircraft in each year by a discount rate of 2.40% (as determined with reference to the Company's incremental borrowing rate and ChinaBond Corporate Bond Yield (AAA) of 10Y released on the website of ChinaBond.com.cn by China Central Depository & Clearing Co., Ltd.).

Having considered (i) the historical transaction amounts; (ii) the Company's aircraft introduction and retirement plan for the years 2026 to 2028; (iii) the principal amount of the aircraft under the same model of same age in the national market; (iv) the interest under the Proposed Finance Lease and the benchmark lending rate for one year or five years or above as announced by PBOC; (v) the robust and transparent evaluation process based on multiple independent quotations; (vi) the reliance on comprehensive market data and independent cost comparisons; and (vii) the adherence to best practices and standard commercial terms in the aviation leasing market, the Directors (including the independent non-executive Directors) believe that the proposed annual caps under the Aircraft and Engines Lease and Related Services Agreement are fair and reasonable, on the normal commercial terms and in the interests of the Company and its Shareholders as a whole.

The proposed annual caps under the Aircraft and Engines Lease and Related Services Agreement are set out as below:

(Unit: RMB million (Unless specified otherwise))

	Proposed Annual Caps For the years ending 31 December		
Item(s)	**2026**	**2027**	**2028**
Total amount payable by the Company in relation to the finance and operating leases entered into by the Company as lessee	USD3,310 million (or the equivalent amount in RMB)	USD5,760 million (or the equivalent amount in RMB)[(1)]	USD3,370 million (or the equivalent amount in RMB)
Total value of right-of-use assets in relation to the finance and operating leases entered into by the Company as lessee	USD2,760 million (or the equivalent amount in RMB)	USD4,580 million (or the equivalent amount in RMB)[(1)]	USD2,830 million (or the equivalent amount in RMB)
Total amount receivable by the Company in relation to the sale of aircraft and engines	2,340	2,340	2,520

Note:

1. According to the anticipated delivery schedule as stipulated in the executed aircraft purchase agreements, it is expected that the number of aircraft to be delivered in 2027 under the finance and operating leases is higher than those for the years ending 31 December 2026 and 2028. Taking into account the high unit price of aircraft, the proposed annual caps in respect of the total amount payable by the Company and the total value of right-of-use assets in relation to the finance and operating leases entered into by the Company as lessee for the year ending 31 December 2027 are significantly higher than those for the years ending 31 December 2026 and 2028, respectively.

Financial impact of the transactions

The Proposed Finance Lease and the aircraft and aircraft engines operating lease by the Company as lessee under the Aircraft and Engines Lease and Related Services Agreement will be recorded as right-of-use assets of the Company pursuant to IFRS 16, and the principal amount of such leases will be recorded as right-of-use assets of the Company.

The arrangement fee for the finance lease will be included in the initial measurement of the right-of-use assets under IFRS 16, and will be recorded into cost by the way of depreciation over the lease term. The interest for the finance lease will not be included in the initial measurement of the right-of-use assets under IFRS 16, and will be recognised as interest expenses over the lease term.

The consideration for the purchase of aircraft may be funded through the Company's working capital, bank loans from commercial banks and other sources of financing available to the Company. Using a finance lease structure under the Proposed Finance Lease may result in an increase in the Company's debt-to-equity ratio, but as the rental fee under the Proposed Finance Lease is payable monthly, quarterly or semi-annually in arrears, commencing on the Delivery Date of each of the leased aircraft and concluding on the date of the last payment for such leased aircraft, it is not expected to have a substantial impact on the Company's cash flow position or its business operations. The Proposed Finance Lease is not expected to result in a material impact on the earnings and net assets of the Group.

Upon the sale of aircraft and engines, the Company will adjust its assets based on the difference between the transaction value and the book value of the sold aircraft and engines, which will also lead to corresponding changes in the Company's profit.

Reasons for and benefits of the transactions

The Company has long been cooperating well with CES Leasing in aircraft finance leasing and operating leasing businesses. This continuing connected transaction satisfies the Company's needs in operation. The details of the benefits are as follows:

(i) the Company introduced 14 aircraft in 2024 by adopting the finance lease arrangement provided by CES Leasing. The Company saved financing costs of approximately USD6.25 million under such finance lease arrangement compared to adopting secured loans arrangements with equivalent interest rates;

(ii) over the next three years, the Company is expected to save up to USD60.50 million, USD105.28 million and USD61.67 million, respectively, in financing costs by using the finance lease arrangement provided by CES Leasing compared to mortgage loans with the same interest rate;

(iii) CES Leasing is qualified to carry out aircraft leasing business and sale of aircraft and engines business and has relatively strong capital strength and stable operation. The continuing connected transaction in relation to aircraft leasing and sale of aircraft and engines is beneficial for optimizing the management of the Group's assets and fleet structure as well as reducing its capital pressure; and

(iv) the Company plans to further optimize its fleet structure by not only introducing new aircraft but also gradually retiring certain aging aircraft. As a result, the demand for aircraft and engine leasing and sales is expected to increase. The sale of aircraft and engines enables the Company to enhance its efficiency of aircraft asset allocation, improve the flexibility in retiring aging aircraft, and strengthen its cost control capabilities in aircraft and engine operations.

Due to the actual execution of this continuing connected transaction relies on financing proposals of CES Leasing, and whether the fee quotation provided by CES Leasing are more competitive than that provided by other parties, so that specific aircraft leasing transactions and sale of aircraft and engines could be entered into, the actual amounts of the continuing connected transaction may be significantly lower than expected amounts.

The Directors (including the independent non-executive Directors) believe that the transactions contemplated under the Aircraft and Engines Lease and Related Services Agreement are conducted on normal commercial terms or on terms no less favourable to the Company than those available from independent third parties, and are entered into in the ordinary and usual course of business of the Company, and are fair and reasonable and in the interests of the Company and its shareholders as a whole.

Hong Kong Listing Rules implications

CES Leasing is a wholly-owned subsidiary of CEA Holding, which in turn is the controlling shareholder of the Company. Each of CES Leasing and the Lessor(s), which are wholly-owned subsidiaries of CES Leasing, is thus a connected person of the Company. Therefore, the transactions contemplated thereunder the Aircraft and Engines Lease and Related Services Agreement constitutes connected transactions of the Company under Chapter 14A of the Hong Kong Listing Rules.

As the highest applicable percentage ratio set out in the Hong Kong Listing Rules in respect of the transactions of expenditure items under under the Aircraft and Engines Lease and Related Services Agreement exceeds 25% but is less than 100% on an annual basis, the transactions of expenditure items under the Aircraft and Engines Lease and Related Services Agreement will constitute a continuing connected transaction and major transaction of the Company under the Hong Kong Listing Rules. Therefore, the transactions of expenditure items under the Aircraft and Engines Lease and Related

Services Agreement is subject to: (a) the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules; and (b) the requirements applicable to a major transaction under Chapter 14 of the Hong Kong Listing Rules.

As the highest applicable percentage ratio set out in the Hong Kong Listing Rules in respect of the sale of aircraft and engines under the Aircraft and Engines Lease and Related Services Agreement exceeds 0.1% but is less than 5% on an annual basis, the sale of aircraft and engines is subject to the reporting, announcement and annual review requirements under Chapter 14A of the Hong Kong Listing Rules, and exempt from (a) the Independent Shareholders' approval requirement under Chapter 14A of the Hong Kong Listing Rules; and (b) the requirements applicable to discloseable transactions or higher under Chapter 14 of the Hong Kong Listing Rules.

The finance lease's lease period of the aircraft under the Aircraft and Engines Lease and Related Services Agreement will be agreed upon entering into the Aircraft Finance Lease Agreements. Based on previous similar transactions, as the finance lease's lease period of the aircraft may exceed three years pursuant to Rule 14A.52 of the Hong Kong Listing Rules, the Company has engaged the Independent Financial Adviser to review the Aircraft and Engines Lease and Related Services Agreement and confirmed that it is in the normal business practice for contracts of this type to be of such duration. Please refer to the section headed "The View of the Independent Financial Adviser" in this announcement for further details.

Furthermore, the operating lease's lease period of the aircraft and aircraft engines under the Aircraft and Engines Lease and Related Services Agreement will be agreed upon entering into the Operating Lease Agreements. Based on previous similar transactions, as the operating lease's lease period of the aircraft and aircraft engines may exceed three years pursuant to Rule 14A.52 of the Hong Kong Listing Rules, the Company has engaged the Independent Financial Adviser to review the Aircraft and Engines Lease and Related Services Agreement and confirmed that it is in the normal business practice for contracts of this type to be of such duration. Please refer to the section headed "The View of the Independent Financial Adviser" in this announcement for further details.

As the lease periods of the finance lease and the operating lease of the aircraft and engines under the Aircraft and Engines Lease and Related Services Agreement may exceed three years, before the expiry of the term of the Aircraft and Engines Lease and Related Services Agreement, the Company will re-assess the terms and conditions of the Aircraft and Engines Lease and Related Services Agreement and re-comply with the relevant requirements (including setting annual caps, issuing announcements and/or obtaining Shareholders' approval) governing connected transactions under the Hong Kong Listing Rules and Shanghai Listing Rules.

3. Catering and Aircraft On-board Supplies Support Agreement

Eastern Air Catering Company is a holding company, and its subsidiaries are mainly engaged in the business of providing catering and related services for airline companies, and have established subsidiaries at various airports located in Yunnan, Shaanxi, Shandong, Jiangsu, Hubei, Zhejiang, Jiangxi, Anhui, Gansu, Hebei, Shanghai, Sichuan and Beijing.

Please refer to the Company's announcement dated 26 September 2022 and the Company's circular dated 25 October 2022 for the background and history of the Existing Catering and Aircraft On-board Supplies Support Agreement.

On 4 July 2025, the Company and Eastern Air Catering Company entered into the Catering and Aircraft On-board Supplies Support Agreement relating to the renewal of the Existing Catering and Aircraft On-board Supplies Support Agreement with Eastern Air Catering Company and determined the proposed annual caps for the three years ending 31 December 2028.

The principal terms of the Catering and Aircraft On-board Supplies Support Agreement are set out as follows:

Term: The Catering and Aircraft On-board Supplies Support Agreement will be effective for a term of three years commencing from 1 January 2026 to 31 December 2028.

With effect from 1 January 2026, the Existing Catering and Aircraft On-board Supplies Support Agreement will be terminated.

Service scope: Eastern Air Catering Company, as the supplier of all catering and aircraft on-board supplies of the Company, shall provide the Company with catering, aircraft on-board supplies support and related services, including:

(1) being responsible for the procurement and management of the third-party catering, aircraft on-board supplies support and related services required for air transport of the Company. Eastern Air Catering Company will procure certain aircraft on-board supplies and information system maintenance services from the Company's subsidiaries for the purpose of carrying out such aircraft on-board supplies support and related services; and

(2) providing the Company with property leasing services, mainly by way of offsetting rent with construction costs ("**Arrangement of Offsetting Rent with Construction Costs with the Company as the Lessee**"), that is, the Company (as the lessee) shall lease lands and buildings owned by Eastern Air Catering Entities (as the lessor), and shall construct buildings and structures on lands leased from Eastern Air Catering Entities.

At the same time, the Company shall provide Eastern Air Catering Entities with property leasing services, mainly by way of offsetting rent with construction costs ("**Arrangement of Offsetting Rent with Construction Costs with the Company as the Lessor**"), that is, Eastern Air Catering Entities (as the lessee) shall lease lands and buildings owned by the Company (as the lessor), and shall construct buildings and structures on lands leased from the Company.

Pricing principles: The pricing and/or fee scale for the catering, aircraft on-board supplies support and related services under the Catering and Aircraft On-board Supplies Support Agreement shall be determined with reference to the market price and as agreed after arm's length negotiations between the parties. "Market price" refers to the price determined independently by the operators via market competition. Taking into account the factors such as cost of raw materials and labour cost (if any), market price is determined in the following order: (i) the price charged by independent third parties at such time in the ordinary and normal course of business for such catering, aircraft on-board supplies support and related services in the area where such services are provided or nearby area; or (ii) the price charged by independent third parties at such time in the ordinary and normal course of business for such catering, aircraft on-board supplies support and related services within the territory of the PRC.

The pricing and/or fee scale for the property leasing services under the Catering and Aircraft On-board Supplies Support Agreement shall be determined with reference to the market price and as agreed after arm's length negotiations between the parties. For the arrangement of offsetting rent with construction costs, the annual rent and fee of the Company payable to or receivable from Eastern Air Catering Entities shall be determined based on the current market price offered by independent third parties under comparable circumstances. The annual rent and fee shall be determined based on arm's length negotiations after considering factors such as the quality of service and the location of properties, and for the Group, it shall be no less favourable than those offered to or by independent third parties under comparable circumstances.

The parties will check the price and terms offered by independent third parties for the same type of catering, aircraft on-board supplies support and related services (in general, through emails, fax or telephone consultation with at least two independent third parties to obtain the price and terms offered for catering, aircraft on-board supplies support and related services).

The pricing and/or fee scale for the catering, aircraft on-board supplies support and related services provided by Eastern Air Catering Company to the Company shall not be higher than those offered by Eastern Air Catering Company to independent third parties at such time in the ordinary and normal course of business for the same type of catering, aircraft on-board supplies support and related services.

The Company shall assess the status of completion of the catering, aircraft on-board supplies support and related services provided by Eastern Air Catering Company during the year. According to the results of assessment, prior to 31 December of each year, the parties should enter into a specific business agreement regarding the method of settlement and evaluation plan for the next fiscal year. Where the parties fail to enter into a specific business agreement within the above-mentioned period, the method of settlement of the current year shall be applied to the next fiscal year.

Method of settlement:

The payment for the catering, aircraft on-board supplies support and related services shall be settled periodically according to the method agreed in the specific business contracts between the parties, including but not limited to the matters such as settlement cycle and means of settlement. The Company will settle the payment correspondingly upon assessment.

In respect of the Arrangement of Offsetting Rent with Construction Costs with the Company as the Lessee under the Catering and Aircraft On-board Supplies Support Agreement, the Company shall pay rentals directly to Eastern Air Catering Entities, and the payment of rentals by the Company to Eastern Air Catering Entities shall be deemed to have fulfilled the payment obligations. The Company shall pay leasing rentals in such manner and at such time as per the leasing agreement actually signed by both parties and/or as agreed in relevant service agreements on arrangement of offsetting rent with construction costs.

In respect of the Arrangement of Offsetting Rent with Construction Costs with the Company as the Lessor under the Catering and Aircraft On-board Supplies Support Agreement, Eastern Air Catering Entities shall pay rentals directly to the Company, and the payment of rentals by Eastern Air Catering Entities to the Company shall be deemed to have fulfilled the payment obligations. Eastern Air Catering Entities shall pay leasing rentals in such manner and at such time as per the leasing agreement actually signed by both parties and/or as agreed in relevant service agreements on arrangement of offsetting rent with construction costs.

Historical amounts

For the years ended 31 December 2023 and 2024 and the five months ended 31 May 2025, the aggregate historical amounts of each of the services under the Existing Catering and Aircraft On-board Supplies Support Agreement with Eastern Air Catering Entities are set out below:

(Unit: RMB million)

	For the year ended 31 December					Actual amount
	2023		2021		2025	for the five
	Existing	Actual	Existing	Actual	Existing	months ended
Transaction item(s)	**Annual Caps**	**Amount**	**Annual Caps**	**Amount**	**Annual Caps**	**31 May 2025**
Expenditure item(s):						
Catering related services and aircraft on-board supplies support related services	4,000	2,393	4,400	3,161	4,840	882
Property leasing services – the Company as the lessee (annual rent)[(1)]	8	3	8	8	8	2
Property leasing services – the Company as the lessee (right-of-use assets)[(2)]	160	4	155	33	150	33
Income item(s):						
Property leasing services – the Company as the lessor	220	88	290	106	360	13

Notes:

1. This refers to the total annual rent in relation to the property leasing services (with the Company as the lessee) payable by the Company under both short-term leases (with the lease term of less than one year) and the long-term leases (with the lease term of one year or above).

2. Pursuant to the IFRS, the total value of right-of-use assets in relation to the property leasing services (with the Company as the lessee) only includes the long-term leases (with the lease term of one year or above).

Proposed annual caps

The proposed annual caps for the transactions contemplated thereunder the Catering and Aircraft On-board Supplies Support Agreement for the three years ending 31 December 2028 are determined primarily based on the following factors:

(i) There is a strong positive correlation between the Company's catering business volume and its core business metrics, including passenger traffic, number of flights, and catering pricing. Based on the current business development trend, it is expected that over the next three years, Eastern Air Catering Company's catering business will closely follow the Company's growth and achieve steady growth; and

(ii) The annual growth rate of transactions contemplated under the Catering and Aircraft On-board Supplies Support Agreement from 2026 to 2028 after considering the Company's projected average annual growth rate.

Having considered the historical transaction amounts and taking into account the factors above, the annual caps for the transactions contemplated under the Catering and Aircraft On-board Supplies Support Agreement are set out as below:

(Unit: RMB million)

	Proposed Annual Caps For the years ending 31 December		
Transaction Item(s)	**2026**	**2027**	**2028**
Expenditure item(s):			
Catering related services and aircraft on-board supplies support related services	4,200	4,800	5,500
Property leasing services – the Company as the lessee (annual rent)[(1)]	9	9	9
Property leasing services – the Company as the lessee (right-of-use assets)[(2)]	68	62	60
Income item(s):			
Property leasing services – the Company as the lessor and provision of aircraft on-board supplies	200	200	200

Notes:

1. This refers to the total annual rent in relation to the property leasing services (with the Company as the lessee) payable by the Company under both short-term leases (with the lease term of less than one year) and the long-term leases (with the lease term of one year or above).

2. Pursuant to the IFRS, the total value of right-of-use assets in relation to the property leasing services (with the Company as the lessee) only includes the long-term leases (with the lease term of one year or above).

Reasons for and benefits of the transactions

The Company has a long history of good cooperation with Eastern Air Catering Company, and the continuing connected transaction is conducive to the displaying professional advantages, refining cost control, centralising procurement and operations, strengthening quality supervision of Eastern Air Catering Company, with the following specific benefits:

(i) Eastern Air Catering Company, as a company long been engaged in catering and related business, is currently one of the largest and most professional aviation catering companies in the PRC. Eastern Air Catering Company is familiar with professional information such as aviation food production technique, cost composition and industry trends. The centralised procurement of catering and aircraft on-board supplies and the provision of end-to-end services including warehousing, allocation, provisioning, recycling, and cleaning by Eastern Air Catering Company can give full play to its professional advantages and its advantages of procurement scale, increasing economies of scale and reducing procurement costs, and are beneficial for the Company to implement scientific and refined management on the traceability and inventory management of catering and aircraft on-board supplies, especially those with high value and high turnover, so as to reduce consumption and waste; and

(ii) Eastern Air Catering Company will centrally procure catering and aircraft on-board supplies, and centrally operate and control the whole process of storage, allocation, preparation, recycling and cleaning. The Company, as the entrusting party, will be directly in charge of budget management, standard formulation, quality supervision and customer satisfaction surveys for the business of catering and aircraft on-board supplies undertaken by Eastern Air Catering Company. The above arrangement is conducive to the Company's centralised supervision of the source and quality of catering and aircraft on-board supplies, ensuring compliance with the Company's technical standards and quality requirements for catering and aircraft on-board supplies to continuously optimise customer experience, and will also help the Company to quickly respond to market changes and passenger demand, meeting and guiding customer demand more efficiently and quickly to improve passenger satisfaction.

The transactions contemplated under the Catering and Aircraft On-board Supplies Support Agreement between the Company and Eastern Air Catering Company will be concluded on the basis that the cost of the Company's meals and aircraft supplies will not incur any additional increase and the quality and service standards of the meals and aircraft supplies will not be decreased.

Accordingly, the Directors (including the independent non-executive Directors) believe that the transactions contemplated under the Catering and Aircraft On-board Supplies Support Agreement are conducted on normal commercial terms or on terms no less favourable to the Company than those available from independent third parties, and are entered into in the ordinary and usual course of business of the Company, and are fair and reasonable and in the interests of the Company and its shareholders as a whole.

Hong Kong Listing Rules implications

CEA Holding is the controlling shareholder of the Company and holds 55% of the equity interest in Eastern Air Catering Company. Therefore, Eastern Air Catering Company, being a subsidiary of CEA Holding, is a connected person of the Company.

For the transactions of expenditure items in respect of the catering related services and aircraft on-board supplies support related services under the Catering and Aircraft On-board Supplies Support Agreement, as the highest applicable percentage ratio as defined under the Hong Kong Listing Rules calculated on an annual basis exceeds 5% but is less than 25%, such transactions are subject to the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules and the requirements applicable to discloseable transactions under Chapter 14 of the Hong Kong Listing Rules.

For the transactions of expenditure items in respect of the property leasing services with the Company as the lessee under the Catering and Aircraft On-board Supplies Support Agreement, as the highest applicable percentage ratio set out in the Hong Kong Listing Rules is less than 0.1%, such transactions are exempt from all reporting, announcement, annual review and Independent Shareholders' approval requirements pursuant to Rule 14A.76 of the Hong Kong Listing Rules. Should the actual transaction amount exceed the de minimis threshold in future, the Company will comply with the applicable connected transaction regulatory requirements under Chapter 14A of the Hong Kong Listing Rules.

For the transactions of income items under the Catering and Aircraft On-board Supplies Support Agreement (including the property leasing services with the Company as the Lessor and the provision of aircraft on-board supplies and information system maintenance services), as the highest applicable percentage ratio as defined under the Hong Kong Listing Rules calculated on an annual basis exceeds 0.1% but is less than 5%,

such transactions are only subject to the reporting, announcement and annual review requirements and are exempt from the Independent Shareholders' approval requirement under Chapter 14A of the Hong Kong Listing Rules.

Pursuant to the relevant provisions of the Shanghai Listing Rules and the best practice of corporate governance, the transactions contemplated under the Catering and Aircraft On-board Supplies Support Agreement are subject to the approval of the Independent Shareholders at the EGM.

In order to execute the property leasing services under the Catering and Aircraft On-board Supplies Support Agreement, the Company and Eastern Air Catering Company will enter into specific written lease agreements. The tenure of such specific written property lease agreements for property leasing services under the arrangement of offsetting rent with construction costs (including the Arrangement of Offsetting Rent with Construction Costs with the Company as the Lessee and the Arrangement of Offsetting Rent with Construction Costs with the Company as the Lessor) will be 30 years. As the tenure of such specific written property lease agreements for the related property leasing services exceeds three years, pursuant to Rule 14A.52 of the Hong Kong Listing Rules, the Company has appointed the Independent Financial Adviser to review the related specific written property lease agreements and explain why the tenure of this type of agreements needs to exceed three years, and confirm that it is normal business practice for agreements of this type to be of such duration. For details, please refer to the section headed "The View of the Independent Financial Adviser" in this announcement.

4. Exclusive Operation Agreement

Please refer to the Company's announcement dated 26 September 2022 and the Company's circular dated 25 October 2022 for the background and history of the Exclusive Operation Agreement.

On 29 September 2020, the Company entered into the Exclusive Operation Agreement with a term from 1 January 2020 to 31 December 2032 with China Cargo Airlines, and the annual caps for the period from 1 January 2023 to 31 December 2025 were approved at the extraordinary general meeting of the Company convened on 14 December 2022. Since the existing annual caps will expire on 31 December 2025, the Company proposed to set the annual caps for the transactions contemplated under the Exclusive Operation Agreement for the three years ending 31 December 2028.

The principal terms of the Exclusive Operation Agreement are set out as follows:

Date: 29 September 2020

Parties: (1) the Company (as owner); and

(2) China Cargo Airlines (as contractor)

Exclusive operation term: From 1 January 2020 to 31 December 2032.

Once the exclusive operation term expires, both parties may negotiate continuing the transactions and enter into a new agreement. If both parties cannot reach a new agreement by such time, unless the Exclusive Operation Agreement is terminated by the consent of both parties, as long as the Company and Eastern Logistics are both listed companies on a stock exchange within or outside the PRC, and CEA Holding is the de facto controller of Eastern Logistics and China Cargo Airlines, subject to further applicable requirements under Chapter 14A of the Hong Kong Listing Rules, both parties shall continue to implement the terms set out in the Exclusive Operation Agreement. The Company will take all reasonable steps to comply with the requirements under Chapter 14A of the Hong Kong Listing Rules in this regard.

As the exclusive operation term is more than three years, according to Rule 14A.52 of the Hong Kong Listing Rules, the Company engaged an independent financial adviser to review the Exclusive Operation Agreement. For details of the independent financial adviser's opinions, please refer to the circulars of the Company to the Shareholders dated 30 October 2020 and 25 October 2022.

Scope and responsibilities relating to exclusive operation of cargo business: During the exclusive operation term, China Cargo Airlines will exclusively operate the Company's Passenger Aircraft Cargo Business, including but not limited to the following:

(i) China Cargo Airlines shall exclusively purchase the Company's passenger aircraft cargo services, and independently engage in the operation of Passenger Aircraft Cargo Business under its own name;

(ii) China Cargo Airlines shall enter into cargo agreements with external parties as the contracting carrier, and the Company accepts China Cargo Airlines' entrustment to be responsible for completing air transportation service as the actual carrier;

(iii) China Cargo Airlines shall exclusively enjoy the Company's Passenger Aircraft Cargo Business space-sale right, pricing right and engage in businesses such as settlement, and the Company shall not operate on its own, entrust or authorize any third party other than China Cargo Airlines to operate, or by any means enable any other third party to have any right to the Passenger Aircraft Cargo Business; and

(iv) China Cargo Airlines shall undertake the overall responsibilities for transporting cargo as the carrier to the consignors with respect to the cargo which are transported by the Company's passenger aircraft. During the period of exclusive operation, China Cargo Airlines shall, with respect to the Company's Passenger Aircraft Cargo Business, conduct independent financial accounting, pay tax in compliance with applicable laws, and independently operate and bear the results of operations.

Both parties agree that while China Cargo Airlines exclusively operates the Company's Passenger Aircraft Cargo Business in accordance with the provisions of the preceding paragraph, the Company shall nonetheless undertake to provide air transportation from the departure port to the destination port and necessary airport ground support for the cargo delivered by China Cargo Airlines (for the avoidance of doubt, unless otherwise agreed by both parties, such support shall include but are not limited to security checks, loading and unloading machines, airport apron connection, airport cargo operations and other necessary airport ground support), and bear the corresponding safety responsibilities.

Basis of pricing: The Company collects a transportation service fee from China Cargo Airlines for the exclusive operation of the Company's Passenger Aircraft Cargo Business. Such transportation service fee shall be determined based on China Cargo Airlines' actual operating revenue of exclusively operating the Company's Passenger Aircraft Cargo Business while deducting certain business fee rates. The specific formulas are as follows:

Transportation service fee = actual income from Passenger Aircraft Cargo Business × (1 – business fee rates)

Passenger Aircraft Cargo Business refers to the passenger aircraft cargo business of the Company and its principal operating subsidiaries, which is the provision of cargo services by utilization of passenger aircraft and a series of relevant business operation activities (including but not limited to sales, pricing and settlement of aircraft cargo space) comprising:

(i) ***conventional business:*** the provision of cargo services in Bellyhold Space under conventional circumstances; and

(ii) ***unconventional business:*** the provision of cargo services by passenger aircraft such as temporary Passenger-to-Cargo Conversion in general other than carrying cargoes in the Bellyhold Space under unconventional circumstances. Passenger-to-Cargo Conversion means the enhancement of the cargo capacity in passenger aircraft under unconventional circumstances, which means using the passenger traffic rights of passenger aircraft to provide cargo transportation services, including the temporary conversion of existing passenger aircraft to cargo aircraft and cargo-only passenger aircraft.

Different calculation basis for the transportation service fees to be received by the Company from China Cargo Airlines shall be applied to conventional business and unconventional business respectively.

Conventional Business

Under conventional circumstances, when China Cargo Airlines exclusively operates the Passenger Aircraft Bellyhold Space Cargo Business, the actual income from Passenger Aircraft Cargo Business in the abovementioned transportation service fee formula equals the actual cargo income generated by China Cargo Airlines' exclusive operation of the Company's passenger aircraft Bellyhold Space. The definitive formula for determining the transportation service fees and business fee rate and the valuation standard of each parameter are as follows:

Transportation service fee = actual income from Passenger Aircraft Bellyhold Space Cargo Business × (1 – conventional business fee rate)

Conventional business fee rate = operating cost rate + (revenue growth rate of Passenger Aircraft Bellyhold Space Cargo Business of the current year – average revenue growth rate of the Three Major Airlines' passenger aircraft Bellyhold Space cargo business of the current year) × 50%

Of which:

(a) Operating cost rate refers to the actual amount of operating cost incurred in the Passenger Aircraft Cargo Business for each of the recent three years agreed upon by the accountants engaged by both parties, divided by the arithmetic average amount of audited actual income from Passenger Aircraft Cargo Business in those years, and calculated and adjusted once a year during the exclusive operation term; the operating cost of which refers to the personnel, assets, marketing and other costs related to passenger aircraft cargo sales incurred by China Cargo Airlines for the exclusive operation of the Company's Passenger Aircraft Cargo Business in each of the past three years.

(b) Revenue growth rate of Passenger Aircraft Bellyhold Space Cargo Business of the current year refers to the percentage of increase (or decrease) in actual income from cargo generated by China Cargo Airlines' exclusive operation of the Company's passenger aircraft Bellyhold Space in the current year compared with the actual income generated by China Cargo Airlines in the previous year, and the actual income generated by China Cargo Airlines from the passenger aircraft Bellyhold Space cargo in the previous year.

(c) Average revenue growth rate of passenger aircraft Bellyhold Space cargo business of the Three Major Airlines refers to the arithmetic average of the growth rate of revenue from cargo generated by the passenger aircraft Bellyhold Space of the Three Major Airlines in the current year and the revenue from cargo generated by the passenger aircraft Bellyhold Space of the Three Major Airlines in the previous year.

The gross profit margin for the Passenger Aircraft Cargo Business under conventional circumstances to be retained by China Cargo Airlines is calculated using the following formula:

Gross profit margin for the Passenger Aircraft Cargo Business under conventional circumstances to be retained by China Cargo Airlines = (actual income from Passenger Aircraft Bellyhold Space Cargo Business – transportation service fee) ÷ actual income from Passenger Aircraft Bellyhold Space Cargo Business

In case the revenue growth rate of Passenger Aircraft Bellyhold Space Cargo Business of the current year is the same as the average revenue growth rate of the Three Major Airlines' passenger aircraft Bellyhold Space cargo business of the current year, the gross profit margin for the Passenger Aircraft Cargo Business under conventional circumstances to be retained by China Cargo Airlines equals to operating cost rate. The Company records revenue by collecting a transportation service fee from China Cargo Airlines for the exclusive operation of the Company's Passenger Aircraft Cargo Business. Such transportation service fee under conventional business shall be determined based on actual income from Passenger Aircraft Bellyhold Space Cargo Business while deducting certain conventional business fee rates.

The Board considers that the pricing basis for the transportation service fee under the conventional circumstances is on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole on the following basis:

(1) Under the conventional circumstances, China Cargo Airlines will pay to the Company the transportation service fee as the procurement cost which is determined based on actual income from Passenger Aircraft Bellyhold Space Cargo Business while deducting certain conventional business fee rate. The conventional business fee rate is determined based on the operating cost rate, in accordance with independent market principle, taking into account the average revenue growth rate of cargo business in the same industry, which provides a reasonable basis.

(2) Pursuant to the above definitive formula, there is an implied incentive mechanism (i.e. the 50% revenue growth difference) to provide motivation for China Cargo Airlines to enhance its Passenger Aircraft Bellyhold Space Cargo Business performance and cargo transport business operating efficiency by taking income growth rate as a performance indicator, which was aimed to balance (i) internal factors, as such the management of Passenger Aircraft Cargo Business; and (ii) external factors affecting cargo revenue growth, such as the market conditions, fleet scale and the Company's route network. The 50% revenue growth difference is determined by reference to (i) the same ratio adopted by other major industry players for similar transactions; (ii) the common performance-based incentive structures of 50% when listed companies acquiring major assets; and (iii) the performance conditions of the incentive scheme of listed company for their senior management and/or employees. Such pricing basis is able to maximize the utilization and efficiency of the Bellyhold Space, encourage China Cargo Airlines to optimize resources allocation and boost up their business performance while sharing gains with the Company when external factors encourage positive results.

(3) Despite the fact that the transportation service fee payable by China Cargo Airlines to the Company is negatively correlated to the excess income growth rate of China Cargo Airlines over the Three Major Airlines, such arrangement enables the Company to generate incremental revenue from the otherwise idle Bellyhold Space capacity of its passenger aircraft, which, if remain unused, would not contribute any economic benefit to the Company and may even result in operational inefficiencies or opportunity costs. The incentive mechanism will not displace the Company's existing revenue streams or result in any financial disadvantage to the Company or its Shareholders, instead, it aligns with industry practices in resource-sharing and revenue-partnership models.

Unconventional Business

Under unconventional circumstances, upon agreement of both parties after negotiation, contingent measures other than Bellyhold Space such as "Passenger-to-Cargo Conversion" can be adopted to enhance cargo transport capacity of passenger aircraft. In such event, with respect to the formula for calculating the transportation service fee, the actual revenue of passenger aircraft cargo transport should be the actual incurred revenue of cargo transport in the Company's unconventional Passenger Aircraft Cargo Business such as "Passenger-to-Cargo Conversion" exclusively operated by China Cargo Airlines, and the definitive formula for transportation service fee and business fee rate and the valuation standard of each parameter are as follows:

Transportation service fee = the actual revenue of unconventional cargo transport of passenger aircraft × (1 – unconventional business fee rate)

Unconventional business fee rate = operating cost rate × (1 + reasonable profit margin)

Of which:

(a) Operating cost rate is the same as the operating cost rate under the conventional circumstances, which refers to the actual amount of operating cost incurred in the Passenger Aircraft Cargo Business for each of the recent three years agreed upon by the accountants engaged by both parties, divided by the arithmetic average amount of audited actual income from passenger aircraft cargo business in those years, and calculated and adjusted once a year during the exclusive operation term; the operating cost of which refers to the personnel, assets, marketing and other costs related to passenger aircraft cargo sales incurred by China Cargo Airlines for the exclusive operation of the Company's Passenger Aircraft Cargo Business in each of the past three years.

(b) Reasonable profit margin is the arithmetic average of the averaged profit margin of the Three Major Airlines for the latest three prior accounting years.

Both parties shall jointly designate an accounting firm with business qualifications at the end of each accounting year to conduct specific auditing and issue an official audit report on the actual incurred revenue of the Company's Passenger Aircraft Cargo Business exclusively operated by China Cargo Airlines for the previous year, and implement agreed procedures for the operation fees of each of the previous three years, and to issue an agreed report (to determine next year's operating cost rate). Both parties shall sign a confirmation in writing for the operating cost rate and business fee rate arrived at by the agreed calculation according to this term.

The gross profit margin for the Passenger Aircraft Cargo Business under unconventional circumstances to be retained by China Cargo Airlines is calculated using the following formula:

Gross profit margin for the Passenger Aircraft Cargo Business under unconventional circumstances to be retained by China Cargo Airlines = (actual revenue of unconventional cargo transport of passenger aircraft – transportation service fee) ÷ actual revenue of unconventional cargo transport of passenger aircraft = operating cost rate × (1 + reasonable profit margin)

The Company records revenue by collecting a transportation service fee from China Cargo Airlines for the exclusive operation of the Company's Passenger Aircraft Cargo Business. Such transportation service fee under unconventional business shall be determined based on the actual revenue of unconventional cargo transport of passenger aircraft while deducting certain unconventional business fee rates.

The Board considers that the pricing basis for the transportation service fee under the unconventional circumstances is on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole on the following basis:

(1) Under the unconventional circumstances, China Cargo Airlines will pay to the Company the transportation service fee as the procurement cost which is determined based on actual revenue of unconventional cargo transport of passenger aircraft while deducting certain unconventional business fee rate. The unconventional business fee rate is determined based on the operating cost rate, taking into account the reasonable profit margin of cargo business in the same industry, which provides a reasonable basis.

(2) Since the unconventional business represents a special economic slump environment, resulting in (i) a decrease in passenger and (ii) the Passenger-to-Cargo Conversion approach that helps utilize the empty spaces by converting passenger aircrafts into cargo aircrafts, the above-mentioned situation is a temporary measure due to force majeure clauses, and therefore, there is no relevant historical data available to be taken as a reference for calculation of revenue growth rate. In view of the fact that financial data such as revenue growth rate of China Cargo Airlines and the Three Major Airlines' actual income from Passenger-To-Cargo Conversion are unobtainable, basing average net profit ratio of the Three Major Airlines on the transportation service fee represents that the industry prospect, implied by net profit margin of the Three Major Airlines, would become a motivating factor for China Cargo Airlines to operate their Passenger Aircraft Cargo Business.

Payment arrangement:

China Cargo Airlines shall pay the transportation service fee on a monthly basis, and the amount payable monthly shall be calculated with the actual revenue of cargo transport generated by China Cargo Airlines in the month minus operating costs, which shall be settled and paid by China Cargo Airlines in the following month.

Within three months after the end of each accounting year, both parties shall calculate the annual total transportation service fees of that year as agreed in the Exclusive Operation Agreement and conduct year-end settlement, which is to either refund the surplus or to pay the shortfall if there is any difference between the annual total of transportation service fees and the sum of transportation service fees actually paid on a monthly basis by China Cargo Airlines in that year.

Alignment with the original passenger aircraft Bellyhold Space contractual operation transactions:

Both parties agreed that the original passenger aircraft Bellyhold Space contractual operation agreement shall be terminated immediately after the Exclusive Operation Agreement has taken effect. For the Passenger Aircraft Cargo Business already performed by both parties according to the original passenger aircraft Bellyhold Space contractual operation agreement in 2020, both parties agreed that corresponding adjustments shall be conducted according to agreed implementation principles in the Exclusive Operation Agreement, which was deemed to have become effective on 1 January 2020.

Conditions precedent:

The Exclusive Operation Agreement will become effective after execution by the legal representative or authorized representative of each party, the affixing of official seal of each party as well as the approval in shareholders meetings of the Company and China Cargo Airlines.

Non-competition undertaking:

As a condition of agreeing to the exclusive operation of all of the Company's Passenger Aircraft Cargo Business by China Cargo Airlines, the Company undertook that, effective from the date of the Exclusive Operation Agreement until the expiration of the exclusive operation term or the date of termination of the Exclusive Operation Agreement, except for performing the relevant obligations involved in the Exclusive Operation Agreement, the Company and its controlled enterprises shall not, in any place within or outside the PRC or in any way, carry out Business Competition, including but not limited to operating through sole proprietorship, directly or indirectly holding/controlling the enterprise(s) which carry(ies) out Business Competition or other circumstances which constitute Business Competition according to relevant laws and regulations. For the avoidance of doubt, the above restrictions do not apply if the Company and its controlled enterprise(s) have not become the controlling shareholder(s), de facto controller(s) or the single largest shareholder of such enterprise(s) which carry(ies) out Business Competition.

As part of the original passenger aircraft Bellyhold Space contractual operation agreement, the non-competition undertaking was negotiated and entered into on an arm's length basis and on normal commercial terms, which constituted a part of the transaction as a whole. Please refer to the circular of the Company to the Shareholders dated 13 March 2018. As part of the continuing connected transactions contemplated under the Exclusive Operation Agreement, the non-competition undertaking was negotiated and entered into on an arm's length basis, and no adjustment has been made.

Historical amounts

Existing annual caps and execution status of the exclusive operation transaction of the Passenger Aircraft Cargo Business are set out below. Such annual caps have been approved by the Independent Shareholders at the extraordinary general meeting of the Company held on 14 December 2022.

(Unit: RMB million)

Transaction Event	For the Year ended 31 December 2023 Existing Annual Caps	2023 Actual Amount	2024 Existing Annual Caps	2024 Actual Amount	2025 Existing Annual Caps	Actual amount for the five months ended 31 May 2025
The exclusive operation transportation service fees in relation to the Passenger Aircraft Cargo Business payable by China Cargo Airlines to the Company under the Exclusive Operation Agreement	8,900	3,634	8,600	5,331	8,800	2,194

Proposed annual caps

Having considered the historical transaction amounts and taking into account the factors mentioned above, the proposed annual caps for the continuing connected transactions contemplated under the Exclusive Operation Agreement are set out as below:

(Unit: RMB million)

Transaction Event	Proposed Annual Caps For the year ending 31 December 2026	2027	2028
The exclusive operation transportation service fees in relation to the Passenger Aircraft Cargo Business payable by China Cargo Airlines to the Company under the Exclusive Operation Agreement	7,200	7,900	8,800

The proposed annual caps for the three years ending 31 December 2028 for the transportation service fees payable by China Cargo Airlines to the Company under the Exclusive Operation Agreement are determined with reference to the following primary factors:

(i) the Company estimated the basis for the transportation service fees for the Passenger Aircraft Cargo Business for the three years ending 31 December 2028: (a) with reference to the historical amounts for the two years ended 31 December 2023 and 2024 and for the five months ended 31 May 2025 for the exclusive operation transportation service fees in relation to the Passenger Aircraft Cargo Business payable by China Cargo Airlines to the Company under the Exclusive Operation Agreement and (b) after taking into account the estimated continuous growth in demand for aviation cargo business; and

(ii) based on the pricing formula under the Exclusive Operation Agreement entered into between the Company and China Cargo Airlines, the Company takes into account the conditions including prospects of the future cargo market, the operating scale of the Company's cargo operations such as Bellyhold Space as well as freight rate levels.

Reasons for and benefits of the transactions

The Company entrusted China Cargo Airlines to exclusively operate its Passenger Aircraft Cargo Business for long term, so as to avoid the competition between Passenger Aircraft Cargo Business of the Company and the all-cargo aircraft freight business operated by China Cargo Airlines and satisfy the Company's demand for professional operation in passenger aircraft cargo, and to motivate China Cargo Airlines through fair and reasonable pricing to facilitate the steady development and growth of the Passenger Aircraft Cargo Business of the Company, which helped the Company to focus the relevant resources on the operation and development of its air passenger transportation business as well as to enhance the business capacity and competitiveness of the principal air passenger transportation business of the Company.

The Directors (including the independent non-executive Directors) are of the view that the relevant proposed annual caps for the three years ending 31 December 2028 for the transactions contemplated under the Exclusive Operation Agreement are fair and reasonable and in the interests of the Company and its shareholders as a whole.

Hong Kong Listing Rules implications

China Cargo Airlines is principally engaged in international (regional) and domestic air cargo and mail transport services.

China Cargo Airlines is the non-wholly owned subsidiary of Eastern Logistics, which in turn is a non-wholly owned subsidiary of CEA Holding (the controlling shareholder of the Company). China Cargo Airlines is therefore a connected person of the Company within the meanings of the Hong Kong Listing Rules. The proposed transactions contemplated under the Exclusive Operation Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Hong Kong Listing Rules.

As the highest applicable percentage ratio in relation to the proposed annual caps for the exclusive operation transportation service fees payable by China Cargo Airlines under the Exclusive Operation Agreement exceeds 5% but is less than 25%, the proposed annual caps for the three years ending 31 December 2025 are subject to the reporting, announcement, annual review and Independent Shareholders' approval requirements under the Hong Kong Listing Rules and the requirements applicable to discloseable transactions under Chapter 14 of the Hong Kong Listing Rules.

5. Aviation Complementary Services Agreement

Eastern Air Assets is principally engaged in the business of consulting services related to industrial investment and its associated businesses, real estate investment, development, and operation, leasing of self-owned properties and property management.

Please refer to the Company's announcement dated 26 September 2022 and the Company's circular dated 25 October 2022 for the background and history of the Existing Aviation Complementary Services Agreement.

On 4 July 2025, the Company entered into the Aviation Complementary Services Agreement relating to the renewal of the Existing Aviation Complementary Services Agreement with Eastern Air Assets, pursuant to which the Eastern Air Assets Entities will from time to time provide the Company with a range of services. According to the Aviation Complementary Services Agreement, Eastern Air Assets Entities will provide the Company with special vehicles and equipment leasing, supply and maintenance services, property management services, hotel management services, ground transportation services and other aviation supporting services.

The special vehicles and equipment leasing under the Aviation Complementary Services Agreement refers to the leasing of vehicles and/or equipment, some of which are tailor-made according to the Group's specific requirements for their on-site operation, such as customized passenger elevator vehicles, luggage transfer vehicles with canopy, sewage vehicles with lifting platform. The special vehicles and equipment leasing under the Aviation Complementary Services Agreement is different from the aircraft leasing in terms of nature and they are not related with each other. The main difference is that special vehicles and equipment leasing and repairing, the provision of operation personnel and the disposal of retired vehicles and equipment are closely related business segments as one integral whole. It is beneficial for ensuring the operation efficiency of the Company and controlling the overall cost to outsource

the whole business to Eastern Air Assets. However, aircraft leasing is merely a way for purchasing aircraft, while the aircraft repairing, the training and provision of pilots and crew members are arranged by the Company itself.

Term

The Aviation Complementary Services Agreement will be effective for a term of three years commencing from 1 January 2026 to 31 December 2028.

With effect from 1 January 2026, the Existing Aviation Complementary Services Agreement will be terminated.

To implement the lease of special vehicles and equipment under the Aviation Complementary Services Agreement, separate written agreements will be entered into between the Company and Eastern Air Assets. The lease period of special vehicles and equipment leasing under the Aviation Complementary Services Agreement will be agreed upon entering into the agreements. Based on previous similar transactions, the lease period of special vehicles and equipment leasing under the Aviation Complementary Services Agreement would be around five years. As the lease period exceeds three years, pursuant to Rule 14A.52 of the Hong Kong Listing Rules, the Company has engaged the Independent Financial Adviser to review the Aviation Complementary Services Agreement and confirmed that it is in the normal business practice for contracts of this type to be of such duration. Please refer to the section headed "The View of the Independent Financial Adviser" in this announcement for further details.

Pricing

Under the Aviation Complementary Services Agreement, the fees in relation to the provision of the above services and the purchase price and fees payable in relation to supply and leasing of special vehicles, equipment and materials payable to the respective Eastern Air Assets Entities shall be based on prevailing market rates available from independent third-party service providers under comparable conditions. Such service fees and purchase price shall be determined based on arm's length negotiations after considering factors such as costs of labour and maintenance of special vehicles and equipment, location of warehouses, the quality, scope and type of property management services, quality of accommodation, catering and hotel management services, location of hotels, cost of raw materials and the specific needs of the Company and the seasonal needs of the relevant industries (as relevant), and shall be no less favourable than those offered by the respective Eastern Air Assets Entities to independent third parties.

The Company will check the price and terms offered by independent third parties for the same type of the relevant services (in general, through emails, fax or telephone consultation with at least two independent third parties providing the relevant services).

Reasons for and benefits of the transactions

The Directors believe that it is in the best interest of the Group to procure the required services and the supply of equipment and materials from the Eastern Air Assets Entities considering that the Eastern Air Assets Entities have special strengths that independent third-party service or other providers generally do not possess. Such strengths include aviation industry expertise, knowledge and qualification of the Eastern Air Assets Entities to meet the demand of certain types of work, its track record of quality and timely service provided to the Group, its familiarity with the needs of the Group and its convenient location (in the vicinity of certain local sites of the Group) enabling it to offer quick services and convenient accommodation services. With respect to the aviation vehicle and equipment leasing business, aviation vehicle and equipment belong to special equipment, with a variety of types and relatively higher price. Besides special vehicles and equipment leasing, Eastern Air Assets can also provide various complementary services, including repairing, deployment and management of operating personnel, allocation of informative materials. Hence, the Company can save significant human and material resources, which can be utilized to focus on the development of its principal operation (i.e., aviation transportation).

Accordingly, the Directors (including the independent non-executive Directors) believe that the transactions contemplated under the Aviation Complementary Services Agreement are conducted on normal commercial terms or on terms no less favourable to the Company than those available from independent third parties, and are entered into in the ordinary and usual course of business of the Company, and are fair and reasonable and in the interests of the Company and its shareholders as a whole.

Historical amounts

The historical figures of the total amount of the service fees, commissions and expenses paid by the Group in respect of the Existing Aviation Complementary Services Agreement for each of the two years ended 31 December 2023 and 2024 and five months ended 31 May 2025 are RMB656 million, RMB762 million and RMB184 million, respectively. The total value of right-of-use assets relating to the lease of special vehicles and equipment under the Existing Aviation Complementary Services Agreement for each of the two years ended 31 December 2023 and 2024 and the five months ended 31 May 2025 are RMB952 million, RMB364 million and RMB254 million, respectively.

Proposed annual caps

The proposed annual caps for the transactions under the Aviation Complementary Services Agreement for the three years ending 31 December 2028 are determined primarily based on the following factors:

(i) in terms of equipment leasing: (a) a series of services will be provided to the Company, including the continuation of existing leasing projects, the fulfillment of new annual leasing demands, and sale-and-leaseback arrangements for existing assets; (b) based on relevant business data, projections have been made regarding the provision of such services in newly expanded regions; and

(ii) in terms of property management and hotel services: property management, crew apartment services, and catering services will be provided to the Company's subsidiaries across various locations, with the recovery of the aviation and tourism industries, the scope and scale of these services are expected to expand accordingly.

Having considered the historical transaction amounts and taking into account the factors above, the proposed annual caps for the transactions under the Aviation Complementary Services Agreement are set out as below:

(Unit: RMB million)

	Proposed Annual Caps For the year ending 31 December		
Transaction Item(s)	**2026**	**2027**	**2028**
The total amount of the service fees, commissions, and expenses payable by the Company to Eastern Air Assets Entities	1,368	1,469	1,572

Pursuant to IFRS 16, the lease of special vehicles and equipment by the Company as lessee under the Aviation Complementary Services Agreement will be recognised as right-of-use assets. The proposed annual caps are set on the total value of right-of-use assets relating to the leases, which are calculated by discounting the estimated total rental of the future years by a discount rate of 2.40% (as determined with reference to the Company's incremental borrowing rate and ChinaBond Corporate Bond Yield (AAA) of 10Y released on the website of ChinaBond.com.cn by China Central Depository & Clearing Co., Ltd.). The proposed annual caps in respect of the lease of special vehicles and equipment under the Aviation Complementary Services Agreement are set out as below:

(Unit: RMB million)

	Proposed Annual Caps For the year ending 31 December		
Transaction Item(s)	**2026**	**2027**	**2028**
The total value of right-of-use assets in respect of the special vehicles and equipment lease	1,801	1,593	1,191

Hong Kong Listing Rules implications

As the highest applicable percentage ratio set out in the Hong Kong Listing Rules in respect of the transactions with regard to the services fees, commissions and expenses payable by the Company to Eastern Air Assets under the Aviation Complementary Services Agreement exceeds 0.1% but is less than 5% on an annual basis, such transactions are subject to the reporting, announcement and annual review requirements only and are exempt from Independent Shareholders' approval under the Hong Kong Listing Rules.

As the highest applicable percentage ratio set out in the Hong Kong Listing Rules in respect of the transactions with regard to the special vehicles and equipment lease under the Aviation Complementary Services Agreement exceeds 0.1% but is less than 5% on an annual basis, such transactions are subject to the reporting, announcement and annual review requirements only and are exempt from Independent Shareholders' approval under the Hong Kong Listing Rules.

However, pursuant to the relevant provisions of the Shanghai Listing Rules and the best practice of corporate governance, the transaction contemplated under the Aviation Complementary Services Agreement is also subject to the Independent Shareholders' approval at the EGM.

6. Property Leasing and Construction and Management Agency Agreement

CEA Holding, the controlling shareholder of the Company, is a state-owned enterprise established in the PRC. It is principally engaged in managing all the state-owned assets and equity interest formed and invested by the state in CEA Holding and its invested enterprises.

Eastern Assets, a subsidiary of CEA Holding, is principally engaged in consulting services for industrial investment and related businesses, real estate investment development and operation, self-owned house leasing and property management.

Please refer to the Company's announcement dated 26 September 2022 and the Company's circular dated 25 October 2022 for the background and history of the Existing Property Leasing and Construction and Management Agency Agreements.

On 4 July 2025, the Company entered into the Property Leasing and Construction and Management Agency Agreement relating to the renewal of the Existing Property Leasing and Construction and Management Agency Agreements with CEA Holding and Eastern Air Assets, pursuant to which, CEA Holding and its subsidiaries (including Eastern Air Assets) will lease relevant properties to the Company. Meanwhile, Eastern Air Assets will also provide construction and management agency services to the Company, including organising and

implementing construction project management work and delivering the project in accordance with all specified performance indicators and terms. The scope of specific construction and management agency services will be determined based on the terms of the specific agreement signed by both parties.

Pursuant to the Property Leasing and Construction and Management Agency Agreement, the Company will lease the following properties from CEA Holding Entities (excluding Eastern Air Assets), for use by the Group in its daily airlines and other business operations:

(a) a total of 3 building properties, construction, structures and other ancillary facilities owned by CEA Holding in Lanzhou, occupying an aggregate floor area of approximately 3,335 square metres;

(b) a total of 22 building properties, construction, structures and other ancillary facilities owned by CEA Holding in Taiyuan Wusu International Airport, occupying an aggregate floor area of approximately 21,978 square metres;

(c) one parcel of land located in Xi'an Xianyang with a total site area of approximately 1,942 square metres owned by a subsidiary of CEA Holding, and a total of 16 building properties, construction, structures and other ancillary facilities owned by CEA Holding in the same city, occupying an aggregate floor area of approximately 24,676 square metres; and

(d) other land and property facilities owned by CEA Holding that may be leased to the Company from time to time to meet the Company's business and operational needs.

Pursuant to the Property Leasing and Construction and Management Agency Agreement, the Company will lease from Eastern Air Assets the following properties, for use by the Group in its daily airlines and other business operations:

(a) a total of 16 building properties, construction, structures and other ancillary facilities owned by Eastern Air Assets in Chengdu, occupying an aggregate floor area of approximately 24,303 square metres;

(b) Six floors of a building owned by Eastern Air Assets in Beijing, occupying an aggregate floor area of approximately 5,675 square metres;

(c) a total of 23 building properties, construction, structures and other ancillary facilities owned by Eastern Air Assets in Lanzhou, occupying an aggregate floor area of approximately 23,013 square metres;

(d) a total of 59 building properties, construction, structures and other ancillary facilities owned by Eastern Air Assets in Shanghai Hongqiao East District, occupying an aggregate floor area of approximately 71,592 square metres;

(e) a total of 17 building properties, construction, structures and other ancillary facilities owned by Eastern Air Assets in Hangzhou, occupying an aggregate floor area of approximately 17,028 square metres;

(f) a total of 21 building properties, construction, structures and other ancillary facilities owned by Eastern Air Assets in Chengdu East New District, occupying an aggregate floor area of approximately 25,856 square metres (including 18,339 square meters for Sichuan Branch of the Company and 7,517.30 square meters for China United Airlines);

(g) a total of 21 building properties, construction, structures and other ancillary facilities owned by Eastern Air Assets in Shan'xi, occupying an aggregate floor area of approximately 51,939 square metres; and

(h) other land and property facilities owned by Eastern Air Assets that may be leased to the Company from time to time to meet the Company's business and operational needs.

Pursuant to the Property Leasing and Construction and Management Agency Agreement, the Company will lease the following properties to CEA Holding for office purpose:

(a) 1 building property, construction, structures and other ancillary facilities owned by the Company in Shanghai Minhang District, occupying an aggregate floor area of approximately 5,350 square metres.

Term

The Property Leasing and Construction and Management Agency Agreement will be effective for a term of three years commencing from 1 January 2026 to 31 December 2028.

With effect from 1 January 2026, the Existing Property Leasing and Construction and Management Agency Agreements will be terminated.

To implement the lease of properties from Eastern Air Assets under the Property Leasing and Construction and Management Agency Agreement, separate written agreements will be entered into between the Company and Eastern Air Assets. Based on previous similar transactions, the lease period of certain properties from Eastern Air Assets under the Property Leasing and Construction and Management Agency Agreement would be around six years. As the lease period exceeds three years, pursuant to Rule 14A.52 of the Hong Kong Listing Rules, the Company has engaged the Independent Financial Adviser to review the Property Leasing and Construction and Management Agency Agreement and confirmed that it is in the normal business practice for contracts of this type to be of such duration. Please refer to the section headed "The View of the Independent Financial Adviser" in this announcement for further details.

Pricing

Under the Property Leasing and Construction and Management Agency Agreement, the annual rental and the fees for the construction and management agency services payable by the Company to CEA Holding and its subsidiaries shall be based on prevailing market rates available from independent third parties under comparable conditions. Such annual rental and fees shall be determined based on arm's length negotiations after considering factors such as quality of services and the region in which the properties are located, and shall be no less favourable than those offered by CEA Holding and/or its subsidiaries to independent third parties under comparable conditions.

The Company will check the price and terms offered by independent third parties for the same type of property leasing services and construction and management agency services (in general, through emails, fax or telephone consultation with at least two independent third parties providing the relevant services), to ensure that the terms of the Property Leasing and Construction and Management Agency Agreement are fair and reasonable and no less favourable than those offered by independent third parties.

Reasons for and benefits of the transactions

CEA Holding is qualified with the relevant qualifications for operating property leasing. Eastern Air Assets Entities comprised of a professional companies in the field of aviation real estate focusing on operating property leasing and construction and management agency business, and has more than 20 years of experience in real estate development. CEA Holding and Eastern Air Assets Entities have provided leasing services in accordance with the Company's usage requirements for the leased sites in various production bases for many years; Eastern Air Assets Entities have provided quality and professional construction and management agency services for the Company's infrastructure projects. CEA Holding and Eastern Air Assets Entities had strictly performed the relevant contractual obligations at fair and reasonable prices in previous transactions, and they are familiar with the Company's business operations, capable of providing highly effective and quality services as well as ensuring that the production and business activities of the Company are in normal operation. To lease certain buildings in Shanghai Minghang District to CEA Holding will enhance the usage of the Company's buildings and bring in certain reasonable income.

Accordingly, the Directors (including the independent non-executive Directors) believe that the transactions contemplated under the Property Leasing and Construction and Management Agency Agreement are conducted on normal commercial terms or on terms no less favourable to the Company than those available from independent third parties, and are entered into in the ordinary and usual course of business of the Company, and are fair and reasonable and in the interests of the Company and its shareholders as a whole.

Historical amounts

The historical figures for the rentals and fees paid by the Company in respect of the Existing Property Leasing and Construction and Management Agency Agreements for each of the two years ended 31 December 2023 and 2024 and five months ended 31 May 2025 are approximately RMB156 million, RMB184 million and RMB74 million, respectively. The total value of right-of-use assets relating to the leases for each of the two years ended 31 December 2023 and 2024 and the five months ended 31 May 2025 are approximately RMB163 million, RMB119 million and RMB116 million, respectively.

Proposed annual caps

The maximum amounts of rentals and fees payable by the Company for the three years ending 31 December 2028 under the Property Leasing and Construction and Management Agency Agreement are determined primarily based on the following factors:

(i) based on the actual amounts incurred by the Company and CEA Holding and Eastern Air Assets for the rental or the management fee for the construction and management agency project, taking into account that property rentals and the construction and management costs will continue to rise reasonably in line with various factors, such as the changes in price indices;

(ii) the property leasing agreements that have already been signed or may be signed in the future and the number, scale and investment amount of the current and expected agency projects; and

(iii) due to production and operation needs, the Company may lease other land and property facilities from CEA Holding and Eastern Air Assets in the future to carry out relevant construction and management agency projects, including the China Eastern Airlines base project at the Beijing new airport, the China United Airlines base project at the Pearl River Delta Hub Airport, the expansion project of the Kunming Changshui Airport base, and relevant projects at Lanzhou Zhongchuan International Airport.

Having considered the historical transaction amounts and taking into account the factors above, the Board considered that the proposed annual caps under the Property Leasing and Construction and Management Agency Agreement are fair and reasonable, on normal commercial terms, in the interests of the Company and its Shareholders.

The total amount of rentals and fees payable by the Company for the three years ending 31 December 2028 under the Property Leasing and Construction and Management Agency Agreement are not expected to exceed RMB358 million, RMB362 million and RMB366 million, respectively.

Pursuant to IFRS 16, the lease of properties by the Company as lessee under the Property Leasing and Construction and Management Agency Agreement will be recognised as right-of-use assets. The proposed annual caps are set on the total value of right-of-use assets relating to the leases, which are calculated by discounting the estimated total rental of the future years by a discount rate of 2.40% (as determined with reference to the Company's incremental borrowing rate and ChinaBond Corporate Bond Yield (AAA) of 10Y released on the website of ChinaBond.com.cn by China Central Depository & Clearing Co., Ltd.). The proposed annual caps in respect of the lease of properties under the Property Leasing and Construction and Management Agency Agreement are set out as follows:

(Unit: RMB million)

	Proposed Annual Caps For the year ending 31 December		
Transaction Item(s)	**2026**	**2027**	**2028**
The total value of right-of-use assets in respect of the lease of properties	890	614	590

Hong Kong Listing Rules implications

As the highest applicable percentage ratio set out in the Hong Kong Listing Rules in respect of the lease of properties and the transactions regarding the construction and management agency services under the Property Leasing and Construction and Management Agency Agreement exceeds 0.1% but is less than 5% on an annual basis, such transactions are subject to the reporting, announcement and annual review requirements only and are exempt from Independent Shareholders' approval under the Hong Kong Listing Rules.

As the highest applicable percentage ratio set out in the Hong Kong Listing Rules for the property leases provided by the Company to CEA Holding under the Property Leasing and Construction and Management Agency Agreement is less than 0.1%, such transactions are exempt from all reporting, announcement, annual review and Independent Shareholders' approval requirements pursuant to Rule 14A.76 of the Hong Kong Listing Rules. Should the actual transaction amount exceed the de minimis threshold in future, the Company will comply with the applicable connected transaction regulatory requirements under Chapter 14A of the Hong Kong Listing Rules.

However, pursuant to the relevant provisions of the Shanghai Listing Rules and the best practice of corporate governance, the transactions contemplated under the Property Leasing and Construction and Management Agency Agreement are also subject to the Independent Shareholders' approval at the EGM.

7. Freight Logistics Services Agreement

Eastern Logistics is a company principally engaged in warehouse, marine/air/land international cargo transport agency, cargo loading & unloading, property management, parking lot running, meeting service, labour dispatch for domestic enterprises, general merchandise, sale of office supplies, business consultation (excluding brokerage), ticket agency, import & export of cargo and technology, e-commerce (excluding telecom value-added service and financial services) and common cargo transport.

Please refer to the Company's announcement dated 26 September 2022 and the Company's circular dated 25 October 2022 for the background and history of the Existing Freight Logistics Services Agreement.

On 4 July 2025, the Company entered into the Freight Logistics Services Agreement relating to the renewal of the Existing Freight Logistics Services Agreement with Eastern Logistics on substantially the same terms, pursuant to which the Group will provide the Freight Logistics Business Support Services (as defined below) to the Eastern Logistics Entities required for the daily operation of its freight logistics business, and the Eastern Logistics Entities will provide the Cargo Terminal Business Support Services (as defined below) to the Group required for its daily business operation.

Term

The Freight Logistics Services Agreement will be effective for a term of three years commencing from 1 January 2026 to 31 December 2028.

With effect from 1 January 2026, the Existing Freight Logistics Services Agreement will be terminated.

Services

Pursuant to the Freight Logistics Services Agreement,

(a) the Group will provide the following services (collectively, the "**Freight Logistics Business Support Services**") to the Eastern Logistics Entities required for the daily operation of its freight logistics business:

(i) aircraft maintenance and its ancillary support services;

(ii) cargo transport maintenance and its ancillary support services;

(iii) information technology support services, cleaning services and training services;

(iv) customs declaration services, foreign trade import and export agency and international trade transportation services, procurement agency services for aircraft supplies, tendering agency and consulting services and bonded warehousing services; and

(v) other daily support services; and

(b) the Eastern Logistics Entities will provide the following services (collectively, the "**Cargo Terminal Business Support Services**") to the Group required for its daily business operation:

(i) apron transfer services, cargo terminal operation services, project supply chain services and security inspection services; and

(ii) other daily support services.

Pricing

(a) the price and/or fee scale for the Freight Logistics Business Support Services which the Group offers to the Eastern Logistics Entities shall be determined with reference to the "Market Price" and as agreed after arm's length negotiations between the parties. For the Freight Logistics Business Support Services, "Market Price" refers to the price determined independently by the operators via market competition. Market price is determined taking into account, among others, the cost of aircraft raw materials, the support areas for aircraft materials, the cost of information technology equipment, labour cost and the specific support requirements from the Eastern Logistics Entities (if any), in the following order: (i) the price charged by independent third parties at such time in the ordinary and normal course of business for such services in the area or nearby area; or (ii) the price charged by independent third parties at such time in the ordinary and normal course of business for such services at such time within the territory of the PRC;

(b) the price and/or fee scale for the Cargo Terminal Business Support Services which the Eastern Logistics Entities offers to the Group shall be determined with reference to the "Market Price" and as agreed after arm's length negotiations between the parties to the Freight Logistics Services Agreement. For the Cargo Terminal Business Support Services, "Market Price" refers to the price determined independently by the operators via market competition. Market price is determined taking into account, among others, the costs of raw materials, the support areas, the costs for the protection equipment, labour costs and the specific support requirements from the Company (if any), in the following order: (i) the price charged by independent third parties at such time in the ordinary and normal course of business for such services in the area or nearby area; or (ii) the price charged by independent third parties at such time in the ordinary and normal course of business for such services at such time in the PRC;

(c) both the Group and the Eastern Logistics Entities shall check the prices and terms offered by independent third parties providing similar services (in general, through emails, facsimile or telephone conversation with at least two independent third parties providing the support services), to ensure that the terms of the Freight Logistics Services Agreement are fair and reasonable and no less favourable than those offered by two independent third parties; and

(d) the fees in relation to the Freight Logistics Business Support Services offered by the Group to the Eastern Logistics Entities and the Cargo Terminal Business Support Services offered by the Eastern Logistics Entities to the Group shall be settled based on the actual provision of services and the unit price, which is determined by both parties pursuant to the aforementioned pricing principles. Upon the receipt and confirmation of the payment order and VAT special invoices from one party, the other party shall make the payment via bank transfer or via other legal means of payment within a reasonable period of time, as agreed by the parties.

Reasons for and benefits of the transactions

The Company procures Cargo Terminals Business Support Services from Eastern Logistics at market prices, which is conducive to addressing issues of intra-industry competition. Leveraging its professional operational advantages in cargo logistics, Eastern Logistics also provides the Company with supply chain services for related industry projects, thereby facilitating complementary strengths and the efficient allocation of resources. The Company believes that the provision of Freight Logistics Business Support Services will bring steady and reliable revenue to the Group as a whole; while the provision of the Cargo Terminals Business Support Services by the Eastern Logistics Entities to the Group will also satisfy the Group's increasing need of freight and mail business and is beneficial to the natural expansion of production and operation of the Group.

Accordingly, the Directors (including the independent non-executive Directors) believe that the transactions contemplated under the Freight Logistics Services Agreement are conducted on normal commercial terms or on terms no less favourable to the Company than those available from independent third parties, and are entered into in the ordinary and usual course of business of the Company, and are fair and reasonable and in the interests of the Company and its shareholders as a whole.

Historical amounts

For each of the two years ended 31 December 2023, 2024 and five months ended 31 May 2025, the historical figures for (i) the amount paid by the Eastern Logistics Entities to the Group for the Freight Logistics Business Support Services were approximately

RMB435 million, RMB583 million and RMB70 million, respectively; and (ii) the amount paid by the Group to the Eastern Logistics Entities for the Cargo Terminal Business Support Services were RMB470 million, RMB577 million and RMB228 million, respectively.

Proposed annual caps

The proposed annual caps for the three years ending 31 December 2028 in respect of the Freight Logistics Business Support Services and the Cargo Terminal Business Support Services pursuant to the Freight Logistics Services Agreement are determined primarily based on the following factors:

(i) Freight Logistics Business Support Services (the Company providing services): (i) considering that future cargo terminal leases will increase year by year at a reasonable level; (ii) Eastern Logistics will expand its fleet size of cargo aircraft, with an increase in total flight hours and a corresponding increase in aircraft maintenance costs.

(ii) Cargo Terminal Business Support Services (the Company receiving services): the size of the Company's fleet will grow, and the demand for cargo terminal services will grow simultaneously.

Having considered the historical transaction amounts and taking into account the factors mentioned above, the proposed annual caps of amounts payable by the Group or the Eastern Logistics Entities are set out as below:

(Unit: RMB million)

	Proposed Annual Caps For the year ending 31 December		
	2026	**2027**	**2028**
Revenue			
Amount payable by the Eastern Logistics Entities to the Group for the Freight Logistics Business Support Services	1,170	1,183	1,252
Expense			
Amount payable by the Group to the Eastern Logistics Entities for the Cargo Terminal Business Support Services	871	906	942

Hong Kong Listing Rules implications

As the highest applicable percentage ratio set out in the Hong Kong Listing Rules in respect of the Freight Logistics Business Support Services under the Freight Logistics Services Agreement exceeds 0.1% but is less than 5% on an annual basis, such transactions are subject to the reporting, announcement and annual review requirements only and are exempt from Independent Shareholders' approval under the Hong Kong Listing Rules.

As the highest applicable percentage ratio set out in the Hong Kong Listing Rules in respect of the Cargo Terminal Business Support Services under the Freight Logistics Services Agreement exceeds 0.1% but is less than 5% on an annual basis, such transactions are subject to the reporting, announcement and annual review requirements only and are exempt from Independent Shareholders' approval under the Hong Kong Listing Rules.

However, pursuant to the relevant provisions of the Shanghai Listing Rules and the best practice of corporate governance, the transaction contemplated under the Freight Logistics Services Agreement is also subject to the Independent Shareholders' approval at the EGM.

8. Aviation Airborne Communication Agreement

KDlink Technology is a company principally engaged in technology development, technical consultation, technical service and technology transfer in the field of communication technology, network technology, information technology and computer software, and the sale of communication equipment, electronic products and value-added telecommunications business.

Please refer to the Company's announcement dated 26 September 2022 and the Company's circular dated 25 October 2022 for the background and history of the Existing Aviation Airborne Communication Agreement.

On 4 July 2025, the Company entered into the Aviation Airborne Communication Agreement relating to the renewal of the Existing Aviation Airborne Communication Agreement with KDlink Technology, pursuant to which the Company and KDlink Technology commit their unique or superior resources in their respective areas of operation to jointly develop, test, deploy, promote and maintain the aviation airborne communications business. Under the Aviation Airborne Communication Agreement, KDlink Technology provides project implementation, technical support and aftersales service for aviation airborne communication business to the Company, and the Company provides sales and partnership services related to in-flight internet products to KDlink Technology.

Term

The Aviation Airborne Communication Agreement will be effective for a term of three years commencing from 1 January 2026 to 31 December 2028.

Pricing

Pursuant to the Aviation Airborne Communication Agreement, the fees involved under the agreement shall be based on prevailing market rates available from independent third-party service providers under comparable conditions. Such fees shall be determined based on arm's length negotiations after considering factors such as quality of service and specific needs of the Company (including but not limited to the system stability, response time, comprehensiveness of technical support and issue resolution, and the Company's requirements for data protection and information security), and KDlink Technology shall ensure that its fee terms will be no less favourable than those prevailing in the market for the Company under equal business terms.

The Company will check the price and terms offered by independent third parties for the same type of services (in general, through emails, fax or telephone consultation with at least two independent third parties providing the relevant services).

During the cooperation period, under equivalent commercial conditions, KDlink Technology shall provide the Company with the most favorable treatment. Having considered the prevailing market rates for similar services and that the price and terms offered by KDlink Technology are commensurate with the value and complexity, the Board considered that the above pricing mechanism is fair and reasonable and on normal commercial terms.

Reasons for and benefits of the transactions

As the only domestic service provider currently capable of accessing the core networks of two major telecommunications operators, KDlink Technology leverages its proprietary technologies and system innovations to mitigate the risk of service interruptions caused by single-operator failures. By procuring KDlink Technology's products and related services at market prices, the Company can significantly enhance the reliability of its in-flight internet services.

Accordingly, the Directors (including the independent non-executive Directors) believe that the transactions contemplated under the Aviation Airborne Communication Agreement are conducted on normal commercial terms or on terms no less favourable to the Company than those from independent third parties, and are entered into in the ordinary and usual course of business of the Company, and are fair and reasonable and in the interests of the Company and its shareholders as a whole.

Historical amounts

For each of the two years ended 31 December 2023, 2024 and five months ended 31 May 2025, the historical figures for the amount of the service fees payable by the Company to KDlink Technology were approximately RMB61 million, RMB74 million and RMB25 million, respectively.

Proposed annual caps

The proposed annual caps for the transactions under the Aviation Airborne Communication Agreement for the three years ending 31 December 2028 are determined primarily based on the following factors:

(i) with the gradual maturity of satellite communication technology and the expansion of its coverage, market demand for in-flight internet services is expected to grow steadily;

(ii) the Company is advancing the development of connectivity services for narrow-body aircraft in an orderly manner, and the scale of the connected fleet is anticipated to further expand; and

(iii) with the continued growth in international flight volumes, passenger demand for inflight internet services is expected to increase accordingly.

Having considered the historical transaction amounts and taking into account the factors above, the proposed annual caps for the transactions under the Aviation Airborne Communication Agreement are set out as below:

(Unit: RMB million)

	Proposed Annual Caps For the year ending 31 December		
Transaction Item(s)	**2026**	**2027**	**2028**
The total amount of the service fees payable by the Company to KDlink Technology	138	170	197

Hong Kong Listing Rules implications

As the highest applicable percentage ratio set out in the Hong Kong Listing Rules in respect of the transactions under the Aviation Airborne Communication Agreement exceeds 0.1% but is less than 5% on an annual basis, such transactions are subject to the reporting, announcement and annual review requirements only and are exempt from Independent Shareholders' approval under the Hong Kong Listing Rules.

As the highest applicable percentage ratio set out in the Hong Kong Listing Rules for the sales and partnership services related to in-flight internet products provided by the Company to KDlink Technology under the Aviation Airborne Communication Agreement is less than 0.1%, such transactions are exempt from all reporting, announcement, annual review and Independent Shareholders' approval requirements pursuant to Rule 14A.76 of the Hong Kong Listing Rules. Should the actual transaction amount exceed the de minimis threshold in future, the Company will comply with the applicable connected transaction regulatory requirements under Chapter 14A of the Hong Kong Listing Rules.

However, pursuant to the relevant provisions of the Shanghai Listing Rules and the best practice of the corporate governance, such transactions will be subject to the Independent Shareholder's approval at the EGM.

9. Commercial Factoring Services Agreement

Eastern Air Factoring is a company principally engaged in factoring financing, sales sub-account (or categorized account) management, accounts receivable collection, non-commercial bad debt guarantees, and consulting services related to commercial factoring.

On 4 July 2025, the Company entered into the Commercial Factoring Services Agreement with Eastern Air Factoring, pursuant to which Eastern Air Factoring provides commercial factoring services to the Company, including financing and accounts receivable management (the "**Commercial Factoring Services**"). The Company and Eastern Air Factoring also provides to each other advisory services related to commercial factoring (the "**Commercial Factoring Advisory Services**"). The Commercial Factoring Advisory Services provided by the Company to Eastern Air Factoring is based on the Company's diverse business operations, which will support Eastern Air Factoring in the development and implementation of factoring business models, promotion of factoring activities, client referrals, confirmation of receivables and coordination of payment collection processes, while the Commercial Factoring Services provided by Eastern Air Factoring to the Company is based on Eastern Air Factoring's professional expertise and experience in the commercial factoring sector, which relate to accounts receivable management and supply chain finance, assisting the Company in optimizing financial management, enhancing sales performance and improving capital utilization efficiency.

Services

Pursuant to the Commercial Factoring Services Agreement:

(a) Subject to the compliance of applicable laws and regulations and based on Eastern Air Factoring's licenses and the Company's needs, Eastern Air Factoring will provide to the Group the following Commercial Factoring Services:

(i) after conducting the necessary due diligence, Eastern Air Factoring shall acquire the accounts receivable arising from genuine transactions of the Company, and provide financing to the Company at a certain percentage. The specific terms, such as the financing period, interest rate, repayment method, and obligations regarding notification of the assignment of receivables, shall be separately agreed upon by both parties based on the specific commercial factoring scenario and structure; and

(ii) with the Company's authorization, Eastern Air Factoring shall manage the assigned accounts receivable, including but not limited to bookkeeping, collection of receivables, and communication and coordination with debtors. Eastern Air Factoring shall also, as required by the Company, regularly provide reports on the status of accounts receivable management to assist the Company in monitoring the recovery of receivables in a timely manner; and

(b) Subject to the compliance of applicable laws and regulations and within the scope of their respective business licenses, Eastern Air Factoring and the Company will provide to each other the following Commercial Factoring Advisory Services (as the case may be):

(i) Eastern Air Factoring shall leverage its professional expertise and experience in the field of commercial factoring to provide the Company with advisory services related to accounts receivable management, supply chain finance, and other relevant areas, with an aim to assist the Company in optimizing financial management, promoting product sales, and improving the efficiency of fund utilization; and

(ii) the Company shall utilize its extensive experience across various business scenarios and, based on its diverse business platforms, provide Eastern Air Factoring with advisory services in areas such as developing factoring business models, promoting the implementation of factoring services, referring potential factoring clients, facilitating the confirmation of receivables, and supporting the collection of factoring payments.

Term

The Commercial Factoring Services Agreement will be effective for a term of three years commencing from 1 January 2026 to 31 December 2028.

Pricing

Eastern Air Factoring assumes dual roles as both the issuer of UATP cards and the provider of advance payment services. Through the issuance of UATP cards and the provision of related financial services to corporate travel clients, Eastern Air Factoring addresses the clients' needs for centralized travel management and unified payment solutions. This arrangement is expected to encourage corporate clients to prioritize the flights of the Company, thereby effectively supporting the growth of ticket sales for the Company.

In respect of the Commercial Factoring Services, the handling fees payable to Eastern Air Factoring for UATP-related services are paid in accordance with the standardized fee rates set by the UATP card organization, and the service fees payable to Eastern Air Factoring for its services provided shall be based on prevailing market rates available from independent third-party service providers under comparable conditions. Such service fees shall be determined based on arm's length negotiations after considering factors such as quality of service and specific needs of the Company (including but not limited to the service reliability and responsiveness, the technological integration and system compatibility, the extent to which the services streamline the Company's receivables management and improve cash flow predictability, and the adherence to the Company's regulatory requirements and internal risk control standards), and shall be no less favourable than those offered by Eastern Air Factoring to independent third parties.

In respect of the Commercial Factoring Advisory Services, the advisory fees payable by the Company and Eastern Air Factoring to each other shall be determined based on arm's length negotiations after considering factors such as the scope and complexity of the services provided, the level of expertise and resources required, prevailing market rates for similar services and the estimated time and effort involved, and shall be no less favourable than those available from independent third parties.

The Company will check the price and terms offered by independent third parties for the same type of relevant services (in general, through emails, fax or telephone consultation with at least two independent third parties providing the relevant services). Having considered the factors above, the Board considered that the above pricing mechanism is fair and reasonable and on normal commercial terms.

Reasons for and benefits of the transactions

Eastern Air Factoring is the first institution in China to assume the dual roles of both issuing institution and financial service provider. The Company believes that entering into the Commercial Factoring Services Agreement with Eastern Air Factoring is conducive to leveraging its professional expertise, accelerating the recovery of accounts receivable for the Group, optimizing cash flow and financial management, enhancing sales performance and improving the efficiency and effectiveness of capital utilization. In addition, the UATP card issuance services provided by Eastern Air Factoring address the Company's needs in corporate travel management and centralized payment solutions, thereby improving service quality for corporate travel clients and further promoting the Company's air ticket sales.

Accordingly, the Directors (including the independent non-executive Directors) believe that the transactions contemplated under the Commercial Factoring Services Agreement are conducted on normal commercial terms or on terms no less favourable to the Company than those available from independent third parties, and are entered into in the ordinary and usual course of business of the Company, and are fair and reasonable and in the interests of the Company and its shareholders as a whole.

Historical amounts

There is no historical amount in respect of the Commercial Factoring Services or Commercial Factoring Advisory Services.

Proposed annual caps

The proposed annual caps for the transactions under the Commercial Factoring Services Agreement for the three years ending 31 December 2028 are determined primarily based on the factor that Eastern Air Factoring is qualified to conduct UATP card issuance and accounts receivable factoring financing services. In order to attract corporate clients, optimize cash flow, and further expand its international business, the Company expects to engage in transactions with Eastern Air Factoring involving commercial factoring related to UATP, factoring financing of accounts receivable unrelated to UATP, accounts receivable management and related advisory services.

Based on the business development plan of Eastern Air Factoring, it is expected to reach RMB2.7 billion, RMB5.2 billion and RMB7.5 billion for 2026, 2027 and 2028 in respect of the annual volume of UATP card issuance. Among which, the proportion of air ticket purchases attributable to the Company is expected to be approximately 25%, 26% and 27%, representing approximately RMB680 million, RMB1.35 billion and RMB2.03 billion, respectively. The handling fees for UATP-related transactions will be charged at the industry-standard rate of 1.4%, while the services fee for accounts receivable unrelated to UATP transactions will be provided by Eastern Air Factoring based on arm's length negotiations.

Taking into account the factors above, the Board considered that the the proposed annual caps for the transactions under the Commercial Factoring Services Agreement are fair and reasonable and on normal commercial terms, which are set out as below:

(Unit: RMB million)

	Proposed Annual Caps For the year ending 31 December		
Transaction Item(s)	**2026**	**2027**	**2028**
The maximum daily outstanding balance (including factoring handling and advisory service fees) contemplated under the Commercial Factoring Services Agreement	510	1,020	1,530

The advisory service fees receivable by the Company from Eastern Air Factoring for the Commercial Factoring Advisory Services is expected not to be higher than RMB15 million and fall within the scope of de minimis transaction.

Hong Kong Listing Rules implications

As the highest applicable percentage ratio set out in the Hong Kong Listing Rules in respect of the Commercial Factoring Services and the Commercial Factoring Advisory Services under provided by Eastern Air Factoring to the Company under the Commercial Factoring Services Agreement exceeds 0.1% but is less than 5% on an annual basis, such transactions are subject to the reporting, announcement and annual review requirements only and are exempt from Independent Shareholders' approval under the Hong Kong Listing Rules.

As the highest applicable percentage ratio set out in the Hong Kong Listing Rules for the Commercial Factoring Advisory Services provided by the Company to Eastern Air Factoring under the Commercial Factoring Services Agreement is less than 0.1%, such transactions are exempt from all reporting, announcement, annual review and Independent Shareholders' approval requirements pursuant to Rule 14A.76 of the Hong Kong Listing Rules. Should the actual transaction amount exceed the de minimis threshold in future, the Company will comply with the applicable connected transaction regulatory requirements under Chapter 14A of the Hong Kong Listing Rules.

C. Implications under the Hong Kong Listing Rules

1. Implications under the Hong Kong Listing Rules

Since CEA Holding is the controlling shareholder of the Company, each member of the CEA Holding Entities is therefore a connected person of the Company.

Please refer to each of the sections headed "Hong Kong Listing Rules Implications" under the description of each 2026-2028 Continuing Connected Transaction above for an analysis of the implications under the Hong Kong Listing Rules for each 2026-2028 Continuing Connected Transaction.

Pursuant to the relevant provisions of the Hong Kong Listing Rules, the Renewed Non-exempt Continuing Connected Transactions which are subject to the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules comprise (i) the transactions as well as the proposed annual caps for the three years ending 31 December 2028 relating to the provision of deposit services under the Financial Services Agreement, the transactions of expenditure items in respect of the catering related services and aircraft on-board supplies support related services under the Catering and Aircraft On-board Supplies Support Agreement, and the transactions of expenditure items under the Aircraft and Engines Lease and Related Services Agreement; and (ii) the proposed annual caps for the transactions contemplated under the Exclusive Operation Agreement for the three years ending 31 December 2028. In particular, the transactions as well as the proposed annual caps for the three years ending 31 December 2028 relating to the provision of deposit services under the Financial Services Agreement, the transactions of expenditure items in respect of the catering related services and aircraft on-board supplies support related services under the Catering and Aircraft On-board Supplies Support Agreement and the proposed annual caps for the transactions contemplated under the Exclusive Operation Agreement for the three years ending 31 December 2028 are also subject to the requirements applicable to discloseable transactions under Chapter 14 of the Hong Kong Listing Rules, and the transactions of expenditure items under the Aircraft and Engines Lease and Related Services Agreement are also subject to the requirements applicable to a major transaction under Chapter 14 of the Hong Kong Listing Rules.

Pursuant to the relevant provisions of the Shanghai Listing Rules and the best practice of corporate governance, the Company proposes to put forward for the Independent Shareholders' approval at the EGM the transactions relating to (i) the revision of the Existing Aircraft and Engines Lease Agreement; (ii) Financial Services Agreement; (iii) Aircraft and Engines Lease and Related Services Agreement; (iv) Catering and Aircraft On-board Supplies Support Agreement; (v) Exclusive Operation Agreement; (vi) Aviation Complementary Services Agreement; (vii) Property Leasing and Construction and Management Agency Agreement; (viii) Freight Logistics Services Agreement; (ix) Aviation Airborne Communication Agreement; and (x) Commercial Factoring Services Agreement.

Certain Directors, namely Mr. Wang Zhiqing, Mr. Liu Tiexiang, Mr. Cheng Guowei and Mr. Jie Xiaoqing, are members of board of directors of CEA Holding, which may be regarded as having a material interest in the revision of the Existing Aircraft and Engines Lease Agreement and the 2026-2028 Continuing Connected Transactions and therefore they have abstained from voting at the meeting of the Board convened for the purpose of approving the revision of the Existing Aircraft and Engines Lease Agreement and the 2026-2028 Continuing Connected Transactions. Save as disclosed above, none of the Directors has a material interest in the revision of the Existing Aircraft and Engines Lease Agreement or the 2026-2028 Continuing Connected Transactions.

2. Internal Control Procedures

To ensure the Company's conformity with the terms of the continuing connected transactions agreements under the Hong Kong Listing Rules, the Company shall adopt a series of internal control policies during its daily operations. Such internal control policies shall be conducted and supervised by the finance department of the Company and the independent non-executive Directors:

(1) The finance department of the Company monitors daily connected transactions of the Company and reports to independent non-executive Directors on a quarterly basis. The finance department of the Company shall supervise the implementation agreements to ensure they are entered into: (i) in accordance with the review and evaluation procedure set out in this circular and the terms of the continuing connected transactions agreements under the Hong Kong Listing Rules; (ii) in the ordinary and usual course of business of the Group; (iii) on normal commercial terms or better; (iv) no less favourable than terms offered by independent third parties to the Company; and (v) according to the continuing connected transactions agreements under the Hong Kong Listing Rules on terms that are fair and reasonable and in the interests of the Company and Shareholders as a whole.

(2) The independent non-executive Directors shall review and will continue to review the implementation agreements to ensure that they have been entered into on normal commercial terms or better, and according to the continuing connected transactions agreements under the Hong Kong Listing Rules on terms that are fair and reasonable and in the interests of the Company and the Shareholders as a whole, and provide confirmation in the Company's annual report.

In addition, for the purpose of Rule 14A.56 of the Hong Kong Listing Rules, the Company's external auditors, will be engaged to issue a letter to report on the Group's continuing connected transactions under the Hong Kong Listing Rules in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants.

The Directors are of the view that the above procedures can ensure that the transactions contemplated under the continuing connected transactions agreements under the Hong Kong Listing Rules will be conducted on normal commercial terms or better, and will not be prejudicial to the interests of the Company and the Shareholders.

3. The View of the Independent Financial Adviser

The lease period of the transactions under each of the following agreements exceeds three years:

(i) the Aircraft Finance Lease Agreements and the operating lease agreements under the Aircraft and Engines Lease and Related Services Agreement;

(ii) the property leasing under the Catering and Aircraft On-board Supplies Support Agreement;

(iii) special vehicles and equipment leasing under the Aviation Complementary Services Agreement; and

(iv) the property leasing under the Property Leasing and Construction and Management Agency Agreement.

Pursuant to the requirement under Rule 14A.52 of the Hong Kong Listing Rules, the Company has engaged Opus Capital as the Independent Financial Adviser to provide independent advice in respect of the provisions relating to the aforesaid agreements to explain why a period exceeding three years for such agreements is required and to confirm that it is normal business practice for agreements of this type to be of a duration longer than three years.

Pursuant to Rule 14A.52 of the Hong Kong Listing Rules, Opus Capital has formulated its opinion based on its research, analysis and its discussion with management of the Company as follows:

Aircraft and Engines Lease and Related Services Agreement

(i) similar to other airline operators, the Group has to maintain a streamlined and efficient modernised fleet by introducing new aircrafts in order to satisfy its business and operation needs from time to time as well as to ensure delivery of quality services to its customers;

(ii) Opus Capital has obtained and reviewed a list of existing aircraft and aircraft engines finance lease agreements entered into between the Company and independent third parties and noted the contracts signed all have a tenure of more than three (3) years;

(iii) Opus Capital has, on a best effort basis, conducted research on aircraft and aircraft engines lease transactions entered into by other airline operators listed on the Hong Kong Stock Exchange during the past seven (7) years (the "**Aircraft Lease Comparables**") and identified three (3) listed companies with a total of four (4) Aircraft Lease Comparables. It is noted that all Aircraft Lease Comparables have tenures of 10 years or more;

(iv) the tenure of the aircraft lease agreements to be entered into by the Group with CES Leasing of more than three (3) years is in line with the Company's accounting policy and also falls within the range of: (a) similar agreements entered into by the Group with independent third parties; and (b) similar agreements of other listed airline operators companies on the Hong Kong Stock Exchange. Accordingly, the tenure of the aircraft lease agreements of more than three years is in line with the market practice; and

(v) the tenure of more than three (3) years of the Aircraft Finance Lease Agreements and the operating lease agreements to be entered into pursuant to the Aircraft and Engines Lease and Related Services Agreement is a normal commercial term for a transaction of this nature and it is normal business practice for an agreement of this type to be of such duration.

Catering and Aircraft On-board Supplies Support Agreement

(i) in view of the fact that the Company is expected to incur substantial capital expenditure to construct the building and premises, which are purpose-built for their onsite operation, it would not be unreasonable for the Company, as the lessee, to request for a longer lease term to ensure its arrangement of offsetting rent with construction costs provides an uninterrupted continuity for it to use the buildings for its operations;

(ii) as the Eastern Air Catering Entities are expected to incur substantial capital expenditure to construct the building and premises, which are purpose-built for their on-site operation, it would not be unreasonable for the Eastern Air Catering Entities, as the lessee, to request for a longer lease term to ensure its arrangement of offsetting rent with construction costs provides an uninterrupted continuity for them to use the buildings for their operations. From the perspective of the Company as the lessor, the longer lease tenure will ensure its return on investment since it would be difficult for the Company to lease such purpose-built buildings to other external parties which may not meet their requirements;

(iii) the long tenure of the lease agreements with Eastern Air Catering Company under the Catering and Aircraft On-board Supplies Support Agreement aligns with the Group's long-term strategies and signifies the long-standing cooperation commitment between the Company and the Eastern Air Catering Entities;

(iv) similar to other airline operators, the Group has to maintain smooth and stable operation by entering into property leases with longer terms in order to meet its daily airline operation needs as well as to ensure delivery of quality services to its customers;

(v) in considering whether it is a normal business practice for the property lease agreements to have duration longer than three years, Opus Capital has conducted research, on a best effort basis, on property lease transactions since January 2025 (with lease tenure of over three (3) years) undertaken by companies listed on the Hong Kong Stock Exchange (the "**Property Lease Comparables**"), and identified 14 listed companies with a total of 21 Property Lease Comparables. In the course of its review, it is noted that the terms of the Property Lease Comparables have in general a duration of longer than 10 years; and

(vi) the 30-year tenure of the property lease agreements is a normal commercial term of a transaction of this nature and it is normal business practice for an agreement of this type to be of such duration.

Aviation Complementary Services Agreement

(i) in view of the fact that the vehicles and/or equipment, which are tailor-made according to the Group's specific requirements for their on-site operation, would not be suitable for use by any other parties other than the Group, it would not be unreasonable for the Eastern Air Assets Entities (as lessors) to request for a longer lease term to ensure their return on investment and the Company (as lessee) to enjoy an uninterrupted continuity in using the special vehicles and equipment for its operation;

(ii) given the expensive purchase costs and high maintenance costs, leasing of special vehicles and/or equipment offers a good alternative to reduce the Group's initial cash outlay and preserve its internal resources for other business purposes, instead of outright purchase;

(iii) given the tenure of the special vehicles and equipment lease(s) to be entered into between the Group and Eastern Air Assets which is expected to be five years, Opus Capital has, on a best effort basis, conducted research on aviation-related equipment lease transactions entered into by other airline operators listed on the Hong Kong Stock Exchange, and noted that the five-year tenure of the special vehicles and equipment lease agreements is in line with the lease tenures relating to aviation-related equipment entered into by Cathay Pacific Airways Limited (stock code: 293) and China Southern Airlines Company Limited (stock code: 1055.HK) which were 20 years and 5 years, respectively;

(iv) Opus Capital, on a best effort basis, also conducted research on vehicles and/or equipment lease transactions since January 2025 (with lease tenure of over three (3) years) of companies listed on the Hong Kong Stock Exchange (the "**Vehicles and Equipment Lease Comparables**") and identified 11 listed companies with a total of 44 Vehicles and Equipment Lease Comparables. The 5-year tenure of the special vehicles and equipment lease agreements is in line with the majority of the Vehicles and Equipment Lease Comparables which have tenures of five (5) years or more. Therefore, the tenure of the special vehicles and equipment lease which is more than three years is not uncommon in the market; and

(v) the five-year tenure of the special vehicles and equipment lease agreements to be entered into pursuant to the Aviation Complementary Services Agreements is a normal commercial term for a transaction of this nature and it is normal business practice for an agreement of this type to be of such duration.

Property Leasing and Construction and Management Agency Agreement

(i) similar to other airline operators, the Group has to maintain smooth and stable operation by entering into property leases with longer tenures in order to meet its daily airline operation needs as well as to ensure delivery of quality services to its customers;

(ii) given the tenure of certain property leases to be entered into between the Group and Eastern Air Assets is expected to be six years which falls within the range of the Property Lease Comparables, the tenure of the property leases of more than three years is in line with the market practice; and

(iii) the six-year tenure of the property lease agreements to be implemented pursuant to the Property Leasing and Construction and Management Agency Agreements is a normal commercial term for a transaction of this nature and it is normal business practice for an agreement of this type to be of such duration.

Having considered the factors set out above, Opus Capital is of the view that the lease tenure of (i) the Aircraft Finance Lease Agreements and the operating lease agreements under the Aircraft and Engines Lease and Related Services Agreement; (ii) the property leasing under the Catering and Aircraft On-board Supplies Support Agreement; (iii) special vehicles and equipment leasing under the Aviation Complementary Services Agreement; and (iv) property leasing under the Property Leasing and Construction and Management Agency Agreement, which is longer than three years, are required and it is normal business practice for agreements of this type to be of such duration.

II. PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Reference is made to the announcement of the Company dated 1 July 2025 in relation to, amongst others, the proposed amendments to the Articles of Association. On 1 July 2025, the Board considered and approved the resolutions to propose to the Shareholders amendment to certain provisions of the Articles of Association.

The full texts of the proposed amendments to the Articles of Association are set out in the Appendix I to this circular. The proposed amendments to certain provisions of the Articles of Association are still subject to consideration at the EGM.

III. PROPOSED AMENDMENTS TO THE RULES FOR PROCEDURES FOR GENERAL MEETINGS

Reference is made to the announcement of the Company dated 1 July 2025 in relation to, amongst others, the proposed amendments to the Rules for Procedures for General Meetings. On 1 July 2025, the Board considered and approved the resolutions to propose to the Shareholders amendment to certain provisions of the Rules for Procedures for General Meetings.

The full texts of the proposed amendments to the Rules for Procedures for General Meetings are set out the Appendix II to this circular. The proposed amendments to certain provisions of the Rules for Procedures for General Meetings are still subject to consideration at the EGM.

IV. PROPOSED AMENDMENTS TO THE RULES FOR MEETINGS OF THE BOARD

Reference is made to the announcement of the Company dated 1 July 2025 in relation to, amongst others, the proposed amendments to the Rules for Meetings of the Board. On 1 July 2025, the Board considered and approved the resolutions to propose to the Shareholders amendment to certain provisions of the Rules for Meetings of the Board.

The full texts of the proposed amendments to the Rules for Meetings of the Board are set out the Appendix III to this circular. The proposed amendments to certain provisions of the Rules for Meetings of the Board are still subject to consideration at the EGM.

V. GENERAL INFORMATION AND EGM

The Company is principally engaged in the business of civil aviation.

As mentioned above, because CEA Holding is the controlling shareholder of the Company, each member of the CEA Holding Entities is therefore a connected person of the Company under the Hong Kong Listing Rules.

A general meeting will be convened to consider, and if thought fit, approve:

(i) pursuant to the Hong Kong Listing Rules, the Renewed Non-exempt Continuing Connected Transactions which are subject to the Independent Shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules comprise: (i) the transactions as well as the proposed annual caps for the three years ending 31 December 2028 relating to the provision of deposit services under the Financial Services Agreement, the transactions of expenditure items in respect of the catering related services and aircraft on-board supplies support related services under the Catering and Aircraft On-board Supplies Support Agreement, and the transactions of expenditure items under the Aircraft and Engines Lease and Related Services Agreement; and (ii) the proposed annual caps for the transactions contemplated under the Exclusive Operation Agreement for the three years ending 31 December 2028;

(ii) pursuant to the relevant provisions of the Shanghai Listing Rules and the best practice of corporate governance, the Company proposes to put forward for the Independent Shareholders' approval at the EGM the transactions relating to (i) the revision of the Existing Aircraft and Engines Lease Agreement; (ii) Financial Services Agreement; (iii) Aircraft and Engines Lease and Related Services Agreement; (iv) Catering and Aircraft On-board Supplies Support Agreement; (v) Exclusive Operation Agreement; (vi) Aviation Complementary Services Agreement; (vii) Property Leasing and Construction and Management Agency Agreement; (viii) Freight Logistics Services Agreement; (ix) Aviation Airborne Communication Agreement; and (x) Commercial Factoring Services Agreement;

(iii) certain amendments to the Articles of Association;

(iv) certain amendments to the Rules for Procedures for General Meetings; and

(v) certain amendments to the Rules for Meetings of the Board.

The Independent Board Committee has been established to advise the Independent Shareholders in respect of the Renewed Non-exempt Continuing Connected Transactions.

Opus Capital, a corporation licensed to carry on Type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser appointed by the Company to: (i) advise the Board in respect of the period for (a) the special vehicles and equipment leasing under the Aviation Complementary Services Agreement, (b) the property lease agreements with Eastern Air Assets under the Property Leasing and Construction and Management Agency Agreement, (c) the property lease agreements with Eastern Air Catering Company under the Catering and Aircraft On-board Supplies Support Agreement and (d) the Aircraft Finance Lease Agreements and the operating lease agreements under the Aircraft and

Engines Lease and Related Services Agreement pursuant to the requirements under Rule 14A.52 of the Hong Kong Listing Rules; and (ii) advise the Independent Board Committee and the Independent Shareholders in respect of the Renewed Non-exempt Continuing Connected Transactions.

The resolutions will be taken on a poll as required under Rule 14A.36 of the Hong Kong Listing Rules. A notice convening the EGM will be dispatched by the Company in due course. The Company will announce details of the EGM, including the date and venue as and when available in compliance with the Articles of Association and the Hong Kong Listing Rules. The relevant resolutions to be proposed at the EGM will be set out in the notice of general meeting in due course.

VI. VOTING

As at the Latest Practicable Date, CEA Holding directly and indirectly held 9,316,280,346 A Shares and 2,778,396,000 H Shares of the Company, representing in aggregate approximately 54.25% of the issued share capital of the Company and therefore CEA Holding and its associate(s), if any, are connected persons of the Company. Accordingly, CEA Holding and its associate(s) (i.e., CES Finance and CES Global) will at the EGM abstain from voting on the ordinary resolutions approving the continuing connected transactions, which will be taken on a poll as required under the Hong Kong Listing Rules. To the extent that the Company is aware having made all reasonable enquiries, as at the Latest Practicable Date:

(i) there was no voting trust or other agreement, arrangement or understanding (other than an outright sale) entered into by or binding upon CEA Holding, CES Finance or CES Global;

(ii) none of CEA Holding, CES Finance or CES Global was subject to any obligation or entitlement whereby they had or might have temporarily or permanently passed control over the exercise of the voting rights in respect of their respective shares in the Company to a third party, whether generally or on a case-by-case basis; and

(iii) it was not expected that there would be any discrepancy between each of CEA Holding's, CES Finance's and CES Global's beneficial shareholding interest in the Company as disclosed in this circular and the number of shares in the Company in respect of which each of them would control or would be entitled to exercise control over the voting right at the EGM.

VII. RECOMMENDATION

Your attention is drawn to the letter from the Independent Board Committee set out on pages 97 to 98 of this circular which contains its recommendation to the Independent Shareholders, and the letter of advice from the Independent Financial Adviser set out on pages 99 to 156 of this circular containing its advice to the Independent Board Committee and the Independent Shareholders. The Independent Shareholders are advised to read the aforesaid letters before deciding as to how to vote on the ordinary resolutions approving the Renewed Non-exempt Continuing Connected Transactions, which comprise: (i) the transactions as well as the proposed annual caps for the three years ending 31 December 2028 relating to the provision of deposit services under the Financial Services Agreement, the transactions of expenditure items in respect of the catering related services and aircraft on-board supplies support related services under the Catering and Aircraft On-board Supplies Support Agreement, and the transactions of expenditure items under the Aircraft and Engines Lease and Related Services Agreement; and (ii) the proposed annual caps for the transactions contemplated under the Exclusive Operation Agreement for the three years ending 31 December 2028.

Having taken into account the factors as disclosed in the sections headed "Reasons for and benefits of the transactions" above, the Directors (including the independent non-executive Directors) consider that (i) the provision of deposit services under the Financial Services Agreement, the transactions of expenditure items in respect of the catering related services and aircraft on-board supplies support related services under the Catering and Aircraft On-board Supplies Support Agreement, and the transactions of expenditure items under the Aircraft and Engines Lease and Related Services Agreement and the transactions contemplated thereunder are conducted on normal commercial terms or on terms no less favourable to the Company than those available from independent third parties, are entered into in the ordinary and usual course of business of the Company, and are fair and reasonable and in the interests of the Company and its Shareholders as a whole; and (ii) the relevant proposed annual caps for the three years ending 31 December 2028 in respect of the provision of deposit services under the Financial Services Agreement, the transactions of expenditure items in respect of the catering related services and aircraft on-board supplies support related services under the Catering and Aircraft On-board Supplies Support Agreement, and the transactions of expenditure items under the Aircraft and Engines Lease and Related Services Agreement are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

Accordingly, the Board recommends the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the EGM to approve the Renewed Non-exempt Continuing Connected Transactions under the Hong Kong Listing Rules and the other continuing connected transactions as required under the Shanghai Listing Rules.

In addition, based on the relevant information disclosed herein, the Directors consider that (i) the proposed amendments to the Articles of Association; (ii) the proposed amendments to the Rules for Procedures for General Meetings; and (iii) the proposed amendments to the Rules for Meetings of the Board 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 aforesaid resolutions to be proposed at the EGM.

VIII. 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
Li Ganbin
Joint Company Secretary

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)

31 July 2025

To the Independent Shareholders of the Company

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS; DISCLOSEABLE TRANSACTIONS AND MAJOR TRANSACTION

We refer to the circular dated 31 July 2025 (the "**Circular**") to the Shareholders of which this letter forms part. Unless otherwise specified, terms defined in the Circular shall have the same meaning in this letter.

We have been appointed as members of the Independent Board Committee to advise the Independent Shareholders on the Renewed Non-exempt Continuing Connected Transactions, which include: (i) the transactions as well as the proposed annual caps for the three years ending 31 December 2028 relating to the provision of deposit services under the Financial Services Agreement, the transactions of expenditure items in respect of the catering related services and aircraft on-board supplies support related services under the Catering and Aircraft On-board Supplies Support Agreement, and the transactions of expenditure items under the Aircraft and Engines Lease and Related Services Agreement; and (ii) the proposed annual caps for the transactions contemplated under the Exclusive Operation Agreement for the three years ending 31 December 2028. Opus Capital has been appointed as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in this regard.

Your attention is drawn to:

(a) the letter from the Board set out on pages 15 to 96 of this Circular which contains information about the Renewed Non-exempt Continuing Connected Transactions;

(b) the letter from the Independent Financial Adviser set out on pages 99 to 156 of this Circular which contains its advice to the Independent Board Committee and the Independent Shareholders; and

(c) additional information set out in the appendixes to this Circular.

Having considered the terms of the provision of deposit services under the Financial Services Agreement, the transactions of expenditure items in respect of the catering related services and aircraft on-board supplies support related services under the Catering and Aircraft On-board Supplies Support Agreement, and the transactions of expenditure items under the Aircraft and Engines Lease and Related Services Agreement, the Exclusive Operation Agreement and the transactions contemplated thereunder as well as the proposed annual caps for the years ending 31 December 2028 and the advice and recommendations of the Independent Financial Adviser and taken into account the principal factors and reasons considered by the Independent Financial Adviser, we consider that (i) the provision of deposit services under the Financial Services Agreement, the transactions of expenditure items in respect of the catering related services and aircraft on-board supplies support related services under the Catering and Aircraft On-board Supplies Support Agreement, and the transactions of expenditure items under the Aircraft and Engines Lease and Related Services Agreement and the transactions contemplated thereunder are conducted on normal commercial terms or on terms no less favourable to the Company than those available from independent third parties, are entered into in the ordinary and usual course of business of the Company, and are fair and reasonable and in the interests of the Company and its Shareholders as a whole; and (ii) the relevant proposed annual caps for the three years ending 31 December 2028 in respect of the provision of deposit services under the Financial Services Agreement, the transactions of expenditure items in respect of the catering related services and aircraft on-board supplies support related services under the Catering and Aircraft On-board Supplies Support Agreement, and the transactions of expenditure items under the Aircraft and Engines Lease and Related Services Agreement and the Exclusive Operation Agreement are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolutions be proposed at the EGM to approve the Renewed Non-exempt Continuing Connected Transactions.

Yours faithfully,
Sun Zheng
Lu Xiongwen
Luo Qun
Fung Wing Yee Sabrina
Zheng Hongfeng
Independent Board Committee

Set out below is the text of a letter received from Opus Capital, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Renewed Non-exempt Continuing Connected Transactions for the purpose of inclusion in this circular.

Opus Capital Limited 創富融資有限公司

18th Floor, EC Healthcare Tower (Central)
19-20 Connaught Road Central
Central, Hong Kong

31 July 2025

To: The Independent Board Committee and the Independent Shareholders of China Eastern Airlines Corporation Limited

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS; DISCLOSEABLE TRANSACTIONS; AND MAJOR TRANSACTION

INTRODUCTION

We refer to our appointment by the Company as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in connection with:

(i) the transactions and the proposed annual caps for the three years ending 31 December 2028 relating to:

  (1) the provision of deposit services under the Financial Services Agreement;

  (2) the transactions of expenditure items in respect of the catering related services and aircraft on-board supplies support related services under the Catering and Aircraft On-board Supplies Support Agreement; and

  (3) the transactions of expenditure items in respect of the Aircraft and Engines Lease and Related Services Agreement; and

(ii) the proposed annual caps for the transactions contemplated under the Exclusive Operation Agreement for the three years ending 31 December 2028.

The details of the above are set out in the letter from the Board (the "**Letter from the Board**") contained in the circular of the Company dated 31 July 2025 (the "**Circular**"), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Circular unless the context requires otherwise.

As stated in the Letter from the Board, CEA Holding is the controlling shareholder of the Company and each member of the CEA Holding Entities (the "**Connected Persons**"), being an associate of CEA Holding, is therefore a connected person of the Company under the Hong Kong Listing Rules. Transactions entered into between each of them on one part and members of the Group on the other under (i) the Financial Services Agreement; (ii) the Catering and Aircraft On-board Supplies Support Agreement; (iii) the Aircraft and Engines Lease and Related Services Agreement; and (iv) the Exclusive Operation Agreement constitute continuing connected transactions of the Company under the Hong Kong Listing Rules, which are subject to reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

As the applicable percentage ratio(s) with respect to the proposed annual cap for each of (i) the provision of deposit services under the Financial Services Agreement exceeds 5% but is less than 25%; (ii) the transactions of expenditure items in respect of the catering related services and aircraft on-board supplies support related services under the Catering and Aircraft On-board Supplies Support Agreement exceeds 5% but is less than 25%; (iii) the transactions of expenditure items in respect of total rental fee payable by the Company and total value of right-of-use assets in relation to the finance and operating leases entered into by the Company as lessee under the Aircraft and Engines Lease and Related Services Agreement exceeds 25% but is less than 100%; and (iv) the exclusive operation transportation services fees payable under the Exclusive Operation Agreement exceeds 5% but is less than 25%, the transactions under these agreements are subject to reporting, announcement and Independent Shareholders' approval requirements under Chapter 14 of the Hong Kong Listing Rules.

The proposed annual caps for the three years ending 31 December 2028 for each of (i) the provision of deposit services under the Financial Services Agreement; (ii) the transactions of expenditure items in respect of the catering related services and aircraft on-board supplies support related services under the Catering and Aircraft On-board Supplies Support Agreement; and (iii) the transactions contemplated under the Exclusive Operation Agreement for the three years ending 31 December 2028 are also subject to the requirements applicable to discloseable transactions under Chapter 14 of the Hong Kong Listing Rules. The transactions of expenditure items under the Aircraft and Engines Lease and Related Services Agreement also constitute major transaction of the Company under Chapter 14 of the Hong Kong Listing Rules.

Certain Directors, namely Mr. Wang Zhiqing, Mr. Liu Tiexiang, Mr. Cheng Guowei and Mr. Jie Xiaoqing, are members of board of directors of CEA Holding, which may be regarded as having a material interest in the Renewed Non-exempt Continuing Connected Transactions and therefore they have abstained from voting at the meeting of the Board convened for the purpose of approving the Renewed Non-exempt Continuing Connected Transactions. Save as disclosed above, none of the Directors has a material interest in the Renewed Non-exempt Continuing Connected Transactions.

CEA Holding and its associate(s) (i.e. CES Finance and CES Global) will abstain from voting on the ordinary resolutions in relation to the Renewed Non-exempt Continuing Connected Transactions and the respective proposed annual caps at the EGM.

THE INDEPENDENT BOARD COMMITTEE

The Independent Board Committee, comprising all of the independent non-executive Directors, namely Mr. Sun Zheng, Mr. Lu Xiongwen, Mr. Luo Qun, Ms. Fung Wing Yee Sabrina, and Mr. Zheng Hongfeng, has been established by the Company for the purpose of advising the Independent Shareholders in respect of the Renewed Non-exempt Continuing Connected Transactions on: (i) whether the entering into of the agreements relating to the Renewed Non-exempt Continuing Connected Transactions is on normal commercial terms, in the interests of the Company and its Shareholders as a whole and was entered into in the ordinary and usual course of business of the Company; (ii) whether the terms of the Renewed Non-exempt Continuing Connected Transactions (including the relevant proposed annual caps) are fair and reasonable and in the interests of the Company and its Shareholders as a whole; and (iii) how they should vote on the relevant resolutions at the EGM. Our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect has been approved by the Independent Board Committee.

OUR INDEPENDENCE

As at the Latest Practicable Date, we did not have any relationship with, or interest in, the Group, CEA Holding, Eastern Air Finance Company, Eastern Air Catering Company, CES Leasing, China Cargo Airlines or other parties that could reasonably be regarded as relevant to our independence. During the past two years immediately prior to this appointment, we have not (i) acted in the capacity as financial adviser or independent financial adviser to the Company; (ii) provided any services to the Group; or (iii) had any relationship with the Group. Apart from normal independent financial advisory fees paid or payable to us in connection with this appointment, no arrangements existed whereby we had received or will receive any fees or benefits from the Group, CEA Holding, Eastern Air Finance Company, Eastern Air Catering Company, CES Leasing, China Cargo Airlines or any other parties that could reasonably be regarded as relevant to our independence. Accordingly, we consider that we are independent pursuant to Rule 13.84 of the Hong Kong Listing Rules.

BASIS OF OUR OPINION AND RECOMMENDATION

In formulating our advice and recommendation to the Independent Board Committee and the Independent Shareholders, we have reviewed, amongst other things:

(i) the Financial Services Agreement;

(ii) the Catering and Aircraft On-board Supplies Support Agreement;

(iii) the Aircraft and Engines Lease and Related Services Agreement;

(iv) the Exclusive Operation Agreement;

(v) the Company's annual report for the financial year ended 31 December ("**FY**") 2024 ("**2024 Annual Report**"); and

(vi) other information as set out in the Circular.

We have relied on the truth, accuracy and completeness of the statements, information, opinions and representations contained or referred to in the Circular and the information and representations made to us by the Company, the Directors and the management of the Group (collectively, the "**Management**"). We have assumed that all information and representations contained or referred to in the Circular and provided to us by the Management, for which they are solely and wholly responsible, are true, accurate and complete in all respects and not misleading or deceptive at the time when they were provided or made and will continue to be so up to the Latest Practicable Date. Shareholders will be notified of material changes as soon as possible, if any, to the information and representations provided and made to us after the Latest Practicable Date and up to and including the date of the EGM. We have also assumed that all statements of belief, opinion, expectation and intention made by the Management in the Circular were reasonably made after due enquiries and careful consideration and there are no other facts not contained in the Circular, the omission of which make any such statement contained in the Circular misleading. We have no reason to suspect that any relevant information has been withheld, or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Management, which have been provided to us.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. However, we have not carried out any independent verification of the information provided by the Management, nor have we conducted any independent investigation into the business, financial conditions and affairs of the Group or its future prospects.

The Directors jointly and severally accept full responsibility for the accuracy of the information disclosed and confirm, having made all reasonable enquiries that to the best of their knowledge and belief, there are no other facts not contained in this letter, the omission of which would make any statement herein misleading.

This letter is issued to the Independent Board Committee and the Independent Shareholders solely in connection for their consideration of the terms and the proposed annual caps for three years ending 31 December 2028 in relation to the Renewed Non-exempt Continuing Connected Transactions, and except for its inclusion in the Circular, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purpose without our prior written consent.

A. RENEWED NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the terms and proposed annual caps in relation to the Renewed Non-exempt Continuing Connected Transactions, we have taken into consideration the following principal factors and reasons:

1. Information of the Group

The Company is principally engaged in the business of civil aviation.

2. Information of CEA Holding and the Connected Persons

CEA Holding, which is a controlling shareholder of the Company, holding approximately 54.25% equity interests in the Company, and thus a connected person of the Company.

Eastern Air Finance Company is a non-bank finance company approved and regulated by the relevant PRC regulatory authorities including the PBOC and the National Financial Regulatory Administration. Eastern Air Finance Company is principally engaged in providing financial services to the group companies of CEA Holding.

Eastern Air Catering Company is a holding company, and its subsidiaries are mainly engaged in the business of providing catering and related services for airline companies, and have established subsidiaries at various airports located in Yunnan, Shaanxi, Shandong, Jiangsu, Hubei, Zhejiang, Jiangxi, Anhui, Gansu, Hebei, Shanghai, Sichuan and Beijing.

CES Leasing is principally engaged in the provision of leasing and other leasing services, purchase of domestic and foreign finance lease assets, handling salvage value and maintenance of finance lease assets, and provision of advisory services and guarantee for lease transactions, and engaged in commercial factoring related to principal businesses etc.

China Cargo Airlines is principally engaged in international (regional) and domestic air cargo and mail transport services. China Cargo Airlines is the non-wholly owned subsidiary of Eastern Logistics, which in turn is a non-wholly owned subsidiary of CEA Holding (the controlling shareholder of the Company).

3. Provision of deposit services under the Financial Services Agreement

3.1 Reasons for and benefits of the transactions

As set out in the Letter from the Board, through the long-term cooperation between the Company and Eastern Air Finance Entities in respect of deposit services, comprehensive credit line services and other financial services, the transactions under the Financial Services Agreement will satisfy the operational needs of the Company and ensure effective development of the Company's business.

Our comment

As advised by the Management, by entering into the Financial Services Agreement, the Group will be able to enjoy the following advantages:

(i) it will receive interest on its money deposited with the respective Eastern Air Finance Entities at rates which are not less than the relevant rates set by the major domestic commercial banks, with an aim to maximise the Company's returns;

(ii) it is able to obtain comprehensive credit line from the respective Eastern Air Finance Entities at interest rates for loans which are not higher than the relevant rates set by the major domestic commercial banks. In addition, it being treated as a priority client will enable the Company to obtain funds in a prompt and cost-effective manner and reduce its financial expenses;

(iii) it is able to utilise the fund clearing platform services which will help to strengthen the funds management centralisation and increase the utilisation of funds to better meet the Company's operating capital needs since it is familiar with the capital needs of the aviation industry and the Company;

(iv) it is reasonable for the Company to deposit idle cash to Eastern Air Finance Company in consideration for fund security and convenience of fund allocation, which is also in the interest of the Shareholders. With vast number of suppliers of the Company scattered around the world, the Company would engage depository financial institutions that are capable of offering convenience, timeliness and safety when meeting the global demand of cash flow;

(v) the Company expects to increase in earnings due to interest income from the funds deposited by Eastern Air Finance Company; and

(vi) given the Company directly holds 25% of the shares in Eastern Air Finance Company and CEA Holding holds in aggregate the balance of the 75%, Eastern Air Finance Company undertakes that it has higher initiatives to protect the interests of the Company than external entities.

We take note that the Company is not restricted under the Financial Services Agreement to approach, and in fact may choose, any bank or financial institution to satisfy its financial service needs. Its major criteria in selecting the banks or financial institutions for provision of financial services are costs and quality of services. Therefore, the Group may, but is not obliged to, continue to use the Eastern Air Finance Entities' services if the service quality provided by other financial institutions is equally competitive. Furthermore, as a non-bank finance company, Eastern Air Finance Company is regulated by National Financial Regulatory Administration and is required to strictly adhere to the rules and regulations promulgated, giving the Company the trusted assurance of its financial stability and historical track record.

We take cognisant of the fact that given the close relationship between the Group and Eastern Air Finance Company, and the Eastern Air Finance Entities have been providing good quality professional financial services to the Group for over 18 years, the Financial Services Agreement to be entered into with Eastern Air Finance Company not only provides an alternative option for the Group to choose Eastern Air Finance Entities over other independent financial institutions that will result in the Group getting the most competitive terms and services, it also enables the Group to use it as a leverage to bargain for better terms with other financial institutions, which will be beneficial to the Group. With such flexibility accorded to the Company under the Financial Services Agreement, the Group is able to better manage its current capital and cash flow position.

In view of the above, we concur with the Directors that the entering into of the Financial Services Agreement, with the provision of deposit services, is in the interests of the Company and the Shareholders as a whole.

3.2 Principal terms

On 4 July 2025, the Company entered into the Financial Services Agreement with Eastern Air Finance Company in relation to the renewal of the Existing Financial Services Agreement. The major terms of the Financial Services Agreement are as follows:

Parties	:	(i) Easter Air Finance Company; and
		(ii) the Company
Nature of the transaction	:	(i) deposit services;
		(ii) comprehensive credit line services; and
		(iii) other financial services

Duration	:	From 1 January 2026 to 31 December 2028
Pricing	:	***Deposit services***

The deposit interest rate shall be in line with the requirements by the PBOC with regard to that of similar deposits and be determined by the parties by market principles, i.e. the Company and Eastern Air Finance Company will further negotiate on an arm's length basis to determine the deposit interest rate prior to entering into any of the transactions with reference to the quotation by financial institutes that are independent third parties which meets the Company's internal control requirements for similar services in respect of the relevant types and content of the relevant services. The deposit interest rate offered by Eastern Air Finance Company to the Company shall not be lower than that available to the Company from major domestic commercial banks for deposits of same grade in same period.

Comprehensive credit line services

The interest rate for the loan shall be determined based on the Loan Prime Rate, which is released by the National Interbank Funding Center as the designated issuer with the authorisation from the PBOC, by the parties after arm's length negotiations by market principles with reference to the quotation by financial institutes that are independent third parties. The interest rate of the loan granted to the Company by Eastern Air Finance Company shall not be higher than that is available to the Company from other domestic financial institutes for the same amount of loan for the same period.

Other financial services

Eastern Air Finance Company will charge service fees for other financial services, in compliance with the regulations on charging standards, which are publicly available information, formulated by the PBOC or National Financial Regulatory Administration; in addition to the abovementioned requirements, the amount of service fees charged by Eastern Air Finance Company to the Company for its provision of financial services shall not exceed the charging standard for the same services provided by major domestic commercial banks.

Our assessment

We have obtained and reviewed the quotations of the term deposit interest rates obtained by the Company from three (3) independent third party banks for similar term deposits for FY2023, FY2024 and 5 months ended 31 May 2025 ("**5M2025**") and the relevant rates set by the PBOC during the corresponding period. We consider the 3 quotations obtained from independent third party banks are sufficient to determine the fairness and reasonableness of the deposit interest rates as they are the 3 largest state-owned banks in the PRC which we consider provide a representable reference to the Group. We noted that the term deposit rates provided by Eastern Air Finance Entities were no less favourable than those offered by the independent third party banks and are above the relevant rates set by the PBOC in the corresponding period. For FY2023, FY2024 and 5M2025, the tenures of the term deposits offered by the Eastern Air Finance Entities ranged from three months to one year and the corresponding interest rates ranged from 1.1% to 2.0%. With reference to the respective website of the 3 independent third party banks, the interest rates offered by these independent third party banks for similar term deposits ranged from 0.65% to 1.65%, which are identical to the relevant rates set by the PBOC during the corresponding period. We noted that when the Group decided to place deposits with Eastern Air Finance Entities, the actual comparable rates offered by these independent third party banks were less favourable than those offered by Eastern Air Finance Entities. The Group would place deposit with independent third party banks if the rates they offered were better than Eastern Air Finance Entities. Based on the above, we are of the view that deposits placed with Eastern Air Finance Entities in the past have been in compliance with the pricing basis under the Financial Services Agreement.

We have also cross checked all the daily deposit balance of the Company placed with the Eastern Air Finance Entities against the existing annual caps set out in the Existing Financial Services Agreement for the period from 1 January 2023 to 31 May 2025. We considered this full coverage of sample size is sufficient to determine the fairness and reasonableness of the terms of the Financial Services Agreement. We noted that daily deposit balance did not exceed the existing annual caps during such period. Given that the term deposit interest rates under the Financial Services Agreement are no less favourable than those offered by independent third parties, we are of the view that the provision of deposit services under the Financial Services Agreement are on normal commercial terms and are fair and reasonable.

3.3 Annual caps

Set out below are the historical transaction figures for the transactions contemplated under the Existing Financial Services Agreement for FY2023, FY2024 and 5M2025, and the proposed annual caps for the three years ending 31 December 2028:

Table 1: Historical transaction figures and existing and proposed annual caps

	Year ended 31 December		Five months ended 31 May
RMB million	**2023**	**2024**	**2025**
Historical maximum daily outstanding deposit balance	13,703	13,975	7,537
Existing annual caps	15,000	16,000	17,000*(Note)*
Utilisation rate (%)	*91.4*	*87.3*	*44.3*

Note: The amount of RMB17,000 million represents the existing annual cap for FY2025.

	Proposed annual caps Year ending 31 December		
RMB million	**2026**	**2027**	**2028**
Provision of deposit services – maximum daily outstanding balance of deposits contemplated under the Financial Services Agreement	18,500	19,500	20,500

Our assessment

As set out in the above table, the proposed annual caps for the three years ending 31 December 2028 have gradually increased by approximately 5.4% from FY2026 to FY2027, and 5.1% to FY2028, compared to the historical annual cap for FY2025. This is due to the fact that the historical maximum daily outstanding balance for FY2023 and FY2024 have demonstrated a high utilisation rate of the level of existing annual caps, while historical maximum daily outstanding balance for 5M2025 with a utilisation rate of 44% will translate to an estimated annualised utilisation rate reaching 100%.

We discussed with the Management on the basis in determining the proposed annual caps and were advised that the Company has been conducting fund raising exercises from time to time in order to enhance the core competence of the Company's major operations, for instance, expansion of its aircraft fleet and on-going aviation training for its staff and to meet its financing needs. Furthermore, the Management considered that with the need for refinancing maturing debt and raising additional funds, the total financing scale of the Company is expected to continue expanding over the next three years. Funds raised may

be temporarily deposited with Eastern Air Finance Company, which could lead to a short-term surge in deposit volume. In addition, the Management explained that the Company will continue to strengthen the centralised collection and management of funds and operating income from its subsidiaries and business units resulting in the demand for deposits expected to increase during FY2026 to FY2028.

Although we note that the Company is not allowed to deposit the proceeds raised from the non-public issuance of A Shares and issuance of corporate bonds on the Shanghai Stock Exchange with Eastern Air Finance Company pursuant to the requirements imposed by the China Securities Regulatory Commission ("**CSRC**"), the Group had conducted other debt issues and will be carrying out further fund raising exercises that would require fund deposit services from Eastern Air Finance Company.

As extracted from the 2024 Annual Report, we set out below the major debt fund raising exercises conducted by the Company where the funds could be placed in the accounts with Eastern Air Finance Entities and not subject to requirements imposed by the CSRC in the past three years:

Table 2: Historical issuance of fixed income instruments by the Company

Year	Fund raising exercise	Amount raised
2022	Issue of three-year medium-term bonds	RMB1.5 billion
2022	Issue of three-year medium-term bonds	RMB2 billion

As advised by the Management, in order to support its expansion plan, the Company may be able to receive funding support from connected parties and expects to continue its financing plans to raise funds in the coming years for working capital and business operations needs by way of issuance of super-short term bonds, medium-term notes, foreign currency debt and other financing tools. The proceeds from the financial instruments could possibly be placed with Eastern Air Finance Company (subject to its terms to be offered to the Company) for a period of time before the Group actually uses the proceeds which, in turn, would trigger a short-term increase in the balance of deposits.

The Company is positioning itself for significant growth by coupling a robust financing strategy with ambitious expansion plans. In addition to the fixed income instrument raised under Table 2, in 2023, the Company raised RMB20 billion in perpetual bonds from CEA Holding; and in 2024, the Company raised RMB5 billion through perpetual bonds from CEA Holding and issued seven tranches of ultra-short-term financing bonds totalling RMB18 billion, target to optimise its asset-liability structure and reducing capital costs. Looking ahead, the Company will continue to issue super-short-term bonds, medium-term notes, and foreign currency debt to maintain liquidity and support its strategic development. As at the Latest Practicable Date, the Company has no concrete plans or intentions to conduct fundraising activities in the next twelve months.

As referred to the 2024 Annual Report, the Company is enhancing its flight network and fleet modernisation, leveraging its dual main hubs in Shanghai and Beijing to expand both domestic and international routes. In 2024, its market share in the Shanghai region reached 42.2%, reflecting a 0.9% year-on-year increase, while the Yangtze River Delta market share grew to 32%. The Company has strengthened its core hub functions by adding express routes such as Beijing to Shanghai, Shanghai to Guangzhou, and Shanghai to Chengdu while capitalising on regional advantages in gateways like Kunming and Xi'an under the Belt and Road initiative. International operations have seen continued momentum, with the airline launching 11 new international routes and establishing 7 express services, restoring international flight operations to 102% of pre-pandemic levels.

Further expansion is underway, with new direct routes connecting Shanghai to key European destinations, reinforcing its presence in the region. The entry into Central Asia, with services linking Xi'an to Tashkent and Tbilisi, marks another strategic diversification. Alongside its route expansion, the Company is modernising its fleet by incorporating fuel-efficient aircraft to optimise operations and reduce environmental impact. Investments in digital transformation, including smart travel solutions and seamless ticketing services, are also shaping its long-term growth strategy. These initiatives align with global industry trends as air travel continues to recover and demand for international flights accelerates. Following a consistent upward trend in passenger revenue and associated operating cash inflows over the past two years, the Management projects that the planned expansion will drive further revenue growth, resulting in increased operating cash inflows for FY2026 to FY2028.

Overall, the Company is committed to leveraging financial stability and operational expansion to reclaim lost capacity from the pandemic while pursuing new markets and enhanced efficiencies.

Having considered (i) the Group's plan to continue its financing plan expansion in the coming years; and (ii) the possible issuance of large-scale financing instruments as evidenced by the past issuances set out in Table 2 above which will trigger a short-term substantial cash inflow to the Group, we consider the basis for determining the proposed annual caps for deposit services under the Financial Services Agreement to be fair and reasonable.

4. Catering and Aircraft On-board Supplies Support Agreement

4.1 Reasons for and benefits of the transactions

As set out in the Letter from the Board, we note that the reasons for and benefits of entering into the Catering and Aircraft On-board Supplies Support Agreement are mainly two-fold as follows:

(i) Eastern Air Catering Company, as a company long been engaged in catering and related business, is currently one of the largest and most professional aviation catering companies in the PRC. It is familiar with professional information such as aviation food production technique, cost composition and industry trends. The centralised procurement of catering and aircraft on-board supplies and the provision of end-to-end services including warehousing, allocation, provisioning, recycling, and cleaning by Eastern Air Catering Company and the centralisation of ownership of supplies can give full play to its professional advantages and providing it with competitive edge in procurement scale, increasing economies of scale and reducing procurement costs, which are all beneficial for the Company. The Company, on the other hand, can implement scientific and refined management on the traceability and inventory management of aircraft on-board supplies, especially those with high-value and high turnover, so as to reduce consumption and waste; and

(ii) Eastern Air Catering Company will be the central point to procure catering and aircraft on-board supplies, operate and control the whole process of storage, allocation, preparation, recycling and cleaning. The customer committee of the Company, as the entrusting party, will be directly in charge of budget management, standard formulation, quality supervision and customer satisfaction surveys for the business of catering and aircraft on-board supplies undertaken by Eastern Air Catering Company. The above arrangement is conducive to the Company's centralised supervision of the source and quality of catering and aircraft on-board supplies, ensuring compliance with the Company's technical standards and quality requirements for catering and aircraft on-board supplies to continuously optimise customer experience. This will also help the Company to quickly respond to market changes and passenger demand, meeting and guiding customer demand more efficiently and quickly to improve passenger satisfaction.

Our comment

As discussed with the Management, the Group has underscored its commitment to enhancing the overall passenger experience by focusing on improvements in its in-flight catering operations. The Company has taken steps to strengthen its in-house catering division, Eastern Air Catering Company, through increased equity investments back in 2021 and operational refinements designed to streamline meal preparation and delivery. These enhancements aim to provide a broader range of high-quality, diversified meal options that meet evolving customer preferences. By bolstering its catering capabilities, the Group is working to ensure a consistently superior dining experience on flights, contributing to its broader strategy of elevated service standards since the industry recovers from the pandemic.

The Company also acknowledged that Eastern Air Catering Company, currently one of the largest aviation catering companies in the PRC, has a long and established history in catering and related business. With the global recognition after winning international awards and being one of the market leaders in the aviation catering industry, Eastern Air Catering Company is poised to be the ideal partner for the Company in providing catering and on-board supplies services since they possess the relevant professional knowledge in terms of aviation-specific matters and industry trends.

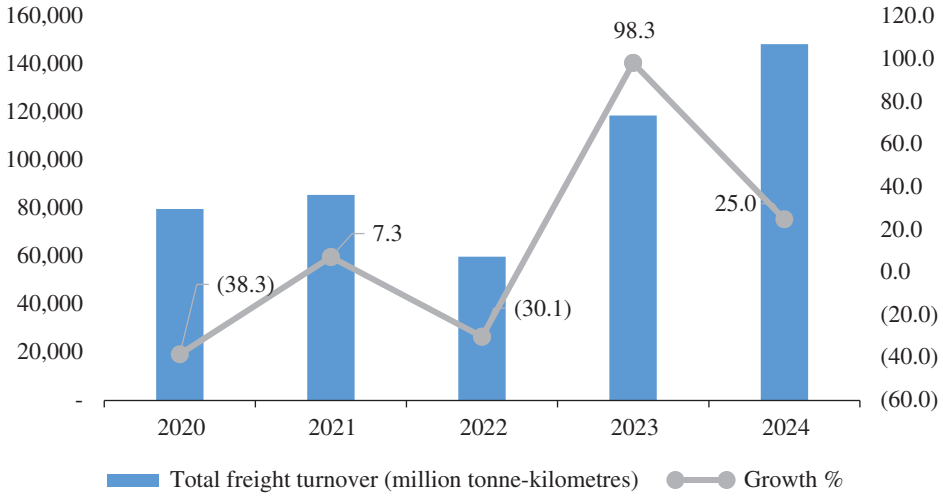
Furthermore, Eastern Air Catering Entities has been providing catering and on-board supplies services to the Group for over 20 years, and has a solid understanding of the Group's culture and operation. The familiarity with the Group's ground and flight operations will enable Eastern Air Catering Entities to provide swift and high-quality catering services as well as aircraft on-board supplies and related services in response to requirements, normal or special, as may be specified from time to time by the relevant member(s) of the Group to accommodate its day-to-day airline and ground operations needs and to cater for its different flight schedules. Besides, the various operating centres of Eastern Air Catering Entities are equipped with advanced facilities and required infrastructure for the provision of catering and related services, and are believed to be able to provide reliable and efficient services.

In view of the factors discussed above, we concur with the Directors that the entering into of the Catering and Aircraft On-board Supplies Support Agreement is in the interests of the Company and the Shareholders as a whole.

4.2 Outlook of the aviation industry

Approximately 80% and 70% of the total revenue of the Group for FY2023 and FY2024 was generated from domestic flights in the PRC respectively. Set out below is the total freight turnover of domestic flights in the PRC as quoted from the Civil Aviation Administration of China ("**CAAC**"), the aviation authority under the State Council of the PRC.

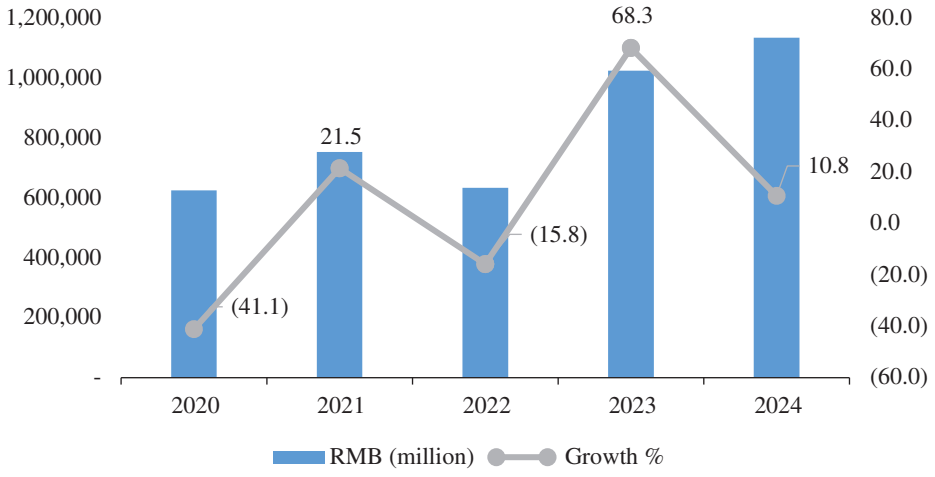
Chart 1: Total freight turnover of domestic flights in China



Source: Civil Aviation Administration of China

As shown in the chart above, total freight turnover of domestic flights in China per year has increased from approximately 79,851 million tonne-kilometres in 2020 to approximately 148,517 million tonne-kilometres in 2024. This growth amounts to a compound annual growth rate ("**CAGR**") of approximately 16.8%, indicating a robust and steady expansion. The remarkable increase reflects a strong post-pandemic recovery, bolstered by thriving e-commerce and significant investments in aviation infrastructure.

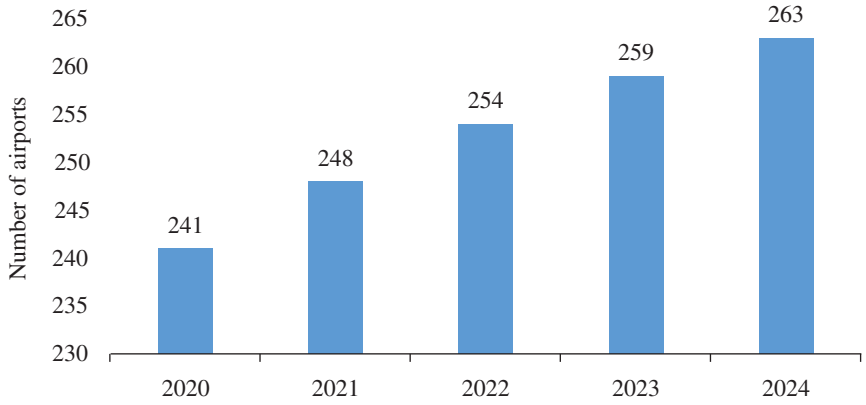
Chart 2: Total revenue of the aviation industry in China



Source: Civil Aviation Administration of China

As shown in the chart above, total revenue of the aviation industry in China has increased from approximately 624,691 million in 2020 to approximately 1,134,150 million in 2024, recording a CAGR of approximately 16.1%. This upward trajectory underscores a resilient industry rebound, driven largely by the easing of travel restrictions post-pandemic and a surge in both domestic and international air travel demand as consumer confidence steadily returns.

Chart 3: Total number of airports in China



Source: Civil Aviation Administration of China

As shown in the chart above, the total number of airports in China has increased from 241 airports in 2020 to 263 airports in 2024, representing a CAGR of approximately 2.2%. This steady climb reflects an overall increasing trend in the aviation sector, illustrating how China's network is continuously expanding to meet growing national and regional connectivity needs. In addition, as part of the 15th Five-Year Plan period, China

aims to increase the number of civil transportation airports to about 400 nationwide by 2035. This should be achieved by building more airports in central and western regions and launching new flights or adding frequencies of flights that connect eastern and western China.

According to the 2024 Annual Report, the PRC Government has played a critical role in the recovery and development of its civil aviation industry. The Government has implemented policies to strengthen domestic demand, promote high-level opening-up of civil aviation industry and improve infrastructure. In 2024, China's aviation sector achieved a major milestone with air passenger numbers exceeding 730 million, marking a full recovery that now surpasses pre-pandemic levels. Moreover, initiatives supporting environmental sustainability, technological innovation, and infrastructure development are expected to drive further growth.

Despite persistent challenges such as supply chain disruptions and geopolitical uncertainties, the aviation industry demonstrated robust recovery in 2024. According to the 2025 Annual Review published ("**IATA 25 Annual Review**") by the International Air Transport Association ("**IATA**"), global passenger traffic surged by 10.6% in 2024, while airlines delivered a combined net profit of USD32.4 billion. Revenue passenger kilometers ("**RPK**") reached record levels, with improved load factors approaching an all-time high of 83.5%. Asia Pacific is the largest market in terms of RPK, with China accounting for over 40% of the traffic. Notably, the domestic market in China saw domestic RPK increase by 12.3% in 2024, reflecting strong consumer confidence and robust economic momentum.

In the first quarter of 2025, passenger traffic increased by 5.3% year-on-year ("**YoY**"), reaching 2.16 trillion RPK, according to the Quarterly Air Transport Chartbook 2025 ("**2025 Q1 Chartbook**") published by IATA. Asia-Pacific carriers remained the leading contributors to global passenger traffic growth in Q1 2025, with an 8.9% YoY increase, accounting for nearly 60% of the total global increase. The strong performance was supported by solid gains in domestic markets, where domestic demand in China expanded by 2.7% YoY. These developments underscore a resilient and adaptive aviation industry poised to meet future challenges while capitalising on emerging growth opportunities.

The joint Passenger Traffic Report released by Airports Council International World and the International Civil Aviation Organization forecasts global passenger traffic to exceed 12 billion by 2030, driven by growth in international markets, particularly in the Asia-Pacific. By 2042, global passenger traffic is projected to reach 19.5 billion, representing a two-fold increase compared to 2024 levels. The report highlights the continued strong growth in emerging markets, driven by a rising middle class, increasing demand for air travel and investments in airport infrastructure in these regions, which will play a key role in supporting this expansion.

In light of these promising indicators, the aviation industry is not only returning to robust growth but is also poised for transformative expansion despite on-going global challenges. The domestic rebound in the PRC underscores the sector's resilience and its strategic capacity to seize emerging opportunities while effectively navigating future uncertainties.

4.3 Principal terms

On 4 July 2025, the Company entered into Catering and Aircraft On-board Supplies Support Agreement with Eastern Air Catering Company in relation to the renewal of the Existing Catering and Aircraft On-board Supplies Support Agreement. The major terms of the Catering and Aircraft On-board Supplies Support Agreement are as follows:

Parties	:	(i) Eastern Air Catering Company; and (ii) the Company
Term	:	The Catering and Aircraft On-board Supplies Support Agreement will be effective for a term of three years commencing from 1 January 2026 to 31 December 2028. With effect from 1 January 2026, the Existing Catering and Aircraft On-board Supplies Support Agreement will be terminated.
Service Scope	:	Eastern Air Catering Company, as the supplier of all catering and aircraft on-board supplies of the Company, shall provide the Company with catering, aircraft on-board supplies support and related services, including: (1) being responsible for the procurement and management of the third-party catering, aircraft on-board supplies support and related services required for air transport of the Company ("**Catering and On-board Supplies Services**"). Eastern Air Catering Company will procure certain aircraft on-board supplies and information system maintenance services from the Company's subsidiaries for the purpose of carrying out such aircraft on-board supplies support and related services; and

(2) providing the Company with property leasing services, mainly by way of offsetting rent with construction costs ("**Arrangement of Offsetting Rent with Construction Costs with the Company as the Lessee**"), that is, the Company (as the lessee) shall lease lands and buildings owned by Eastern Air Catering Entities (as the lessor), and shall construct buildings and structures on lands leased from Eastern Air Catering Entities.

At the same time, the Company shall provide Eastern Air Catering Entities with property leasing services, mainly by way of offsetting rent with construction costs ("**Arrangement of Offsetting Rent with Construction Costs with the Company as the Lessor**"), that is, Eastern Air Catering Entities (as the lessee) shall lease lands and buildings owned by the Company (as the lessor), and shall construct buildings and structures on lands leased from the Company.

Pricing principles : The pricing and/or fee scale for the catering, aircraft on-board supplies support and related services under the Catering and Aircraft On-board Supplies Support Agreement shall be determined with reference to the market price and as agreed after arm's length negotiations between the parties. "Market price" refers to the price determined independently by the operators via market competition. Taking into account the factors such as cost of raw materials and labour cost (if any), market price is determined in the following order: (i) the price charged by independent third parties at such time in the ordinary and normal course of business for such catering, aircraft on-board supplies support and related services in the area where such services are provided or nearby area; or (ii) the price charged by independent third parties at such time in the ordinary and normal course of business for such catering, aircraft on-board supplies support and related services within the territory of the PRC.

The pricing and/or fee scale for the property leasing services under the Catering and Aircraft On-board Supplies Support Agreement shall be determined with reference to the market price and as agreed after arm's length negotiations between the parties. For the arrangement of offsetting rent with construction costs, the annual rent and fee of the Company payable to or receivable from Eastern Air Catering Entities shall be determined based on the current market price offered by independent third parties under comparable circumstances. The annual rent and fee shall be determined based on arm's length negotiations after considering factors such as the quality of service and the location of properties, and for the Group, it shall be no less favourable than those offered to or by independent third parties under comparable circumstances.

The parties will check the price and terms offered by independent third parties for the same type of catering, aircraft on-board supplies support and related services (in general, through emails, fax or telephone consultation with at least two independent third parties to obtain the price and terms offered for catering, aircraft on-board supplies support and related services).

The pricing and/or fee scale for the catering, aircraft on-board supplies support and related services provided by Eastern Air Catering Company to the Company shall not be higher than those offered by Eastern Air Catering Company to independent third parties at such time in the ordinary and normal course of business for the same type of catering, aircraft on-board supplies support and related services.

The Company shall assess the status of completion of the catering, aircraft on-board supplies support and related services provided by Eastern Air Catering Company during the year. According to the results of assessment, prior to 31 December of each year, the parties should enter into a specific business agreement regarding the method of settlement and evaluation plan for the next fiscal year. Where the parties fail to enter into a specific business agreement within the above-mentioned period, the method of settlement of the current year shall be applied to the next fiscal year.

Method of settlement	:	The payment for the catering, aircraft on-board supplies support and related services shall be settled periodically according to the method agreed in the specific business contracts between the parties, including but not limited to the matters such as settlement cycle and means of settlement. The Company will settle the payment correspondingly upon assessment. In respect of the Arrangement of Offsetting Rent with Construction Costs with the Company as the Lessee under the Catering and Aircraft On-board Supplies Support Agreement, the Company shall pay rentals directly to Eastern Air Catering Entities, and the payment of rentals by the Company to Eastern Air Catering Entities shall be deemed to have fulfilled the payment obligations. The Company shall pay leasing rentals in such manner and at such time as per the leasing agreement actually signed by both parties and/or as agreed in relevant service agreements on arrangement of offsetting rent with construction costs. In respect of the Arrangement of Offsetting Rent with Construction Costs with the Company as the Lessor under the Catering and Aircraft On-board Supplies Support Agreement, Eastern Air Catering Entities shall pay rentals directly to the Company, and the payment of rentals by Eastern Air Catering Entities to the Company shall be deemed to have fulfilled the payment obligations. Eastern Air Catering Entities shall pay leasing rentals in such manner and at such time as per the leasing agreement actually signed by both parties and/or as agreed in relevant service agreements on arrangement of offsetting rent with construction costs.

Our assessment

The pricing basis adopted in the Catering and Aircraft On-board Supplies Support Agreement is identical to that adopted in the Existing Catering and Aircraft On-board Supplies Support Agreement. We have obtained and reviewed a total of 4 transaction documents entered into by the Company with Eastern Air Catering Entities under the Existing Catering and Aircraft On-board Supplies Support Agreement (the "**Connected Catering Services Samples**"). Such 4 transaction documents represent all the individual agreements entered into between the Company and Eastern Air Catering Company under the Existing Catering and Aircraft On-board Supplies Support Agreement. We noted that the Company has not entered into any contracts with independent third parties with similar contract nature since 2021 as the Company has made Eastern Air Catering Company the focal point to undertake centralised procurement of catering and airport supplies, which is in line with the rationale stated for entering into the Catering and Aircraft On-board Supplies Support Agreement. In order to assess whether the pricing basis of Connected Catering Services Samples are entered into according to the terms of the Existing Catering and Aircraft On-board Supplies Support Agreement, we have obtained and reviewed the document showing that the prices offered to the Company by Eastern Air Catering Company was no less favourable than those provided to the independent third parties by Eastern Air Catering Company.

As stated in the Letter from the Board, the Company shall assess the status of completion of the Catering and On-board Supplies Services provided by Eastern Air Catering Entities during the year. According to the results of assessment, prior to 31 December of each year, the parties should enter into a specific business agreement regarding the method of settlement and evaluation plan for the next fiscal year. Where the parties fail to enter into a specific business agreement within the above-mentioned period, the method of settlement of the current year shall be applied to the next fiscal year.

The payment for the Catering and On-board Supplies Services shall be settled according to the method agreed in the specific business contract between the parties, including but not limited to the settlement cycle and means of settlement. The Company will settle the payment correspondingly upon assessment.

In view of the above, we concur with the Management's view that the pricing basis in respect of the Catering and Aircraft On-board Supplies Support Services are determined with reference to the market price and the payment terms in respect of the Catering and Aircraft On-board Supplies Support Services have been assessed based on the status of completion. Therefore, the pricing basis and payment terms are on normal commercial terms, fair and reasonable.

4.4 Annual caps

Set out below are the historical transaction figures for the Catering and On-board Supplies Services contemplated under the Existing Catering and Aircraft On-board Supplies Support Agreement for FY2023, FY2024 and 5M2025, and the proposed annual caps for the three years ending 31 December 2028:

Table 3: Historical transaction figures and existing and proposed annual caps

	Year ended 31 December		Five months ended 31 May
RMB million	**2023**	**2024**	**2025**
Catering related services and aircraft on-board supplies support related services	2,393	3,161	882
Existing annual caps	4,000	4,400	4,840*(Note)*
Utilisation rate (%)	*59.8*	*71.8*	*18.2*

Note: The amount of RMB4,840 million represents the existing annual cap for FY2025.

	Proposed annual caps Year ending 31 December		
RMB million	**2026**	**2027**	**2028**
Catering related services and aircraft on-board supplies support related services	4,200	4,800	5,500

Basis of determination of the proposed annual caps

The proposed annual caps are determined primarily based on the following factors:

(i) There is a strong positive correlation between the Company's catering business volume and its core business metrics, including passenger traffic, number of flights, and catering pricing. Based on the current business development trend, it is expected that over the next three years, Eastern Air Catering Company's catering business will closely follow the Company's growth and achieve steady growth; and

(ii) the annual growth rate of transactions contemplated under the Catering and Aircraft On-board Supplies Support Agreement from 2026 to 2028 after considering the Company's projected average annual growth rate.

Our assessment

We have reviewed the historical transaction amounts and the relevant annual caps under the Existing Catering and Aircraft On-board Supplies Support Agreement in relation to the Catering and On-board Supplies Services for FY2023, FY2024 and 5M2025.

We note from the table above that the historical transaction amounts in respect of service fees paid by the Group to Eastern Air Catering Entities for Catering and On-board Supplies Services for FY2023 and FY2024 represented reasonable utilisation rates of 59.8% and 71.8% of the annual caps respectively. This was mainly attributable to increased flight volumes and expanded route networks.

We noted that, nonetheless the historical transaction amount for 5M2025 registered a utilisation rate of 18.2% of the annual cap and represented an estimated annualised utilisation rate of 43.7%. As advised by the Management, this was mainly attributable to the pronounced seasonality of travel demand in the PRC, which traditionally peaks in the second half of the year and the existing annual cap were established on an optimistic, post-COVID recovery projection.

As advised by the Management, the existing annual cap incorporated optimistic recovery assumptions for FY2023 to FY2025, drawing on pre-pandemic growth trends and anticipated rebound effects. Accordingly, the Company has recalculated the proposed annual caps for FY2026 to FY2028 based on historical transaction data from FY2023 to 5M2025. Nonetheless, aligned with the aviation industry's positive outlook, the Management estimated an 8% average annual expansion for the Company during FY2026 to FY2028. This growth trajectory is expected to drive a 14.5% YoY increase in the proposed annual caps.

At present, most of the catering related services business of the Company is undertaken by the Eastern Air Catering Entities (excluding overseas catering services). Recent data of the civil aviation sector in China as stated in the section headed "4.2 Outlook of the aviation industry" reveals that the aviation industry is not only returning to robust growth, but is also positioned for transformative expansion despite on-going global challenges. In 2024, China's aviation sector achieved a major milestone with air passenger numbers exceeding 730 million, and it is expected that global passenger travel will soon return to pre-pandemic levels and expand substantially over the next two decades.

Based on the 2024 Annual Report, the Company' recovery from the pandemic is underscored by a significant boost in both its passenger volume and fleet modernisation. In 2024, the Group served 141 million passengers, a marked improvement of 21.58% YoY; while its modernised fleet expanded to 804 passenger aircraft with an average age of 9.2 years. These developments have enabled the Group to optimise its air network, with international flight operations now recovering to 102% of 2019 levels through the launch

of 11 new international routes and additional express services. In parallel, rising passenger numbers have driven a 41.23% YoY increase in catering supply expenses, reflecting the heightened demand for enhanced on-board services. Coupled with a stable macroeconomic environment, which is evidenced by a 5% gross domestic product (GDP) growth in the PRC in 2024, these strategic initiatives position the Group well to accelerate its return to pre-pandemic capacity and sustain long-term operational growth.

We noted that there may be a material reliance of the Company on the Eastern Air Catering Entities in respect of the catering related services, in the event the catering related services are all undertaken by the Eastern Air Catering Entities. However, pursuant to the Catering and Aircraft On-board Supplies Support Agreement, the Company will only select Eastern Air Catering Entities as its service provider if the terms offered are no less favourable than those offered by independent third parties under comparable circumstances.

Having considered the above and the factors discussed under paragraph headed "4.1 Reasons for and benefits of the transactions", we are of the view that, as long as the terms offered by the Eastern Air Catering Entities, as a service provider, are no less favourable than those offered by independent third parties which the Group has carefully considered in accordance to the pricing principles of the Catering and Aircraft On-board Supplies Support Agreement and adhered strictly to the internal control procedures in the selection process, it is fair and reasonable and in the interests of the Company and its Shareholders as a whole.

In view of the above factors such as the historical transaction amounts; the strong positive correlation between the Company's catering business volume and its core business metrics and the new flight routes that will boost passengers travel; and new business route to be carried out by Eastern Air Catering Company coupled with the expected gross domestic product of 5% in the PRC in 2025, we consider the basis of determination and the proposed annual caps for the Catering and On-board Supplies Services for the three years ending 31 December 2028 to be fair and reasonable.

5. Aircraft and Engines Lease and Related Services Agreement

5.1 Reasons for and benefits of the transactions

As set out in the Letter from the Board, the Company has long been co-operating well with CES Leasing in aircraft finance leasing and operating leasing business. This continuing connected transaction satisfies the Company's needs in operation.

The Company has undertaken to conduct aircraft and engines leasing transactions with CES Leasing via a combination of finance lease and/or operating lease under the Existing Aircraft and Engines Lease Agreement.

Our comment

5.1.1 On finance leasing

We understand from the Company that its decision in whether selecting CES Leasing for the finance lease of a leased aircraft, upon reviewing and evaluating financial proposals submitted by independent commercial banks and the designated financial institutions, will largely depend on: (i) the stability of CES Leasing's operation, its established track record and ability in arranging large-scale aircraft finance lease transactions; (ii) the competitive and attractive terms offered by CES Leasing in its financing proposal over financing proposals received from external financial institutions through requests for proposals or other bidding processes; and (iii) the ability of CES Leasing to issue value added tax special invoices for the interest element in a finance lease for tax deduction purpose and being able to offer competitive arrangement fee, which helps the Company reduce the overall leasing costs on its aircrafts.

As advised by the Management, the Group has explored alternative financing options for the introduction of aircraft including direct purchase, equity and debt financing or making a direct borrowing arrangement with some commercial banks. The entering into of the Aircraft and Engines Lease and Related Services Agreement has advantages over other financing alternatives due to tax saving and lower financing costs.

Under the Existing Aircraft and Engines Lease Agreement, the Company introduced 14 aircraft in 2024 by adopting the finance lease arrangement provided by CES Leasing and saved financing costs of approximately USD6.25 million in FY2024 when compared to adopting secured loans arrangements with equivalent interest rates. CES Leasing is able to issue VAT invoice with a tax rate of 13% with respect to the interest element of the finance lease for the purpose of offsetting VAT payable by the Company. The financing cost saved through finance lease arrangement was calculated based on the amount offset from interest (tax inclusive) as per VAT invoices. The Management further estimates that the Group could save financing costs to the tune of approximately USD60.50 million, USD105.28 million and USD61.67 million for each of the three financial years ending 31 December 2028, respectively when compared to obtaining mortgage loans with the same interest rates.

As advised by the Management, CES Leasing has incorporated wholly-owned subsidiaries in the Pilot Free Trade Zone and Bonded Zone of the PRC for the purpose of acting as the lessor(s) in the finance lease arrangement. The lessor(s), who may act as the borrower(s), will sign loan agreement(s) with the Designated Financial Institutions, acting as the lender(s), in respect of each of the leased aircraft. Such arrangement can facilitate CES Leasing to issue invoices for the interest portion of finance lease, which in turn enable the Company to deduct VAT.

The Management further advised that it is a common practice for airline operators to enter into finance leases for introduction of aircrafts. We have reviewed the annual reports, announcements and circulars published by airline operators listed on the Hong Kong Stock Exchange and noted that Air China Limited (stock code: 753.HK) ("**Air China**") and China Southern Airlines Company Limited (stock code: 1055.HK) have also entered into similar aircraft finance leases with their connected persons.

Under the Existing Aircraft and Engines Lease Agreement, we note that there was a mechanism put in place by the Group that places a restriction on the number of aircrafts leasing transactions between the Company and CES Leasing during FY2023 to FY2025, where the maximum amount of aircrafts leasing transactions between the Company and CES Leasing shall not exceed half of the aggregate amount of the additional aircraft in each year (excluding aircraft/engines for which purchase and sale agreements were signed in prior years but the delivery was delayed) (the "**50% Restriction**") in the Existing Aircraft and Engines Lease Agreement. With effect from FY2026, the Group has lifted the 50% Restriction in the Aircraft and Engines Lease and Related Services Agreement and CES Leasing may therefore participate in aircraft-leasing transactions up to the proposed annual caps.

As advised by the Management, the removal of the 50% Restriction provides the Company the additional flexibility in conducting transactions with CES Leasing while remaining within the restricted annual cap limits. The Company considers that the 50% Restriction prevented the Company from securing the best possible outcomes in aircraft and engines leasing transactions, and therefore removed the 50% Restriction in order to enhance the Company's flexibility and to maximise its benefits in such transactions with CES Leasing. Historically, the Group instituted a mechanism whereby the maximum aircraft leasing transactions between the Company and CES Leasing were capped at 50% of the aggregate additional aircraft per year, excluding those aircraft or engines tied to prior purchase and sale agreements with delayed delivery. This 50% Restriction has constrained the Company's ability to secure optimal commercial terms and minimise comprehensive financing costs, particularly when CES Leasing offers competitive pricing. This was encountered by the Company particularly in FY2024 when the Company could not accept the more favourable and competitive financing terms offered by CES Leasing compared to other independent third party leasing providers due to the 50% Restriction. Given that the annual cap already serves as a safeguard against excessive exposure, the Company maintains ample latitude in managing its leasing arrangements, while ensuring all activities remain in compliance with the applicable Hong Kong Listing Rules requirements.

From our discussion with the Management, the Company plans to add new aircraft with a total financing amount estimated between USD25 billion to USD26 billion for the remainder of FY2025. While the current existing transactions only reached nearly 50% of the annual cap for FY2025, should the existing 50% Restriction remain in place, the Company will not be able to accept the competitive offers from CES Leasing for its leasing transactions for the rest of FY2025, even though it has not fully utilised the existing annual cap. This, in turn, strengthens the argument for removing the 50% Restriction, as doing so would unlock greater transactional flexibility and enable the Company to capitalise on competitive leasing opportunities in FY2025.

5.1.2 On operating leasing

As set out in the Letter from the Board, CES Leasing is qualified to carry out aircraft leasing business and sale of aircraft and engines business and has relatively strong capital strength and stable operation. The Company will select CES Leasing as its operating lease services provider only if CES Leasing is able to offer competitive terms in rental level and provide flexibility in lease termination compared to other bidding companies. As such, the operating lease arrangement is beneficial for optimising the management of the Group's corporate assets and aircrafts, as well as reducing its capital pressure.

Similar to finance leasing arrangement, the Management advised that the selection of suppliers for provision of aircraft and aircraft engine operating leasing arrangement are conducted through requests for proposals or other bidding processes where the criteria for the Company to select its suppliers includes: (i) operation stability, capability and capacity to enter into aircraft and engines operating leasing transactions; and (ii) the terms of the operating leasing plans that are most favourable to the Company. CES Leasing would only be selected if the terms of its proposal are more competitive amongst all the submitted proposals.

We are further advised by the Management that it is a common practice for airline operators to enter into aircraft operating leases to introduce new aircrafts. We have reviewed the annual reports, announcements and circulars published by airline operators listed on the Hong Kong Stock Exchange and noted that Air China, Cathay Pacific Airways Limited (stock code: 293.HK) and China Southern Airlines Company Limited (stock code: 1055.HK) have certain number of aircrafts held under operating lease.

Given that (i) the Group will only select CES Leasing for the finance and/or operating lease of the leased aircraft when CES Leasing meets all the selection criteria as mentioned above; (ii) the Group will be able to enjoy the financial benefits including tax and cost savings under the Aircraft and Engines Lease and Related Services Agreement in the coming years; and (iii) using finance and/or operating lease arrangement for newly introduced aircrafts is a common financing method in the aviation industry, we consider that the entering into of the Aircraft and Engines Lease and Related Services Agreement is in line with the market practice and is in the interests of the Company and the Shareholders as a whole.

5.2 Principal terms

On 4 July 2025, the Company entered into the Aircraft and Engines Lease and Related Services Agreement with CES Leasing to jointly renew the aircraft and engine finance lease and operating lease on substantially the same terms with reference to the transaction practices of the Previous Aircraft and Aircraft Engines Leasing Transactions between the parties over a number of years, and included the aircraft and engine sales based on the Company's future business need.

The major terms of the aircraft and/or engine finance lease and operating lease under the Aircraft and Engines Lease and Related Services Agreement are as follows:

The major terms of the aircraft finance lease

Lessor(s)	:	CES Leasing Entities
Lessee	:	the Company and its subsidiaries
Aircraft under the Proposed Finance Lease	:	The leased aircraft comprises part of the aircraft in the Company's aircraft introduction plan for the years 2026 to 2028 which will be disclosed annually and subject to adjustment from time to time. The Company has signed or will sign aircraft purchase agreements in batches with the Aircraft Manufacturer(s) in relation to the leased aircraft, which agreements have been or will be negotiated and agreed independently and separately, and has obtained or will obtain approvals from the Board and the Shareholders and has complied or will comply with the disclosure requirements in accordance with relevant laws and regulations. In the event that the Company introduces any of the leased aircraft before the Aircraft and Engines Lease and Related Services Agreement is approved by the Independent Shareholders at the EGM, the Company shall pay to the Aircraft Manufacturer(s) the relevant purchase price of the Existing Aircraft according to the respective financing arrangement(s). After the Aircraft and Engines Lease and Related Services Agreement is approved by the Independent Shareholders at the EGM, the Company will enter into the relevant aircraft purchase agreements in relation to each of the Existing Aircraft with the Lessor(s) to transfer the ownership of the Existing Aircraft to the Lessor(s) in accordance with the relevant lease amount (which shall not be more than 100% of the purchase price of the relevant Existing Aircraft).
Aggregate principal amount of the finance leases	:	not more than 100% of the consideration for the purchase of the leased aircraft

Rental fee/Interest rate	:	The rental fee is the repayment of the principal amount for the leased aircraft and the interest under the Proposed Finance Lease, which will be determined through requests for proposals issued by the Company or through other bidding processes (which will comprise of at least two other proposals from independent third parties), and will be negotiated and determined between the Company, CES Leasing and the Designated Financial Institutions. Under the Proposed Finance Lease, the interest rate will be further determined and agreed with reference to the results of the Company's requests for proposals or other bidding processes in respect of financing of the aircraft and engines. The finance leasing proposal(s) provided by CES Leasing in relation to the finance leasing services should have competitive advantages over other service provider, including but not limited to, the comprehensive costs (including the relevant rental fee plus handling fee and deduct other costs which would be saved according to favourable condition such as deductible VAT) of the proposal(s) regarding the finance leasing services offered by CES Leasing shall not be higher than those offered by at least two other independent third parties. If such approach is not applicable, the rental fee and other terms shall be determined by both parties after arm's length negotiation and the comprehensive costs of such proposal shall not be higher than the comprehensive costs of the same finance leasing structure for the same category of equipment during the same period. In addition, the comprehensive costs provided by CES Leasing to the Company shall not be higher than (i) the comprehensive costs of the same type of transaction carried out by the Company during the relevant period, or (ii) the comprehensive costs provided by other independent third parties quotations.

Bank Loans	:	Under the Proposed Finance Lease, if the Designated Financial Institutions provide Bank Loans to the Lessor(s), the principal amount of which will be not more than the principal amount of each individual Aircraft Finance Lease Agreement. The material rights and obligations (including the right to obtain delivery of aircraft, the obligation to pay consideration, etc.) of the Company as a purchaser under the relevant aircraft sale and purchase agreement(s) will be transferred to the Lessor(s). If the Designated Financial Institutions provide the Bank Loans, the leased aircraft will be mortgaged to the Designated Financial Institutions as security for the Bank Loans according to the loan agreements to be entered into between the Lessor(s) and the Designated Financial Institutions in due course.
Arrangement fee	:	The respective arrangement fee, a one-time fee charged by the Lessor(s) for organising and structuring the transaction, which is no more than 1% of the principal amount for each of the leased aircraft shall be paid by the Company to the Lessor or CES Leasing pursuant to the terms of the specific leasing agreement (if any).
Buy-back	:	Upon the expiry of the lease term of each of the leased aircraft, the Company is entitled to purchase each relevant aircraft back from the Lessor(s) at a nominal purchase price of RMB/USD (depending on the financing currency) 1 per aircraft.

Payment terms : The financing amount is agreed by the parties. In respect of the Existing Aircraft, the financing amount will be paid directly to the Company. In respect of the Additional Aircraft, the financing amount will be paid directly to manufacturers of the Additional Aircraft by the financier on the Delivery Date of the Additional Aircraft. The actual financing amount of each aircraft will be adjusted and determined based on the actual delivery price of the aircraft.

The rental fee, of which the principal portion is measured according to the equal-principal (equal instalment principal and corresponding interests incurred by the remaining principal), average-capital-plus-interests (average instalment for all the principal and interests) standard or other principles agreed by the parties, is payable quarterly or semi-annually in arrears, commencing from the Delivery Date. Lessor(s) will issue VAT special invoices to the lessee according to the relevant national laws and regulations.

By adopting the equal-principal standard, the principal to be paid by the Lessee(s) in each period remain constant throughout the entire repayment period with a gradually decreasing interests to be paid towards the end of the repayment period. By adopting the average-principal-plus-interests standard, the principal and interests to be repaid by the Lessee(s) in each period are constant throughout the entire repayment period, such that with the passage of time the principal to be paid by the Lessee(s) will be increasing while the interests to be paid by the Lessee(s) will be decreasing.

The rental fee and other expenses will be paid by the Company to the designed bank account of Lessor(s) on the respective rent payment dates and the payment date of other expenses (if it is different from the rent payment date) under the lease agreements.

The major terms of the aircraft and aircraft engine operating lease

Parties	:	(i) CES Leasing Entities (ii) the Company
Subjects to be leased	:	aircraft and aircraft engines
Term of lease	:	During the period between 1 January 2026 and 31 December 2028 by CES Leasing Entities, the term of each of the lease agreements (the "**Operating Lease Agreements**") shall be determined by both parties after arm's length negotiation and shall commence from the Delivery Date for each leasing of the aircraft and aircraft engines by CES Leasing Entities (as the lessor(s)) to the Group (as the lessee(s)).
Rental fee and other lease-related payments	:	The operating leasing proposal(s) provided by CES Leasing in relation to the operating leasing services should have competitive advantages over other service provider, including but not limited to, the comprehensive costs (including the relevant rental fee plus maintenance cost and any other charges) of the proposal(s) regarding the operating leasing services offered by CES Leasing shall not be higher than those offered by at least two other independent third parties. The other service providers will be evaluated using various selection criteria, including but not limited to registered capital, capital adequacy, risk and customer concentration and credit rating, to ensure that the selection process is fair and reasonable. Pursuant to the Aircraft and Engines Lease and Related Services Agreement, the rental fee for leasing of the aircraft and engines is determined after (i) inviting bidding offers by way of public tender; and (ii) taking into consideration the prevailing market rate for aircraft lease transactions of comparable nature. The Company will invite bidding offers by requesting lease proposal from CES Leasing and two other independent third parties who have been long-term business partners of the Group. If such approach is not applicable, the rental fee and other terms shall be determined by both parties after arm's length negotiation after taking into account certain factors including the lease terms, the feature of the leasing subject and the comparable market rental prices, and the comprehensive costs of such proposal shall not be higher than the comprehensive costs of the same finance leasing structure for the same category of equipment during the same period. The rental is payable by the Group quarterly or monthly (or at another frequency mutually agreed upon by both parties) in arrears.

The lease period of the aircraft will be agreed upon entering into the Aircraft Finance Lease Agreements and/or the Operating Lease Agreements. Based on previous similar transactions, it is expected that the lease period of the aircraft under the Aircraft and Engines Lease and Related Services Agreement would exceed 3 years in respect of finance lease and operating lease.

5.2.1 On finance leasing

Pursuant to the Aircraft and Engines Lease and Related Services Agreement, the total fee (consisting mainly of rental fee) will be determined through requests for proposals issued by the Company or through other bidding processes (which will comprise of at least two other proposals from independent third parties), and will be negotiated and determined between the Company, CES Leasing and the Designated Financial Institutions. We have reviewed the announcements and circulars published by other airline operators listed on the Hong Kong Stock Exchange regarding the aircraft finance lease entered into with their connected persons, and noted that Air China, Cathay Pacific Airways Limited (stock code: 293.HK) and China Southern Airlines Company Limited (stock code: 1055.HK) also adopt similar procedures in selecting the parties for providing the aircraft finance lease services.

We have obtained and reviewed all approval documents for entering into the Aircraft Finance Lease Agreements during FY2024 to 5M2025 showing the terms offered by CES Leasing and other independent third parties. The approval documents covered all aircrafts in which the Group entered into the finance lease arrangement with CES Leasing under the Existing Aircraft and Engines Lease Agreement. We considered this sample size coverage of all approval documents is sufficient to determine the fairness and reasonableness of the terms of the Aircraft Finance Lease Agreement. We noted from the approval documents that the Company's selection criteria included comprehensive financing cost structure, total amount financing framework and VAT benefit optimisation.

We noted that CES Leasing was selected based on its competitive and attractive terms in its financing proposal and its capability to issue VAT invoices. As advised by the Management, CES Leasing operates through wholly-owned subsidiaries in PRC Pilot Free Trade and Bonded Zones, enabling it to issue VAT invoices at 13% for finance lease interest components. This capability allows the Company to recover input VAT, generating a competitive cost advantage versus secured loans at equivalent interest rates. The financing cost savings directly support total financing costs with USD6.25 million savings in FY2024.

We also note that the interest rate under the Aircraft and Engines Lease and Related Services Agreement would be determined with reference to benchmark lending rate for one year and/or five years or above issued by the PBOC with appropriate adjustments accommodating market fluctuation. We have reviewed circulars published by other airline operators listed on the Hong Kong Stock Exchange and noted that China Southern Airlines Company Limited (stock code: 1055.HK) and Air China have also adopted the benchmark lending rate for five years or above issued by the PBOC to arrive at their proposed caps.

As spoken to the Management, the nominal buy-back fee to be paid by the Group under the Aircraft and Engines Lease and Related Services Agreement is expected to be RMB1 per aircraft. We have reviewed circulars published by other airline operators listed on the Hong Kong Stock Exchange, and noted that the nominal buy-back fee to be paid by the Group falls within the range of the nominal buy-back fee of the other airline operators. The buy-back fee for Air China is RMB1 and China Southern Airlines Company Limited (stock code: 1055.HK) is at a nominal purchase price respectively.

We have obtained, on a random basis, a total of 10 aircraft finance leases entered into between the Group and independent third parties during the period from FY2024 to 5M2025. We have reviewed the information on payment terms of aircraft finance leases entered into between the Group and independent third parties, and noted that the payment terms under the previous aircraft finance lease agreements entered into with CES Leasing are similar to those offered by the independent third parties, where the equal-principal standard was adopted and the rental fee is payable by the Group quarterly in arrears. We considered a sample size coverage of over 50% is sufficient to determine the fairness and reasonableness of payment terms of aircraft finance leases.

In respect of finance lease transactions under the Aircraft and Engines Lease and Related Services Agreement, (i) it is a common practice to adopt requests for proposals or other bidding processes to select the parties to provide the aircraft finance lease services; (ii) CES Leasing would only be selected if its proposal, from the Group's perspective, has competitive advantages over all the submitted proposals; (iii) it is not uncommon for airline operators to adopt benchmark lending rate for above one year and/or five years issued by PBOC for aircraft finance lease; (iv) the nominal buy-back fee under the Aircraft Finance Lease Agreement is expected to fall within the range of nominal buy-back fee of other airline operators listed on the Hong Kong Stock Exchange; and (v) the payment terms under the previous aircraft finance lease agreement entered into with CES Leasing are similar to those offered by independent third parties.

Having consider the above, we are of the view that the terms offered under finance lease transactions under the Aircraft and Engines Lease and Related Services Agreement are, no less favourable than those offered by independent third parties and adhered strictly to the internal control procedures in the selection process, fair and reasonable, on normal commercial terms and in the interests of the Company and its Shareholders as a whole.

5.2.2 On operating leasing

Pursuant to the Aircraft and Engines Lease and Related Services Agreement, the rental for leasing of the aircraft and aircraft engines is determined after (i) inviting bidding offers by way of public tender; and (ii) taking into consideration the prevailing market rate for aircraft lease transactions of comparable nature. As advised by the Management, the Company will invite bidding offers by requesting lease proposal from CES Leasing and two other independent third parties who have been long-term business partners of the Group. If such approach is not applicable, the rental fee and other terms shall be determined by both parties after arm's-length negotiation and the comprehensive costs (including the relevant rental fee plus handling fee and deduct other costs which would be saved according to favourable condition such as deductible VAT) of such proposal shall not be higher than the comprehensive costs of the same finance leasing structure for the same category of equipment during the same period, then the Company agrees to select CES Leasing for relevant transactions.

We have reviewed the announcements and circulars published by other Hong Kong listed airline operators regarding the aircraft and aircraft engines lease entered into with their connected persons, and noted that China Southern Airlines Company Limited (stock code: 1055.HK) also adopts process of requesting for proposals or other bidding processes in selecting the parties for providing the aircraft and aircraft engines operating lease service. We were advised by the Management that the Group did not enter into any operating lease agreements with its connected persons in the past three years.

In respect of operating lease transactions under the Aircraft and Engines Lease and Related Services Agreement, (i) it is not uncommon to adopt bidding processes to select the parties to provide the aircraft and aircraft engines operating lease services; and (ii) CES Leasing would only be selected if the terms of its proposal have more competitive advantages than those submitted by independent third parties.

Based on the above, we are of the view that the terms of the Aircraft and Engines Lease and Related Services Agreement are on normal commercial terms and fair and reasonable as far as the Company and the Independent Shareholders are concerned.

5.3 Annual caps

Set out below are (i) the historical transaction figures for the transactions contemplated under the Existing Aircraft and Engines Lease Agreement for FY2023, FY2024 and 5M2025; (ii) the projected total rental fees (including principal and interest) for the three years ending 31 December 2028 in respect of finance lease transactions; and (iii) the projected value of rights-of-use for the three years ending 31 December 2028 under the Aircraft and Engines Lease and Related Services Agreement:

Table 4: Historical transaction figures and total rental fees

	Year ended 31 December		Five months ended 31 May
RMB million	**2023**	**2024**	**2025**
Actual annual rental fee	–	6,634	5,612
Existing annual cap *(Note 1)*	USD1,500 million (or the equivalent amount in RMB)	USD3,200 million (or the equivalent amount in RMB)	USD4,600 million (or the equivalent amount in RMB) *(Note 2)*

Notes:

1. For illustrative purpose only, the exchange rate of USD1 = RMB6.9 has been adopted for translating USD into RMB in the table above.

2. The amount of USD4,600 million represents the proposed annual cap for FY2025.

Table 5: Proposed annual caps

	Year ending 31 December		
	2026	**2027**	**2028**
Projected total amount payable by the Company in relation to the finance and operating leases entered into by the Company as lessee in USD (million)	3,310 (or the equivalent amount in RMB)	5,760 (or the equivalent amount in RMB)	3,370 (or the equivalent amount in RMB)

We have reviewed the historical rental fees under the Existing Aircraft and Engines Lease Agreement for FY2023, FY2024 and 5M2025. As indicated in Table 4 above, no rental fees for FY2023 were incurred under the Existing Aircraft and Engines Agreement. As advised by the Management, this was primarily attributable to the Company's actual lower leasing demand than initially projected. Specifically, the Company did not conduct

financing tenders for some new aircrafts delivered in 2023, and no new aircraft and/or engine leasing transactions was signed with CES Leasing during FY2023, therefore no rental fee was paid. As advised by the Management, the Company completed the issuance of 3,416,856,492 A Shares in FY2023 where the purpose of such issuance was to raise proceeds for the introduction of 38 aircraft. As such, the Company did not enter into any leasing transactions with CES Leasing under the Existing Aircraft and Engines Lease Agreement during the year.

We further note that the historical rental fees for FY2024 increased significantly to RMB6,634 million; however, this remained below 50% of the existing annual cap. The Management advised that this variance was mainly attributable to the following factors: (i) supply chain disruptions causing manufacturers to adjust delivery schedules, resulting in the Company receiving fewer aircrafts than planned, thereby reducing the actual leasing amount below the estimated annual cap; (ii) there were more competitive proposals offered by independent third party leasing providers in the final winning bids during the Company's public market tenders during FY2024; and (iii) for the 16-aircrafts financing lease project in the second half of FY2024, despite CES Leasing submitting the most competitive bid and its cumulative quoted amount not exceeding the estimated annual cap for FY2024, the Company was unable to accept the financing proposal by CES Leasing due to the 50% Restriction. As such, these factors collectively resulted in the actual rental fees falling significantly below the existing annual cap for FY2024.

The historical rental fees for 5M2025 reached RMB5,612 million and represent approximately 42.4% of an estimated annualised utilisation rate. This subdued level for 5M2025 largely reflects the impact of the 50% Restriction. The Management anticipates rental fees will continue to increase for the remainder of FY2025, once that 50% Restriction is lifted and the planned aircraft introductions come on line. As advised by the Management, the increasing trend observed in FY2024 and 5M2025 was mainly attributable to (i) rapid growth in global demand for travel in FY2024; (ii) the volume of global air passenger traffic achieving a new record high in FY2024; and (iii) the launch of 11 new international routes and additional express services during FY2024.

As advised by the Management, during the past three years, due to the impact of epidemic, the civil aviation industry experienced gradual recovery from the downturn, and the manufacturers adjusted the delivery schedule, resulting in a lower-than-expected number of aircraft deliveries to the Company. As a result, the utilisation rate of the existing annual caps under the Existing Aircraft and Engines Lease Agreement was relatively low for FY2023 to 5M2025. As discussed with the Management, moving forward in the next three years, the Company expects that the market demands for civil aviation industry will further increase; and the Company plans to further optimise its fleet structure by not only introducing new aircraft but also gradually retiring certain aging aircraft. As a result, the demand for aircraft and engine leasing is expected to increase.

The projected total rental fees for the three years ending 31 December 2028 show a notable fluctuation. While the rental fees are expected to increase substantially throughout FY2025, the projection indicates a decrease in the total rental fee for FY2026 to USD3,310 million compared to the anticipated FY2025 level. Subsequently, a significant increase is projected for FY2027 to USD5,760 million, followed by a decrease in FY2028 to USD3,370 million. As advised by the Management, the annual caps for FY2026 to FY2028 are derived directly from the 2026-2028 aircraft introduction plan and the estimated aircraft unit purchase price for each aircraft type, which includes the total amount of lease principal, interest and associated arrangement fees (if any). The annual cap for each of FY2026, FY2027 and FY2028 represents independent calculations based on the latest operational and financial inputs for each respective year.

Furthermore, we note that 30% buffer has been applied on the proposed annual caps to provide operational flexibility, accommodate possible fluctuation in foreign exchange rates and contingency buffer, as the actual method of aircraft introduction is currently uncertain. We have reviewed the working papers supporting the annual cap calculations for FY2026 to FY2028, including the recent purchase prices of the relevant aircraft models. As discussed with the Management, considering the future market conditions in the coming years, given that aircraft represents significant capital expenditures with high unit price, the 30% buffer provides necessary flexibility for the Company to accommodate potential acquisition adjustments. As such, we are of the view that the 30% buffer aligns with high capital requirements of fleet expansion and provides the Company with prudent flexibility to execute its strategy if faced with uncertain conditions.

With reference to the section headed "4.2 Outlook of the aviation industry", the aviation sector is not only experiencing a robust recovery but is also positioned for considerable expansion, despite persistent global challenges. The steady recovery in passenger volume turnover further underlines the increasing demand for aircrafts and engines.

Taking into consideration the above, we concur with the Company that the projected annual rental fees for the three years ending 31 December 2028 are fair and reasonable.

5.3.1 On finance leasing

As set out in the Letter from the Board, the total fee payable by the Company under the finance lease transactions mainly includes the total principal and interest of the aircraft and engines. Pursuant to the Aircraft and Engines Lease and Related Services Agreement, the rental fee is the repayment of the principal amount for the leased aircraft and the related interest under the Proposed Finance Lease. As advised by the Management, the principal amount of the leased aircraft is based on the Company's recent purchase price of the same model of aircraft. For buy-back fee, it is expected to be RMB1 per aircraft pursuant to the terms of the Aircraft and Engines Lease and Related Services Agreement. As discussed with the Management, due to current market conditions and CES Leasing's need to maintain competitiveness, no arrangement fee was incurred during FY2023 to 5M2025.

To assess the fairness and reasonableness of the projected total rental fees for the Aircraft and Engines Lease and Related Services Agreement, we have obtained and reviewed the Company's aircraft introduction plan for years 2026 to 2028 and the computation of the estimated rental fee (including principal, interests and associated arrangement fees (if any)) payable by the Company for years 2026 to 2028 and noted that the estimated total rental fees (including principal, interests and arrangement fees (if any)) under the Proposed Finance Lease have been projected based on the Company's recent purchase price of the same type of aircraft in 2025 and the aircraft introduction plan for years 2026 to 2028 without taking into account the buy-back fee as it is only a nominal value as advised by the Management. In this regard, we are of the view that the recent purchase price in 2025 is representative of the prevailing market price and provides a reasonable basis for supporting the Company's estimation of the principal amount for the leased aircraft under the Proposed Finance Lease. Given no arrangement fees were incurred during FY2023 to 5M2025, the Management expects none will be incurred during FY2026 to FY2028, as CES Leasing aims to maintain competitiveness.

Under the computation of the estimated rental fee, we noted that (i) the number of aircraft to be introduced as planned by the Group for years 2026 to 2028; (ii) the principal amount of the aircraft under the same model of same age in the national market; and (iii) the interest under the Proposed Finance Lease have been used in arriving at the estimated total rental fees for the three years ending 31 December 2028. As the principal amount of the aircraft are based on the Company's recent purchase price of the aircrafts from its aircraft manufactures during 2025, we consider the recent transaction price is an appropriate reference used for the projection. The benchmark lending rate for one year or five years or above as announced by PBOC has been used in the projection, which has also been adopted by other airline operators listed on the Hong Kong Stock Exchange, such as Air China and China Southern Airlines Company Limited (1055.HK), for aircraft finance leases.

5.3.2 On operating leasing

The proposed total rental payable to CES Leasing for the operating lease from FY2026 to FY2028 is estimated based on prevailing market-based payments for the use of the asset. Under this approach, CES Leasing's rental proposal must demonstrate a clear competitive advantage over at least two independent third-party leasing proposals offered under similar terms. If such approach is not applicable, the rental fee and other terms shall be determined by both parties after arm's-length negotiation and the comprehensive costs (including the relevant rental fee plus handling fee and deduct other costs which would be saved according to favourable condition such as deductible VAT) of such proposal shall not be higher than the comprehensive costs of the same finance leasing structure for the same category of equipment during the same period. In practical terms, this means that the overall cost, lease structure and business model proposed by CES Leasing should be demonstrably more favourable than those available from other market participants. This market-oriented method ensures that the final pricing is competitive, sustainable and aligned with normal commercial conditions.

As advised by the Management, the pricing mechanism for rental fees is driven by a fully competitive market principle. In practice, the Company will request quotations in the open market simultaneously from both CES Leasing and other independent third-party leasing providers. CES Leasing's bid is then evaluated against the independent proposals through a comprehensive cost analysis, which takes into account factors such as internal funding costs, policy support and prevailing market dynamics. Essentially, only when CES Leasing's proposal is sufficiently competitive in overall cost will it secure the mandate from the Company. This strategy not only promotes fair competition but also ensures transparency in the pricing process, so that the final rental terms accurately reflect true market conditions and simultaneously fulfill the Company's internal control requirements.

As no operating leases were signed by the Company during the period between FY2023 and 5M2025, we were unable to validate this process through reviewing of historical operating lease records. We note that the pricing mechanism for rental fees under Aircraft Finance Lease Agreements is also driven by competitive market principle and through inviting bidding offers by way of public tender, as such we have reviewed the approval documents for Aircraft Finance Lease Agreements, which have the same pricing determination process. We obtained and reviewed all approval documents for Aircraft Finance Lease Agreements executed during the period between FY2024 and 5M2025. These approval documents demonstrated that the Company selected the service providers based on overall competitive financing costs, ensuring the transactions with CES Leasing were conducted at terms that were no less favourable than those offered by independent third-party whilst adhered strictly to internal control procedures.

Having considered (i) it is a common practice to adopt requests for proposals or other bidding processes to select the most suitable party to provide aircraft operating lease services; (ii) CES Leasing would only be selected if its proposal, from the Group's perspective, has competitive advantages over all the submitted proposals; (iii) the robust and transparent evaluation process based on multiple independent quotations; (iv) the reliance on comprehensive market data and independent cost comparisons; and (v) the adherence to best practices and standard commercial terms in the aviation leasing market, we therefore concur with the Management that the pricing mechanism is fair, reasonable and consistent with normal commercial terms.

To assess the fairness and reasonableness of the projected annual total rental for the Aircraft and Engines Lease and Related Services Agreement, we have obtained and reviewed the Company's aircraft introduction plan and the computation of the estimated rental fee payable by the Company for FY2026 to FY2028 and noted that the estimated annual rental have been projected for the three years ending 31 December 2028 based on the Company's aircraft introduction plan. We noted that the total operating lease rental fee calculated to be identical to the total rental fee under the Proposed Finance Lease. As discussed with the Management, the Company will decide on the method of using finance or operating leasing for the aircrafts and engines based on the comprehensive costs (including the relevant rental fee plus handling fee and deduct other costs which would be saved according to favourable condition such as deductible VAT) of the relevant

proposal. Similarly, given no arrangement fees were incurred during FY2023 to 5M2025, the Management expects none will be incurred during FY2026 to FY2028, as CES Leasing aims to maintain competitiveness.

As advised by the Management, the lease term for the specific type of aircraft to be introduced under the operating lease for FY2026 to FY2028 is estimated to be more than 3 years.

5.3.3 Value of right-of-use assets

The historical right-of-use assets for FY2023, FY2024 and 5M2025 and the proposed annual caps in respect of right-of-use assets under the Aircraft and Engines Lease and Related Services Agreement are set out below:

Table 6: Historical value of rights-of-use assets and existing annual caps

	Year ended 31 December		Five months ended 31 May
RMB million	**2023**	**2024**	**2025**
Historical value of rights-of-use assets in relation to the finance and operating leases entered into by the Company as lessee in RMB (million)	–	6,681	4,922
Existing annual caps in USD (million)	1,250	2,600	3,650*(Note 2)*
equivalent to RMB (million) *(Note 1)*	8,625	17,940	25,185

Notes:

1. For illustrative purpose only, the exchange rate of USD1 = RMB6.9 has been adopted for translating USD into RMB in the table above.

2. The amount of USD3,650 million represents the existing annual caps for FY2025.

Table 7: Proposed annual caps

	Proposed annual caps Year ending 31 December		
	2026	**2027**	**2028**
Total value of right-of-use assets in relation to the finance and operating leases entered into by the Company as lessee in USD (million)	2,760 (or the equivalent amount in RMB)	4,580 (or the equivalent amount in RMB)	2,830 (or the equivalent amount in RMB)

As shown in the table above, we noted that no rights-of-use assets have been recognised in FY2023 as the Company did not enter into any new lease agreements during that year. As advised by the Management, it was mainly due to the lower-than-anticipated leasing demand for the year. Furthermore, certain new aircrafts delivered in FY2023 were not subject to financing tenders, and no new leasing arrangements were initiated, resulting in neither rental fee obligations nor recognition of rights-of-use assets with CES Leasing.

We note that the historical value of rights-of-use assets recognised for FY2024 was RMB6,681 million, significantly below the existing annual cap of approximately RMB17,940 million for that year. As advised by the Management, this variance is attributable to (i) supply chain disruptions reducing aircraft deliveries below forecasted levels; (ii) more competitive interest rates from independent third party leasing providers during tender processes; and (iii) the 50% Restriction limiting CES Leasing's participation in the 16-aircraft project. Despite submitting a competitive bid in FY2024, CES Leasing's cumulative quoted amount will exceed the 50% Restriction, precluding further financing leasing services by CES Leasing for FY2024. Collectively, these factors resulted in both lower incurred rental fees and reduced recognition of rights-of-use assets for FY2024.

The historical value of rights-of-use assets recognised for 5M2025 reached RMB4,922 million. The difference between this actual transaction amount for the first half of FY2025 and the existing annual cap of RMB25,185 million for the full FY2025 was attributable to, inter-alia, the limitation of the 50% Restriction that results in the Company not able to enter into leasing transactions with CES Leasing.

As advised by the Management, pursuant to IFRS 16, the lease transactions contemplated under the Aircraft and Engines Lease and Related Services Agreement entered into by the Company as lessee will be recognised as right-of-use assets. The proposed annual caps are derived based on the total value of right-of-use assets relating to the finance lease and operating lease transactions collectively. We have discussed the computation methodology with the Company's auditors and reviewed the relevant working papers. In addition, we noted that the computation of the total value of right-of-use assets relating to the finance lease and operating lease transactions was calculated by discounting the estimated principal amount for newly added aircraft in each year as discussed above during the future years by a discount rate of 2.4%. This discount rate takes into account the Company's incremental borrowing rate and ChinaBond Corporate Bond Yield (AAA) of 10Y released by China Central Depository & Clearing Co., Ltd.. As advised by the Management, the existing lease assets of the Group are also derived based on such incremental borrowing rate. We have also reviewed the supporting information in the working papers with respect to the applied discount rate of 2.4%. We have checked the 2024 Annual Report and noted that such calculation is in line with the Company's accounting policy. Based on the above procedures, we are of the view that the

parameters and assumptions applied for the computation of the total value of right-of-use assets are fair and reasonable, on normal commercial terms and in the interests of the Company and its Shareholders as a whole.

Having considered that the computation of the estimated total rental fees (including the principals amount, interests and arrangement fee (if any)) for FY2026 to FY2028 is based on: (a) the Company's aircraft introduction plan for the years 2026–2028; (b) the interest rate based on the lending rate of one year and/or five years or above published by the PBOC; (c) the estimated finance lease period which matches the Company's average fleet age; (d) a 30% buffer to provide operational flexibility and accommodate possible fluctuation in foreign exchange rates; and (e) estimated principal amount for FY2026 to FY2028 have been used to arrive at the total value of right-of-use assets relating to the finance lease transactions and the operating lease transactions under IFRS 16 as the annual caps, we are of the view that the proposed annual caps for the total value of right-of-use assets under the Aircraft and Engines Lease and Related Services Agreement for the three years ending 31 December 2028 are fair and reasonable.

6. Exclusive Operation Agreement

6.1 Reasons for and benefits of the transactions

As set out in the Letter from the Board, the Company entrusted China Cargo Airlines to exclusively operate its Passenger Aircraft Cargo Business for long term, so as to avoid the competition between Passenger Aircraft Cargo Business of the Company and the all-cargo aircraft freight business operated by China Cargo Airlines and satisfy the Company's demand for professional operation in passenger aircraft cargo, and to motivate China Cargo Airlines through fair and reasonable pricing to facilitate the steady development and growth of the Passenger Aircraft Cargo Business of the Company. This helped the Company to focus the relevant resources on the operation and development of its air passenger transportation business as well as to enhance the business capacity and competitiveness of the principal air passenger transportation business of the Company.

We noted that there was a non-competition undertaking in the Exclusive Operation Agreement, which eliminates internal competition between the Company's Passenger Aircraft Cargo Business and China Cargo Airlines' dedicated freight business, allowing the Company to focus its resources on enhancing its core passenger transport competitiveness. Through incentive-based pricing and leveraging China Cargo Airlines' cargo expertise, the Exclusive Operation Agreement ensures professional operation of this revenue stream while providing stable returns to the Company. This aligns with the Group's long-term strategy of maintaining bellyhold cargo as a key aviation segment while optimising its leadership in passenger operations, ultimately benefiting the Company and the Shareholders as a whole.

As the Passenger Aircraft Cargo Business will continue to be one of the mainstream business of the Group's civil aviation business, we concur with the Management that the Exclusive Operation Agreement is beneficial to the Company and its Shareholders as a whole and aligns with the Group's long term strategies.

6.2 Overview of the air cargo industry

Based on the IATA 25 Annual Review, the air cargo sector delivered an outstanding performance in 2024, with the global air cargo sector recorded an 11.3% increase in cargo tonne kilometres ("**CTK**"), hitting an all-time high that exceeded by 0.6% of the previous high set in 2021 and capacity increasing by 7.4% as airlines responded effectively to soaring cross-border e-commerce demand and maritime shipping constraints.

According to the 2025 Q1 Chartbook, the air cargo shipments rose 2.4% in Q1 2025 compared to last year, reaching a record 65 billion CTK, surpassing Q1 2024 by 1.5 billion in terms of volume. The international air cargo traffic hit 57.1 billion CTK in Q1 2025, up 3.1% YoY. Based on the "Global Outlook for Air Traffic" published by IATA in June 2025, it is expected that the demand of air cargo will slow down in 2025 comparing to 2024, due to the on-going trade war and the competition on ocean shipping.

In the long term, according to ACI World Airport Traffic Forecasts 2024 – 2053 published by Airport Council International, global air cargo market is projected to grow steadily, with a compound annual growth rate of 2.7% from 2024 to 2043 and 2.4% from 2024 to 2053. Strategic policies such as the 14th Five-Year Plan for Civil Aviation and the Belt and Road Initiative will continue to fuel growth by fostering new trade corridors and enhancing international partnerships.

Based on the above encouraging data, air cargo industry continues to demonstrate stable growth and is poised for further expansion. The outlook remains positive, supported by strong demand and strategic investments in capacity and innovation.

6.3 Principal terms

Pursuant to the Exclusive Operation Agreement, the Company entrusted China Cargo Airlines as a contractor to operate and manage the Passenger Aircraft Cargo Business of the Company and its six major subsidiaries (namely 上海航空有限公司 (Shanghai Airlines Co., Limited), 中國東方航空武漢有限責任公司 (China Eastern Airlines Wuhan Limited), 中國東方航空江蘇有限公司 (China Eastern Airlines Jiangsu Co., Limited), 東方航空雲南有限公司 (China Eastern Airlines Yunnan Co., Limited), 一二三航空有限公司 (One Two Three Airlines Co., Ltd.) and 中國聯合航空有限公司 (China United Airlines Co., Limited)) and collects a transportation service fee from China Cargo Airlines based on the actual operating revenue of the Passenger Aircraft Cargo Business operated by China Cargo Airlines after considering deduction of certain business fee rates.

Under conventional circumstances, the transportation service fee is based on the actual income from Passenger Aircraft Bellyhold Space Cargo Business, and is determined by taking into account the actual operating cost, incentives and restrictive mechanisms. Under unconventional circumstances, the transportation service fee is based on the actual revenue of unconventional cargo transport of passenger aircraft, and is determined by taking into account the actual operating cost and reasonable profit margin. The reasonable profit margin refers to the arithmetic average of the averaged profit margin of the Three Major Airlines for the latest three prior accounting years. Under different circumstances, business fee rates in the pricing formulas are based on the operation fee rates of Passenger Aircraft Cargo Business, while separately taking into account the average growth rate of revenue in the same industry's cargo transport business and the average profit level of the same industry.

Pursuant to the Exclusive Operation Agreement, save for the proposed annual caps for the three years ending 31 December 2028, all the terms and conditions under the Exclusive Operation Agreement shall remain unchanged and valid until the maturity of the Exclusive Operation Agreement, being 31 December 2032.

Set out below is the summary of the formula in calculating the transportation service fee under the Exclusive Operation Agreement:

Transportation service fee	=	actual income from Passenger Aircraft Cargo Business x (1 – business fee rates)

Where for:

(a) Conventional business

Transportation service fee	=	actual income from Passenger Aircraft Bellyhold Space Cargo Business x (1 – conventional business fee rate)
Conventional business fee rate	=	operating cost rate + (revenue growth rate of Passenger Aircraft Bellyhold Space Cargo Business of the current year – Average revenue growth rate of the Three Major Airlines' passenger aircraft Bellyhold Space cargo business of the current year) x 50%

(b) Unconventional business

Transportation service fee	=	actual revenue of unconventional cargo transport of passenger aircraft x (1 – unconventional business fee rate)
Unconventional business fee rate	=	operating cost rate x (1 + reasonable profit margin)

Further details of the Exclusive Operation Agreement are set out in the section headed "4. Exclusive Operation Agreement" in the Letter from the Board.

With reference to the formula on transportation service fee set out above, we deduced that the transportation service fee to be paid to the Company, net of operating expense, is negatively correlated to the excess income growth rate of China Cargo Airlines over the Three Major Airlines. Pursuant to the above definitive formula, there is an implied incentive mechanism (i.e. the 50% revenue growth difference) to provide motivation for China Cargo Airlines to enhance its Passenger Aircraft Bellyhold Space Cargo Business performance and cargo transport business operating efficiency by taking income growth rate as a performance indicator. We are of the view that the pricing under regular business model is able to encourage China Cargo Airlines to optimise resources allocation and boost its business performance.

We note that the Company receives a transportation service fee that correlates negatively to the excess income growth rate of China Cargo Airlines or the average net profit margin of the Three Major Airlines, where the better the excess income growth rate of China Cargo Airlines or the average net profit margin of the Three Major Airlines, the lesser transportation services fee that the Company receives. As discussed with the Management, we understand that this approach was targeted to allow the Company to focus on passenger operations while maintaining stable cargo-related income. In addition, this transforms an otherwise idle Bellyhold Space capacity, which is a fixed sunk-cost asset inherent in the Company's passenger aircraft fleet, into a productive revenue stream. This model generates economic benefit without requiring additional flight operations, significant capital expenditure or operational interference with core passenger business activities. The incentive mechanism will also not displace the Company's existing revenue streams or result in any financial disadvantage to the Company or its Shareholders, instead, it aligns with industry practices in resource-sharing and revenue-partnership models.

We have researched and found that Air China, being an industry peer, used a similar formula for similar transactions ("**Air China's Transactions**") in determining the transportation service fee payable. Air China also used a reward/penalty factor and adopted the same 50% ratio in the formula. While the Company determined the performance of China Cargo Airlines by comparing with revenue growth rate of passenger

aircraft bellyhold space cargo businesses of the Three Major Airlines, the performance under the Air China's Transactions is compared with the growth rate of yield level of the passenger aircraft cargo business and the growth rate of yield level of the cargo business industry.

Based on the above and the consistency of formula across major industry players, we are of the view that the above formula is on normal commercial terms and in line with market practice.

For the unconventional circumstances, the transportation service fee paid to the Company, net of actual operating expense in current year, is negatively correlated to reasonable net profit margin. Since the unconventional business represents a special economic slump environment, resulting in (i) a decrease in passengers; and (ii) the Passenger-to-Cargo Conversion approach that helps to utilise the empty spaces in passenger aircrafts by converting passenger aircrafts into cargo aircrafts, the abovementioned situation is a temporary measure due to limited supply of the passenger aircraft bellyhold space cargo as a result of the pandemic, and therefore, there is not enough track record data available to take as a reference in calculating revenue growth rate. In view of the fact that financial data such as revenue growth rate of China Cargo Airlines and the Three Major Airlines' actual income from Passenger-to-Cargo Conversion are not obtainable, using the average net profit margin of the Three Major Airlines on the transportation service fee represents the industry trend, and implied by net profit margin of the Three Major Airlines, would become a motivating factor for China Cargo Airlines to operate their Passenger Aircraft Cargo Business. The following table sets out the calculation of the reasonable net profit margin applicable in FY2025:

Company Name	**Stock code**		**FY2024** *RMB million*	**FY2023** *RMB million*	**FY2022** *RMB million*
Air China	753.HK	Revenue	166,699	141,100	52,898
		Net loss	(233)	(1,038)	(38,617)
		Net loss margin	(0.14)%	(0.74)%	(73.00)%
China Eastern Airlines Corporation Ltd.	670.HK	Revenue	132,120	113,788	46,305
		Net loss	(4,226)	(8,190)	(37,356)
		Net loss margin	(3.20)%	(7.20)%	(80.67)%
China Southern Airlines Company Limited	1055.HK	Revenue	174,224	159,929	87,059
		Net loss	(1,769)	(4,140)	(32,699)
		Net loss margin	(1.02)%	(2.59)%	(37.56)%
Average of the three years' audited net loss margin			(1.45)%	(3.51)%	(63.75)%
Arithmetic mean of the average (%)				(22.90)%	

Source: Annual reports of Air China, the Company and China Southern Airlines Company Limited

Based on the publicly available information as set out above, we note that the arithmetic average of the reported profit margins of the Three Major Airlines for the most recent financial years stands at a loss margin of approximately 22.9%. Although this overall average reflects the challenging conditions experienced during the pandemic, the marked improvement from 63.75% in FY2022 to 1.45% in FY2024 demonstrates that the aviation industry has significantly enhanced its operational performance and is steadily recovering. This recovery is underpinned by enhanced operational efficiencies and improved cost management measures, even as underlying market and cost pressures persist. Accordingly, we maintain that deriving the transportation service fee from the arithmetic average of the average margin is both a robust and equitable benchmark, ensuring fairness to the Company and on-going competitive discipline for China Cargo Airlines in line with current market practice.

We note that the average net profit margin of the Three Major Airlines was used because information relating to specific net profit margin(s) for passenger aircraft bellyhold cargo operations of the Three Major Airlines is not publicly available. Passenger bellyhold cargo operations are inseparably linked to passenger aircraft, as they utilise the bellyhold space of these passenger planes to transport goods, by using the same planes and sharing similar fuel and maintenance costs. Although the overall net profit margin includes all business segments, it also reflects the general business environment that affects cargo operations and passenger operations alike, such as fuel costs and market demand. It therefore serves as the only practical benchmark available.

As mentioned above, we have researched and found that the performance under the Air China's Transactions is compared with the growth rate of yield level of the passenger aircraft cargo business and the growth rate of yield level of the cargo business industry. Considering that the Three Major Airlines are peer industry competitors, using their average net profit margin motivates China Cargo Airlines to earn a market-aligned profit, hence we consider that applying the average net profit margin of the Three Major Airlines is fair and reasonable and in line with market practice.

As discussed with the Management, we understand from the Company that China Cargo Airlines is the sole service provider in relation to the Passenger Aircraft Bellyhold Space Cargo Business of the Company since its entrustment of Passenger Aircraft Bellyhold Space Cargo Business to China Cargo Airlines. Therefore, the Company did not enter into similar transactions with other independent third parties that can be identified for comparison purposes.

Based on the above, we consider that the estimation of the transportation service fee under conventional and unconventional circumstances (including the reasonable margin) is fair and reasonable, on normal commercial terms and in the interests of the Company and its Shareholders as a whole.

6.4 Annual caps

Set out below are the historical transaction figures for the transactions contemplated under the Exclusive Operation Agreement for FY2023, FY2024 and 5M2025 and the proposed annual caps for the three years ending 31 December 2028 for the transactions to be contemplated under the Exclusive Operation Agreement:

Table 8: Historical transaction figures and existing annual caps

	Year ended 31 December		Five months ended 31 May
RMB million	**2023**	**2024**	**2025**
The exclusive operation transportation service fees in relation to the Passenger Aircraft Cargo Business payable by China Cargo Airlines to the Company under the Exclusive Operation Agreement	3,634	5,331	2,194
Existing annual caps	8,900	8,600	8,800*(Note)*
Utilisation rate (%)	40.8%	62.0%	24.93%

Note: The amount of RMB8,800 million represents the annual cap for FY2025.

Table 9: Proposed annual caps

	Proposed Annual Caps Year ending 31 December		
RMB million	**2026**	**2027**	**2028**
Exclusive operation transportation services fee in relation to the Passenger Aircraft Cargo Business payable by China Cargo Airlines to the Company under the Exclusive Operation Agreement	7,200	7,900	8,800

We have reviewed the historical exclusive operation transportation service fees under the Exclusive Operation Agreement for FY2023, FY2024 and 5M2025. As shown in Table 8 above, the historical fees for FY2023 were RMB3,634 million, representing a utilisation rate of 40.8% against the existing annual cap of RMB8,900 million. We note that the historical fees for FY2024 increased to RMB5,331 million, with a higher utilisation rate of 62.0% against the existing annual cap. The Management advised this

improvement was mainly due to the overall recovery of the aviation industry after the pandemic. In addition, the historical fees for 5M2025 reached RMB2,194 million, representing a utilisation rate of 24.93% and an estimated annualised utilisation rate of 59.84%.

Basis of determining the proposed annual caps for FY2026 to FY2028 under the Exclusive Operation Agreement

As stated in the Letter from the Board, the proposed annual caps under for the three years ending 31 December 2028 for the exclusive operation transportation service fees payable by China Cargo Airlines to the Company under the Exclusive Operation Agreement are determined with reference to the following primary factors:

(i) the Company estimated the basis for the transportation service fees for the Passenger Aircraft Cargo Business for the three years ending 31 December 2028: (a) with reference to the historical amounts for FY2023, FY2024 and 5M2025 for the exclusive operation transportation service fees in relation to the Passenger Aircraft Cargo Business payable by China Cargo Airlines to the Company under the Exclusive Operation Agreement; and (b) after taking into account the estimated continuous growth in demand for aviation cargo business;

(ii) based on the pricing formula under the Exclusive Operation Agreement entered into between the Company and China Cargo Airlines, the Company takes into account the conditions including prospects of the cargo market and the operating scale of the Company's cargo operations such as Bellyhold Space as well as freight rate levels; and

(iii) with reference to: (a) the historical average operating cost rate, which refers to the actual amount of operating cost incurred in the Passenger Aircraft Cargo Business for each of the recent three years agreed upon by the accountants engaged by the Company and China Cargo Airlines, divided by the arithmetic average amount of audited actual income from Passenger Aircraft Cargo Business in those years, and calculated and adjusted once a year during the exclusive operation term; the operating cost of which refers to the personnel, assets, marketing and other costs related to passenger aircraft cargo sales incurred by China Cargo Airlines for the exclusive operation of the Company's Passenger Aircraft Cargo Business in each of the past three years; and (b) the historical figures in the past seven years of the excess in income growth rate of the Company over the average revenue growth rate of Passenger Aircraft Bellyhold Space Cargo Business of the Three Major Airlines, the Company estimated the unconventional business fee rates for the three years ending 31 December 2028 with reference to: (a) the aforesaid historical average operating cost rate, and (b) the historical figures in the past three years of average income growth rate of the Three Major Airlines.

For our due diligence purpose, we have obtained and reviewed the working papers of the Company in determining the proposed annual caps under the Exclusive Operation Agreement, including (i) the estimated income from Passenger Aircraft Cargo Business based on historical revenue for FY2023, FY2024 and 5M2025; (ii) the operating cost rate based on the historical cost under the Exclusive Operation Agreement for FY2023 and FY2024; (iii) the estimated revenue growth rate of the Passenger Aircraft Bellyhold Space Cargo Business based on historical average of the growth rate of revenue from cargo business generated by the Bellyhold Space of the Company compared to the Three Major Airlines; (iv) historical average margin of the Three Major Airlines for the three years from 1 January 2022 to 31 December 2024, which were adopted by the Company as benchmark for estimation; and (v) 20%-buffer.

For the proposed annual caps for the three years ending 31 December 2028 under the Exclusive Operation Agreement, we understand that the proposed annual caps are based on the revenue generated by the passenger cargo business, which is derived from a 2025 benchmark of RMB5.6 billion with an expected 10% annual growth thereafter. As advised by the Management, the contribution from the conventional business is expected to increase annually while there will be nil contribution from the unconventional business. We noted that the historical amount of the revenue generated by the Passenger Aircraft Cargo Business during FY2022 to FY2024 demonstrated an increasing trend of over 10% from the previous year.

Furthermore, as referred to the paragraph headed "6.2 Overview of the air cargo industry", based on the IATA 25 Annual Review, the air cargo sector delivered an outstanding performance in 2024, with the global air cargo sector recorded an 11.3% increase in CTK and the capacity increasing by 7.4%. As such, we are of the view that the expected 10% annual growth applied on the revenue generated by the Passenger Aircraft Cargo Business is fair and reasonable.

The Management explained that the unconventional business was implemented as a temporary measure during the pandemic in response to two concurrent factors: (i) a sharp decline in international passenger flights; and (ii) a surge in demand for essential cargo capacity. To optimise aircraft utilisation under these exceptional conditions, the Company introduced its unconventional operational model. Following the easing of travel restrictions, conventional passenger operations experienced a steady recovery. This has reduced reliance on the unconventional model, facilitating its complete phase-out by early 2024.

We noted that the Company has included a 20% buffer in the estimated exclusive operation transportation services fees for each of the three years ending 31 December 2028 in deriving the proposed annual caps and we note that the Company also similarly included a buffer in the calculation of existing annual caps for FY2023 to FY2025. The Management advised that a buffer is included to address uncertainties arising from industry volatility, given the current complex and volatile international economic and trade situation, as well as in response to the unexpected growth in Passenger Aircraft

Cargo Business, in order to accommodate projected industry expansion and the anticipated increase in cargo capacity stemming from the growth of air cargo industry. Considering (i) it is commercially logical to mitigate risks arising from the volatile international economic and trade environment and industry fluctuations; (ii) it aligns consistently with the Company's historical practice for annual caps during FY2023 to FY2025; and (iii) it caters for potential upside volatility from unexpected cargo demand growth, industry expansion and capacity increases, as supported by industry trends outlined in the paragraph headed "6.2 Overview of the air cargo industry", we are of the view that the 20% buffer is fair and reasonable.

Taking into account the above and the reasons discussed under paragraph headed "6.2 Overview of the air cargo industry", we consider the basis of determining the proposed annual caps under the Exclusive Operation Agreement is fair and reasonable and on normal commercial terms.

Pricing of the proposed annual caps for FY2026 to FY2028 under the Exclusive Operation Agreement

In the exclusive operation transaction of Passenger Aircraft Bellyhold Space Cargo Business, using the income growth rate as the incentive and binding standard is in line with market practice under conventional circumstances. In determining the pricing of the transportation service fees, the Company considered the average growth rate of comparable companies' Passenger Aircraft Cargo Business within the same industry, an indication of fair pricing under continuing connected transactions. Additionally, using the 50% difference of China Cargo Airlines' annual growth rate that exceeds the average of the Three Major Airlines as the incentive indicator, and the 50% difference of China Cargo Airlines' growth rate that is below the average of the Three Major Airlines as the restrictive indicator, to encourage China Cargo Airlines to improve its Passenger Aircraft Cargo Business capacity, thereby enhancing the Company's passenger aircraft cargo operation efficiency, provides a reasonable basis.

In the exclusive operation transaction of Passenger Aircraft Cargo Business, considering there are no comparable historical figures for the Passenger Aircraft Cargo Business under unconventional circumstances, the annual growth rate of the Three Major Airlines' unconventional business revenue is difficult to obtain. As such, the business fee rate under unconventional circumstances uses the operating cost rate as basis, while using average margin of the Three Major Airlines over the past three fiscal years as the reasonable margin rate, which also ensures fairness and reasonableness. We noted that the average profit margin applied in the calculation under unconventional circumstances for the proposed annual caps under the Exclusive Operation Agreement is a negative margin for the three years ending 31 December 2028. Based on the publicly available information, we noted that the Three Major Airlines recorded net loss for the three years ended 31 December 2024.

Based on the IATA 25 Annual Review, the industry's revenue in 2024 is estimated at USD966 billion, reflecting a 6.2% year-on-year increase. This overall revenue growth was partly bolstered by strong cargo revenue, which grew by 7.2% in 2024. This growth can be attributed to a decline in air cargo prices relative to ocean freight, delays in maritime transport due to the Red Sea crisis, and robust demand driven by Asian e-commerce. According to the "Global Outlook for Air Traffic" published by IATA in June 2025, the cargo load factor stood at 45.9% in 2024 and it slightly dropped to 45.6% in Q1 2025. Demand for air cargo is expected to slow down in 2025 amid an on-going trade war and increased competition from ocean cargo. Therefore, the average margins of the Three Major Airlines used in calculating the proposed annual caps are fair and reasonable.

The actual amount incurred in the operating cost and the actual income of the Passenger Aircraft Cargo Business are confirmed in the report prepared and issued by the qualified accounting firm jointly appointed by the Company and China Cargo Airlines. As the actual amount incurred in the operating cost and the actual income of the Passenger Aircraft Cargo Business are calculated and adjusted per annum during the implementation years of the exclusive operation transaction of Passenger Aircraft Cargo Business, the fairness and independence of the transaction are ensured.

Having considered that the information and assumption for calculation of services fee provided by the Company, we noted that (i) the Group's historical business performance with both revenue and net profit, together with Passenger Aircraft Cargo Business demonstrated a stable growth over the past two years ended 31 December 2024; (ii) With gradual recovery from the pandemic, passenger operations have normalised and the associated bellyhold cargo capacity is operating on a strong footing, despite ongoing influences such as trade policy uncertainty and competition from ocean shipping; (iii) the prospects of the aviation and travel industry in the PRC as supported by the statistics published by IATA, which has demonstrated a strong recovery in terms of air passenger and cargo revenue to pre-pandemic level; and (iv) the expected revenue of RMB5.6 billion for 2025, with an expected 10% annual growth thereafter, we are of the opinion that the assumptions and the amount of the proposed annual caps for the three years ending 31 December 2028 are fair and reasonable so far as the Independent Shareholders are concerned.

B. INTERNAL CONTROL PROCEDURES AND CORPORATE GOVERNANCE OF THE GROUP

1. Provision of deposit services under the Financial Services Agreement

The Group's finance department would check and compare the deposit interest rates offered by the Eastern Air Finance Entities with those offered by independent third party banks and relevant rates set by the PBOC. Our work done in reviewing the internal control measures on the deposit interest rates implemented by the finance department, is set out in the sub-section headed "3.2 Principal terms" in this letter.

To further safeguard the Group's fund security, the Company's finance department shall obtain and review the latest audited annual report of Eastern Air Finance Company to assess the risk before the deposits are actually made by the Company. During the period the deposits are placed with the Eastern Air Finance Entities, the Company's finance department shall have access to and review the financial reports of Eastern Air Finance Company regularly to assess the risk of the Group's deposits in the Eastern Air Finance Entities. In addition, Eastern Air Finance Company will inform the Company's finance department the balance of the Group's deposits in the Eastern Air Finance Entities and the balance of loans provided by the Eastern Air Finance Entities to the Group on a monthly basis. The finance department of the Company will designate a person who is specifically responsible to monitor the relevant rates set by the PBOC for similar deposits services and the policy promulgated by the PBOC to ensure that each transaction is conducted in accordance with the pricing policy under the Financial Services Agreement.

We have reviewed the auditors reports in respect of the deposit transactions under the Existing Financial Services Agreement for the two financial years ended 31 December 2024 prepared by the external auditors, and noted that the external auditors has expressed no particular findings need to be brought to the attention of the Company in respect of the deposit transactions under the Existing Financial Services Agreement for FY2023 and FY2024.

Given that (i) the designated finance department staff of the Company has closely monitored the transactions contemplated under the Existing Financial Services Agreement by comparing the deposit interest rates offered by the Eastern Air Finance Entities with that of independent third party banks and that set by the PBOC and regularly reviewing the financial reports of the Eastern Air Finance Entities; (ii) the independent non-executive Directors will, pursuant to Rule 14A.55 of the Hong Kong Listing Rules, review, among other things, whether the transactions contemplated under the Financial Services Agreement are conducted on normal commercial terms; and (iii) the auditors of the Company will, for the purpose of Rule 14A.56 of the Hong Kong Listing Rules, review, among other things, whether the transactions contemplated under the Financial Services Agreement are conducted in accordance with its terms, we are of the view that there is nothing material that led us to cast doubt on the effectiveness of the Company's internal control measures to ensure that the deposit transactions contemplated under the Financial Services Agreement is conducted in accordance with the pricing policy under the Financial Services Agreement and on normal commercial terms.

2. Catering and Aircraft On-board Supplies Support Agreement, Aircraft and Engines Lease and Related Services Agreement and Exclusive Operation Agreement

As set out in the Letter from the Board, to ensure the Company's conformity with the terms of the Catering and Aircraft On-board Supplies Support Agreement, Aircraft and Engines Lease and Related Services Agreement and Exclusive Operation Agreement under the Hong Kong Listing Rules, the Company shall adopt a series of internal control policies during its daily operations which shall be conducted and supervised by the finance department of the Company and the independent non-executive Directors. The internal control policies are as follows:

(1) The finance department of the Company monitors daily connected transactions of the Company and reports to the independent non-executive Directors on a quarterly basis. The finance department of the Company shall supervise the implementation agreements of the Catering and Aircraft On-board Supplies Support Agreement, the Aircraft and Engines Lease and Related Services Agreement and Exclusive Operation Agreement to ensure that they are entered into: (i) in accordance with the review and evaluation procedures and the terms of the Catering and Aircraft On-board Supplies Support Agreement, the Aircraft and Engines Lease and Related Services Agreement and Exclusive Operation Agreement under the Hong Kong Listing Rules; (ii) in the ordinary and usual course of business of the Group; (iii) on normal commercial terms or better; (iv) no less favourable than terms offered by independent third parties to the Company; and (v) according to the Catering and Aircraft On-board Supplies Support Agreement, the Aircraft and Engines Lease and Related Services Agreement and Exclusive Operation Agreement, on terms that are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

(2) The independent non-executive Directors shall review and will continue to review the implementation agreements of the Catering and Aircraft On-board Supplies Support Agreement, the Aircraft and Engines Lease and Related Services Agreement and Exclusive Operation Agreement to ensure that they have been entered into on normal commercial terms or better, and on terms that are fair and reasonable and in the interests of the Company and the Shareholders as a whole, and provide confirmation in the Company's annual report.

(3) Pursuant to Rule 14A.56 of the Hong Kong Listing Rules, the Company will engage external auditors to issue a letter to report on the Group's continuing connected transactions contemplated under the Catering and Aircraft On-board Supplies Support Agreement, the Aircraft and Engines Lease and Related Services Agreement and Exclusive Operation Agreement in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on continuing connected transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants.

As part of our due diligence work, we have obtained and reviewed the meeting records of the quarterly audit and risk management committee for FY2023 and FY2024 and confirmation provided by the independent non-executive Directors as disclosed in the annual reports for FY2023 and FY2024. We noted that the finance department, audit and risk management committee and the independent non-executive Directors have respectively monitored the connected transactions contemplated. We have also reviewed the letters issued by the Company's external auditors for the annual audit purposes in respect of the continuing connected transactions contemplated under the Existing Catering and Aircraft On-board Supplies Support Agreement, the Existing Aircraft and Engines Lease Agreement and Exclusive Operation Agreement and noted that the auditors have confirmed that the internal control procedures implemented by the Company have been effective in all material aspects.

Given that (i) regular monitoring have been conducted by the finance department, audit and risk management committee and the independent non-executive Directors; (ii) the Company's external auditors have been engaged to issue a letter to report on the Group's continuing connected transactions contemplated under the Existing Catering and Aircraft On-board Supplies Support Agreement, the Existing Aircraft and Engines Lease Agreement and Exclusive Operation Agreement pursuant to the Rule 14A.56 of the Hong Kong Listing Rules; and (iii) the independent non-executive Directors will be reviewing the individual agreements to be entered pursuant to the Catering and Aircraft On-board Supplies Support Agreement, the Aircraft and Engines Lease and Related Services Agreement and Exclusive Operation Agreement to ensure that they have been entered into on normal commercial terms, we are of the view that the Company has adequate internal control procedures to ensure continuing connected transactions contemplated under the Catering and Aircraft On-board Supplies Support Agreement, the Aircraft and Engines Lease and Related Services Agreement and Exclusive Operation Agreement to be in compliance with the terms thereunder and will not be prejudicial to the interests of the Company and the Shareholders.

OPINION AND RECOMMENDATION

In light of the above and having considered in particular that:

(i) the encouraging outlook of the aviation industry and air cargo industry in the PRC;

(ii) the reasons for and benefits of entering into the Financial Services Agreement, the Catering and Aircraft On-board Supplies Support Agreement and the Aircraft and Engines Lease and Related Services Agreement;

(iii) the fairness and reasonableness of the principal terms of the Financial Services Agreement, the Catering and Aircraft On-board Supplies Support Agreement and the Aircraft and Engines Lease and Related Services Agreement (including the relevant proposed annual caps);

(iv) the fairness and reasonableness of the proposed annual caps under the Exclusive Operation Agreement;

(v) the internal control procedures adopted by the Group in relation to the Renewed Non-exempt Continuing Connected Transactions; and

(vi) historically, the Group has been in compliance with the internal control procedures,

we are of the view that: (1) the entering into the Financial Services Agreement, the Catering and Aircraft On-board Supplies Support Agreement and the Aircraft and Engines Lease and Related Services Agreement are in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole; (2) the terms of the Financial Services Agreement, the Catering and Aircraft On-board Supplies Support Agreement and the Aircraft and Engines Lease and Related Services Agreement (including the relevant proposed annual caps) are on normal commercial terms and are fair and reasonable; and (3) the proposed annual caps of the Exclusive Operation Agreement are on normal commercial terms and are fair and reasonable. Accordingly, we recommend the Independent Board Committee to recommend, and we ourselves recommend, the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the EGM in relation to the Renewed Non-exempt Continuing Connected Transactions.

Yours faithfully,
For and on behalf of
Opus Capital Limited

Koh Kwai Yim
Managing Director

Ms. Koh Kwai Yim is the Managing Director of Opus Capital and is licensed under the SFO as a Responsible Officer to conduct Type 6 (advising on corporate finance) regulated activity. Ms. Koh has over 20 years of corporate finance experience in Asia and has participated in and completed various financial advisory and independent financial advisory transactions.

COMPARISON TABLE OF THE AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF CHINA EASTERN AIRLINES CORPORATION LIMITED

Existing Articles	Revised Articles
CHAPTER 1: GENERAL PROVISIONS	
Article 1. The Company is a joint stock limited company established in accordance with the "Company Law of the People's Republic of China" (the "Company Law"), the "Securities Law of the People's Republic of China" (the "Securities Law"), ~~**"State Council's Special Regulations Regarding the Issue of Shares Overseas and the Listing of Shares Overseas by Companies Limited by Share" (the "Special Regulations")**~~ and other relevant laws and regulations ~~**of the State**~~. The Company was established by way of promotion with the approval under the document "Ti Gai Sheng" [1994] No. 140 of the People's Republic of China's State Commission for Restructuring the Economic System. It is registered with and has obtained a business licence from China's State Administration for Industry and Commerce on April 14, 1995. On February 8, 2017, the Company completed the "Combination of Three Licenses into One" procedures for its business license, organisation code certificate and tax registration certificate. The unified social credit code of the business license of the Company after the integration is 913100007416029816. The promoter of the Company is: China Eastern Air Holding Company Limited	Article 1. **To safeguard the legitimate rights and interests of** ~~**T**~~**t**he Company**, its shareholders, employees and creditors, and regulate the organization and activities of the Company, these Articles of Association are formulated** ~~**is a joint stock limited company established**~~ in accordance with the "Company Law of the People's Republic of China" (the "Company Law"), the "Securities Law of the People's Republic of China" (the "Securities Law"), **the Guidelines on the Articles of Association of Listed Companies and other relevant regulations**. **Article 2. The Company** was incorporated as a joint stock company with limited liability **in accordance with the Company Law** and other relevant **PRC** laws and regulations **and departmental rules**. The Company was established by way of promotion with the approval under the document "Ti Gai Sheng" [1994] No. 140 of the People's Republic of China's State Commission for Restructuring the Economic System. It is registered with and has obtained a business licence from China's State Administration for Industry and Commerce on April 14, 1995. On February 8, 2017, the Company completed the "Combination of Three Licenses into One" procedures for its business license, organisation code certificate and tax registration certificate. The unified social credit code of the business license of the Company after the integration is 913100007416029816.

Existing Articles	Revised Articles
	Article 3. Approved by the document [1996] No. 180 of the State Commission for Restructuring the Economic System and the document "Zheng Wei Fa" [1997] No. 4, "Approval Concerning Consent to the Issuance of Foreign Shares Listed Overseas by China Eastern Airlines Corporation Limited" issued by the State Council Securities Commission, the Company was listed on The Stock Exchange of Hong Kong Limited in February 1997, issuing 1,566,950,000 H Shares at a price of HK$1.38 per share. Upon completion of the issuance, the total number of the Company's shares increased to 4,566,950,000 shares, with a par value of RMB1 per share. **Approved by the document "Min Hang Ti Han" [1997] No. 390 and the document "Min Hang Ti Han" [1997] No. 393 of the Civil Aviation Administration of China, as well as the document "Zheng Jian Fa Zi" [1997] No. 471, "Approval Concerning the Application for Public Offering by China Eastern Airlines Corporation Limited", and the document "Zheng Jian Fa Zi" [1997] No. 472, "Approval Concerning the A Share Issuance Plan of China Eastern Airlines Corporation Limited", issued by the China Securities Regulatory Commission, the Company was listed on the Shanghai Stock Exchange in October 1997, issuing 300,000,000 A Shares at a price of RMB2.45 per share. Upon completion of the issuance, the total number of the Company's shares was 4,866,950,000 shares, with a par value of RMB1 per share.**
Article 2. The Company's registered name in Chinese is: 中國東方航空股份有限公司 and in English is: CHINA EASTERN AIRLINES CORPORATION LIMITED	**Article 4.** The Company's registered name in Chinese is: 中國東方航空股份有限公司 and in English is: CHINA EASTERN AIRLINES CORPORATION LIMITED

Existing Articles	Revised Articles
Article 3. The Company's address: 66, Airport Avenue, International Airport, Pudong New Area, Shanghai, The People's Republic of China Zip Code: 201202 Telephone: (021) 62686268 Facsimile: (021) 62686116	**Article 5.** The Company's address: 66, Airport Avenue, International Airport, Pudong New Area, Shanghai, The People's Republic of China Zip Code: 201202 Telephone: (021) 62686268 Facsimile: (021) 62686116
Article 25. The registered capital of the Company is RMB22,291,296,570.	**Article 6.** The registered capital of the Company is RMB22,291,296,570.
Article 5. The Company is a joint stock limited company in perpetual existence.	**Article 7.** The Company is a joint stock limited company in perpetual existence.
Article 4. ~~**The Company's legal representative is the Chairman of the board of directors of the Company.**~~	**Article 8. The Chairman of the board of directors of the Company is the Company's legal representative. Where the director serving as the legal representative resigns, the director is deemed to have concurrently resigned from the office of the legal representative. Where the legal representative resigns, the Company shall have the board of directors elect a director or manager who represents the Company in its business operations as the legal representative of the Company within 30 days of resignation of the legal representative.** **The legal consequences of civil activities performed by the legal representative of the Company in the name of the Company shall be assumed by the Company. Any restriction on the power of the legal representative imposed by these Articles of Association or the Shareholders' general meeting shall not be set up against a bona fide opposite party. Where the legal representative causes any harm to any other person for execution of his functions, the Company shall assume civil liability for such harm. The Company may, after assuming civil liability, recover loss from the legal representative at fault in accordance with laws or these Articles of Association.**

Existing Articles	Revised Articles
	Article 9. The liability of its shareholders for the Company is limited to the extent of the shares they subscribe for and the liability of the Company for its own debts is limited to all the properties it owns.
Article 8. From the date of these articles of association becoming effective, these articles of association constitute a legally binding document regulating the Company's organisation and activities, and the rights and obligations between the Company and each shareholder and among the shareholders inter se. Article 9. These articles of association are binding on the ~~**Company and its**~~ shareholders of the Company, directors, ~~**supervisors, general manager, deputy general managers and other**~~ senior administrative officers of the Company; ~~**all of whom are entitled to claim rights concerning the affairs of the Company in accordance with these articles of association**~~. These articles of association are actionable by a shareholder against the Company and vice versa~~**, by shareholders against each other and by a shareholder against the directors, supervisors, general manager, deputy general managers and other senior administrative officers of the Company in respect of rights and obligations concerning the affairs of the Company arising out of these articles of association.**~~ ~~**The actions referred to in the preceding paragraph include court proceedings and arbitration proceedings.**~~ The ~~**other**~~ senior administrative officers as referred herein shall refer to the financial controller, the secretary of the board of directors and the general counsel legal adviser of the Company and the senior administrative officers appointed by the board of directors excluded in preceding paragraphs.	**Article 10. These Articles of Association shall come into force on the date when it is considered and approved by the Shareholders' general meeting of the Company. The original Articles of Association of the Company shall automatically become invalid upon the date when these Articles of Association become effective.** From the date of these articles of association becoming effective, these articles of association constitute a legally binding document regulating the Company's organisation and activities, and the rights and obligations between the Company and each shareholder and among the shareholders inter se. These articles of association are **legally** binding on the Company and its shareholders, directors, senior administrative officers of the Company. **Pursuant to these Articles of Association, legal proceedings may be lodged by shareholders against each other, by a shareholder against Directors and Senior Management,** ~~**These articles of association are actionable**~~ by a shareholder against the Company and ~~**vice versa**~~ **by the Company against its shareholders, Directors and Senior Management**. The senior administrative officers as referred herein shall refer to the **general manager, deputy general managers,** financial controller, the secretary of the board of directors and the general counsel legal adviser of the Company and the senior administrative officers appointed by the board of directors excluded in preceding paragraphs.

Existing Articles	Revised Articles
Article 10. The Company may invest in other ~~limited liability companies or joint stock limited companies. The Company's liabilities to an investee company shall be limited to the amount of its capital contribution to the investee company.~~	Article 11. The Company may invest in other **enterprises. If it is stipulated by law that the Company shall not make capital contribution to its investee enterprises whose debts the Company has to bear joint liability on, the Company shall comply with such law.**
	Article 12. The company must conduct its business in accordance with laws and regulations as well as public and commercial ethics, be honest and trustworthy and accept the supervision of the government and the public.
Article 12. In accordance with the Constitution of the Communist Party of China (the "Party"), the Company shall establish Party organizations. The Party committee at different levels of the Company shall perform functions in accordance with provisions of the Constitution of Party. ~~The Company shall set up the working organs of the Party, and maintain an adequate level of staffing to handle Party affairs as well as sufficient funding necessary for the activities of the Party organizations.~~	Article 13. In accordance with the Constitution of the Communist Party of China (the "Party"), the Company shall establish Party organizations **to carry out the activities of the Party**. The Party committee at different levels of the Company shall perform functions in accordance with provisions of the Constitution of Party. **The Company shall provide the necessary conditions for the activities of Party organizations.**
CHAPTER 2: PURPOSES AND SCOPE OF BUSINESS	
Article 13. The business purposes of the Company are: to provide the public with safe, punctual, comfortable, fast and convenient ~~air transport~~ service and other ancillary services, to enhance the cost-effectiveness of the services and to protect the lawful rights and interests of the shareholders.	Article 14. The business purposes of the Company are: to provide the public with safe, punctual, comfortable, fast and convenient **air transport** service and other ancillary services, to enhance the cost-effectiveness of the services **and social benefits** and to protect the lawful rights and interests of the shareholders.

Existing Articles	Revised Articles
Article 14. ~~**The scope of business of the Company shall comply with those items approved by the companies registration authority.**~~ The scope of business of the Company includes: domestic and approved international and regional business for air transportation of passengers, cargo, mail, luggage and extended services; general aviation business; maintenance of aviation equipment and machinery; manufacture and maintenance of aviation equipment; agency business for domestic and overseas airlines and other business related to air transportation; insurance by-business agency services; e-commerce (excluding value added telecommunication services such as third-party platforms); in-flight supermarket (excluding products sold under quota licenses and special permits); wholesale and retail of goods.	Article 15. **Upon registration in accordance with the law, T~~t~~**he scope of business of the Company includes: domestic and approved international and regional business for air transportation of passengers, cargo, mail, luggage and extended services; general aviation business; maintenance of aviation equipment and machinery; manufacture and maintenance of aviation equipment; agency business for domestic and overseas airlines and other business related to air transportation; insurance by-business agency services; e-commerce (excluding value added telecommunication services such as third-party platforms); in-flight supermarket (excluding products sold under quota licenses and special permits); wholesale and retail of goods.
CHAPTER 3: SHARES	
	Section 1 Issuance of Shares
	Article 16. The stock of the Company shall take the form of shares.
	Article 17. The shares of the Company shall be issued in accordance with the principles of openness, fairness and justice. Each share of the same class shall carry the same rights. Shares of the same class and in the same issue shall be issued on the same conditions and at the same price. The same price is paid for each share subscribed for by the subscribers.
	Article 18. The Company issues par value shares, which are denominated in Renminbi.
	Article 19. The domestic listed shares issued by the Company shall be kept at the Shanghai Branch of China Securities Depository and Clearing Corporation Limited. H Shares issued by the Company shall primarily be put under custody of the Company authorized by the Hong Kong Securities Clearing Company Limited.

Existing Articles	Revised Articles
	Article 20. The promoter of the Company is China Eastern Air Holding Company Limited, which subscribed for 3,000,000,000 shares, with a par value of RMB1 per share. Such shares were fully subscribed by China Eastern Air Holding Company Limited on April 14, 1995. The total number of shares issued upon the establishment of the Company was 3,000,000,000 shares.
Article 22. The Company has ~~**issued**~~ a total of 22,291,296,570 ~~**ordinary**~~ shares, comprising a total of 17,114,518,793 A shares, representing 76.78% of the total share capital of the Company, a total of 5,176,777,777 H shares, representing 23.22% of the total share capital of the Company.	Article 21. The Company **currently** has a total of 22,291,296,570 **ordinary shares**, comprising a total of 17,114,518,793 A shares, representing 76.78% of the total share capital of the Company, a total of 5,176,777,777 H shares, representing 23.22% of the total share capital of the Company.
Article 35. ~~**The Company and its subsidiaries shall not, by any means at any time, provide any kind of financial assistance to a person who is acquiring or is proposing to acquire shares in the Company. The said acquirer of shares of the Company includes a person who directly or indirectly incurs any obligations due to the acquisition of shares in the Company (the "obligor").**~~ ~~**The Company and its subsidiaries shall not, by any means at any time**~~, provide financial assistance ~~**to the obligor as referred to in the preceding paragraph for the purpose of reducing or discharging the obligations assumed by that person**~~. ~~**This Article shall not apply to the circumstances specified in Article 37 of this Chapter.**~~	Article 22. **Neither the Company nor its subsidiaries (including affiliated enterprises of the Company) shall** provide financial assistance **to others for the purpose of acquiring shares in the Company or its parent company by way of gift, advance, guarantee, loan or otherwise, except for the implementation of the Employee Stock Ownership Plan of the Company**. **For the benefit of the Company, the Company may provide financial assistance to others for the purpose of acquiring shares in the Company or its parent company upon a resolution passed at a Shareholders' general meeting, or by the board of directors pursuant to the Articles of Association or the mandate of the Shareholders' general meeting, provided that the aggregate amount of such financial assistance shall not exceed 10% of the total issued share capital. Any resolution of the board of directors in this regard must be approved by more than two-thirds of all the directors.**

Existing Articles	Revised Articles
	Section 2: Changes in Share Capital and Share Repurchase
Article 26. The Company may, based on its requirements for operation and development ~~**and in accordance with the relevant provisions of these articles of association, approve an increase of capital.**~~ ~~**The Company may increase its capital**~~ in the following ways: ~~**(1) offering new shares to non-specially-designated investors for subscription;**~~ ~~**(2) placing new shares to its existing shareholders;**~~ ~~**(3) allotting bonus shares to its existing shareholders;**~~ (4) any other ways ~~**permitted**~~ by relevant laws and administrative regulations. ~~**The Company's increase of capital by issuing new shares shall, after being approved in accordance with the provisions of these articles of association, be conducted in accordance with the procedures stipulated by relevant laws and administrative regulations.**~~	Article 23. The Company may, based on its requirements for operation and development **and in accordance with applicable laws and regulations, increase its share capital by a resolution passed at a Shareholders' general meeting** in the following ways: **(1) issuing shares to unspecified investors;** **(2) issuing shares to specified investors;** **(3) distributing bonus shares to existing shareholders;** **(4) converting capital reserves into share capital;** (5) any other ways permitted by laws, administrative regulations, **and as approved by the CSRC**.
Article 28. ~~**In accordance with the provisions of these articles of association,**~~ the Company may reduce its registered capital.	Article 24. The Company may reduce its registered capital. **Any reduction of the Company's registered capital shall be carried out in accordance with the procedures stipulated in the Company Law, other applicable regulations, and the provisions of the Articles of Association.**

Existing Articles	Revised Articles
Article 30. The Company shall not acquire its own shares, except that the acquisitions are carried out under any of the following circumstances: (1) **cancellation of shares for the** reduction of its capital; (2) merging with another company that holds shares in the Company; (3) issue of shares in connection with staff shareholding plans or share incentives; (4) requesting the Company to purchase its own shares where shareholders object to the merger or demerger resolution of a general meeting; (5) issue of shares in connection with convertible bonds issued by the Company; (6) deemed necessary by the Company for protecting the Company's value and shareholders' interests; (7) other circumstances ~~**permitted**~~ by relevant laws and administrative regulations. The acquisition of its own shares by the Company pursuant to the foregoing paragraphs (1) or (2) shall be subject to approval at the general meeting by way of resolution; the acquisition of its own shares by the Company pursuant to the foregoing paragraphs (3), (5) or (6) shall be subject to approval by way of Board resolution at a Board meeting attended by more than two-thirds of the directors in accordance with the provisions of the Articles of Association or the mandate of the general meeting.	Article 25. The Company may, with the approval of the relevant State governing authority for repurchasing its shares, conduct the repurchase in one of the following ways: (1) **reduction of its registered capital;** (2) merging with another company that holds shares in the Company; (3) issue of shares in connection with staff shareholding plans or share incentives; (4) requesting the Company to purchase its own shares where shareholders object to the merger or demerger resolution of a general meeting; (5) issue of shares in connection with convertible bonds issued by the Company; (6) deemed necessary by the Company for protecting the Company's value and shareholders' interests; (7) other circumstances **as prescribed** by laws, administrative regulations**, departmental rules, and the securities regulatory rules of the stock exchange where the Company's shares are listed**. The acquisition of its own shares by the Company pursuant to the foregoing paragraphs (1) or (2) shall be subject to approval at the Shareholders' general meeting by way of resolution; the acquisition of its own shares by the Company pursuant to the foregoing paragraphs (3), (5) or (6) shall be subject to approval by way of a resolution at a meeting of the board of directors attended by more than two-thirds of the directors in accordance with the provisions of the Articles of Association or the mandate of the Shareholders' general meeting.

Existing Articles	Revised Articles
	Where the Company repurchases its shares in accordance with the above provisions, under circumstance (1), the shares shall be cancelled within ten days from the date of repurchase; under circumstances (2) and (4), the shares shall be transferred or cancelled within six months; and under circumstances (3), (5) and (6), the total number of shares held by the Company shall not exceed 10% of its total issued share capital and shall be transferred or cancelled within three years. Where laws, administrative regulations, departmental rules, or the securities regulatory rules of the stock exchange on which the Company's shares are listed provide otherwise in respect of the matters related to such share repurchases, such provisions shall prevail.
	Article 26. The Company may repurchase its shares through public centralized trading or other methods permitted by laws, administrative regulations, and as recognized by the CSRC. **Where the Company repurchases its shares under the circumstances specified in Article 25, Paragraph 1, Items (3), (5), and (6) of the Articles of Association, such repurchase shall be conducted through public centralized trading.** **When the Company repurchases its shares, it shall fulfill its information disclosure obligations in accordance with the Securities Law and the relevant securities regulatory rules of the stock exchange where its shares are listed.**

Existing Articles	Revised Articles
	Section 3: Transfer of Shares
	Article 27. The shares of the Company shall be transferred in accordance with the law.
	Article 28. The Company shall not accept its own shares as the subject of a pledge.
	Article 29. The transfer of the Company's shares shall comply with the following provisions: (1) Shares issued before the Company's public issuance of A shares shall not be transferred within one year from the date when the Company's A shares are listed and traded on the stock exchange. (2) Directors and senior management of the Company shall report to the Company their holdings of the Company's shares (including preferred shares) and any changes thereto. During their tenure, the shares they transfer each year shall not exceed 25% of the total shares of the same class they hold in the Company; shares held by them shall not be transferred within one year from the date when the Company's shares are listed and traded. After leaving their positions, they shall not transfer any shares they hold within six months. (3) Other circumstances prescribed by laws, administrative regulations, departmental rules, or the securities regulatory rules of the stock exchange where the Company's shares are listed.

Existing Articles	Revised Articles
	Article 30. Shareholders holding more than 5% of the Company's shares, as well as directors and senior management personnel, who sell shares or other equity-type securities of the Company within six months after purchase, or repurchase such shares or securities within six months after sale, shall have the gains from such transactions belong to the Company. The Company's board of directors shall recover such gains. However, this does not apply to securities companies holding more than 5% of shares due to purchasing unsold shares in underwriting, nor to other circumstances stipulated by the CSRC. **The shares or other equity-type securities held by the directors, senior management, and individual shareholders mentioned in the preceding paragraph include those held by their spouses, parents, children, and those held through accounts of others.** **If the board of directors fails to enforce the provisions of the first paragraph of this Article, shareholders have the right to require the board of directors to enforce it within thirty days. If the board of directors still fails to enforce it within the specified period, shareholders have the right, in the interest of the Company, to initiate litigation in their own name directly with the People's Court. The responsible directors shall bear joint and several liability in accordance with the law if the board of directors fails to enforce the provisions of the first paragraph of this Article.**

Existing Articles	Revised Articles
CHAPTER 4: SHAREHOLDER AND SHAREHOLDERS' GENERAL MEETINGS	
	Section 1: Shareholder
Article 40. The Company ~~**shall**~~ keep**s** a register of its shareholders ~~**and enter in the register the following particulars:**~~ ~~**(1) the name (title) and address (residence), the occupation or nature of each shareholder;**~~ ~~**(2) the class and quantity of shares held by each shareholder;**~~ ~~**(3) the amount paid or agreed to be paid on the shares of each shareholder;**~~ ~~**(4) the share certificate numbers of the shares held by each shareholder;**~~ ~~**(5) the date on which each person was entered in the register as a shareholder;**~~ ~~**(6) the date on which any shareholder ceased to be a shareholder.**~~ ~~**Unless contrary evidence is shown,**~~ the register of shareholders shall be sufficient evidence of the shareholders' shareholdings in the Company. Article 50. ~~**A shareholder of the Company is a person who lawfully holds shares in the Company and whose name (title) is entered in the register of shareholders**~~. A shareholder shall enjoy rights and bear obligations according to the class ~~**and proportion**~~ of the shares held by him; shareholders who hold shares of the same class shall enjoy the same rights and bear the same obligations.	Article 31. The Company shall establish the register of shareholders **based on certificates provided by the securities registration institution**. The register of shareholders shall serve as sufficient evidence to prove a shareholder's ownership of the Company's shares. A shareholder shall enjoy rights and bear obligations according to the class of the shares held by him; shareholders who hold shares of the same class shall enjoy the same rights and bear the same obligations. **The register of shareholders in Hong Kong shall be available for shareholders to inspect free of charge during business hours. This provision shall not affect the Company's right to suspend the registration of share transfers in accordance with the rules of the regulatory authorities of the place where the shares are listed.**

Existing Articles	Revised Articles
	Article 32. When the Company convenes a Shareholders' general meeting, distributes dividends, undergoes liquidation, or engages in other activities requiring confirmation of shareholder identity, the board of directors or the convener of the Shareholders' general meeting shall determine the record date. Shareholders registered in the register of shareholders after the close of business on the record date shall be entitled to the relevant rights and interests.
Article 51. The ~~**ordinary**~~ shareholders of the Company shall enjoy the following rights: (1) the right to dividends and other distributions in proportion to the number of shares held; (2) the right to attend or appoint a proxy to attend Shareholders' general meetings and to vote thereat; (3) the right to supervise ~~**of supervisory management over**~~ the Company's business operations, and the right to present proposals or enquiries; (4) the right to transfer shares in accordance with laws, administrative regulations and provisions of these articles of association; ~~**(5) the right to obtain relevant information in accordance with the provisions of these articles of association, including:**~~ ~~**(i) the right to obtain a copy of these articles of association, subject to payment of the cost of such copy;**~~	Article 33. The shareholders of the Company shall enjoy the following rights: (1) the right to dividends and other distributions in proportion to the number of shares held; (2) the rights to **require the holding of, convene, preside over,** attend or appoint a proxy to attend Shareholders' general meetings and **exercise corresponding speaking and voting right (except where individual shareholders are required to abstain from voting on specific matters under the listing rules of the place(s) where the Company's shares are listed);** (3) the right to supervise the Company's business operations, and the right to present proposals or enquiries; (4) the right to transfer shares**, give by way of gift or pledge shares held** in accordance with laws, administrative regulations and provisions of these articles of association;

Existing Articles	Revised Articles
~~(ii) the right to inspect and copy, subject to payment of a reasonable charge:~~ ~~(a) all parts of the register of shareholders;~~ ~~(b) personal particulars of each of the Company's directors, supervisors, general manager, deputy general managers and other senior administrative officers, including: (aa) present name and alias and any former name or alias; (bb) principal address (residence); (cc) nationality; (dd) primary and all other part-time occupations and duties; (ee) identification documents and their relevant numbers;~~ ~~(c) state of the Company's share capital;~~ ~~(d) reports showing the aggregate par value, quantity, highest and lowest price paid in respect of each class of shares repurchased by the Company since the end of last accounting year and the aggregate amount paid by the Company for this purpose;~~ ~~(e) minutes of Shareholders' general meetings and accountant's report,~~ (6) in the event of the termination or liquidation of the Company, to participate in the distribution of surplus assets of the Company in accordance with the number of shares held; (7) other rights in the ~~conferred by~~ laws, administrative regulations ~~and these~~ articles of association.	**(5) the right to inspect and make copies of these Articles of Association, the register of shareholders, minutes of Shareholders' general meetings, resolutions of the board of directors, and financial and accounting reports. Shareholders who meet the prescribed conditions may also inspect the Company's accounting books and accounting vouchers;** (6) in the event of the termination or liquidation of the Company, to participate in the distribution of surplus assets of the Company in accordance with the number of shares held; **(7) for the shareholder who raises an objection to the resolutions of the Shareholders' general meeting regarding the merger or division of the Company, the right to require the Company to purchase his shares;** (8) other rights **stipulated** in the laws, administrative regulations, **departmental rules, regulatory rules of the place where the Company's shares are listed or the Articles of Association**.

Existing Articles	Revised Articles
	Article 34. Shareholders who request to inspect or make photocopies of the aforesaid relevant information or documents, he shall provide the Company with documents showing the class and number of shares he holds. The Company shall provide such information as requested by the shareholder after his identification has been verified.
	Article 35. Where the resolutions of a Shareholders' general meeting or a meeting of the board of directors violate laws or administrative regulations, shareholders are entitled to make a petition to the people's court to nullify such resolutions. **Where the convening or voting procedures of a Shareholders' general meeting or a meeting of the board of directors violates laws, administrative regulations or these Articles, or the resolutions of such meeting violate these Articles, shareholders are entitled to make a petition to the people's court to revoke the resolutions adopted in such meeting within 60 days from the date when such resolutions are adopted. However, this will not apply where there are only minor defects in the procedures for convening or the voting methods of the Shareholders' general meeting or the board of directors that do not have a substantive impact on the resolution.**

Existing Articles	Revised Articles
	If the board of directors, shareholders or other relevant parties dispute the validity of a resolution at the Shareholders' general meeting, they shall promptly initiate legal proceedings with the People's Court. Prior to the issuance of a judgment or ruling by the People's Court to revoke such resolution or otherwise, the relevant parties shall implement the resolution of the Shareholders' general meeting, and no party may refuse to execute such resolutions on the grounds of their alleged invalidity. The Company, its directors and senior management shall practically perform their duties to ensure the normal operation of the Company. **Where the People's Court makes a judgment or ruling on the relevant matter, the Company shall, in accordance with the law, administrative regulations, and the requirements of the CSRC and the stock exchange, fulfil its information disclosure obligations, fully explain the impact, and actively cooperate in enforcement after such judgment or ruling becomes effective. If correction of prior matters is involved, the Company should promptly address them and discharge the corresponding information disclosure obligations.** **Resolutions of a Shareholders' general meeting or a Board meeting of the Company shall be invalid in any of the following circumstances: (1) the resolution was not made by a Shareholders' general meeting or a board meeting; (2) no voting on the resolution was made on at a Shareholders' general meeting or a Board meeting; (3) the number of attendees of the meeting or the number of their voting rights does not meet the quorum or the number of voting rights as required by the Company Law or these Articles of Association; (4) the number of attendees voting in favor of the resolution or the number of their voting rights do not meet the quorum or the number of voting rights as required by the Company Law or these Articles of Association.**

Existing Articles	Revised Articles
	Article 36. Where the Company incurs losses as a result of a director or senior management other than a member of the Audit and Risk Management Committee having violated any provision of laws, administrative regulations or the Articles of Association in the course of performing their duties with the Company, shareholders alone or in aggregate holding no less than 1% of the Company's shares for no less than 180 consecutive days shall be entitled to request in writing the Audit and Risk Management Committee to initiate proceedings in a people's court. Where the Company incurs losses as a result of the Audit and Risk Management Committee having violated any provision of laws, administrative regulations or these Articles in the course of performing its duties with the Company, the above shareholders may request in writing the board of directors to initiate proceedings in a people's court. **If the Audit and Risk Management Committee or the board of directors refuses to initiate proceedings upon receipt of the written request of the shareholders set forth in the preceding paragraph, or fails to initiate such proceedings within 30 days from the date on which such request is received, or in case of emergency where failure to initiate such immediately proceedings result in will irreparable damages to the Company's interests, shareholders described in the preceding paragraph shall have the right to initiate proceedings in a people's court in their own names in the interests of the Company.**

Existing Articles	Revised Articles
	Shareholders described in the first paragraph of this Article may also initiate proceedings in a people's court in accordance with the preceding two paragraphs of this Article in the event that the legal interests of the Company is infringed upon by a third party and that the Company suffers from losses accordingly. **If any director, supervisor or senior management of a wholly-owned subsidiary of the Company violates any law, administrative regulation or these Articles of Association in performing his/her duties, causing losses to the Company, or the infringement of the legitimate rights and interests of a wholly-owned subsidiary of the Company by others causing losses, shareholders who holds 1% or more of the shares in the Company, either individually or collectively, for 180 or more consecutive days shall request the supervisory committee and board of directors of a wholly-owned subsidiary in writing in accordance with the provisions of the first three paragraphs of Article 189 of the Company Law to institute a legal action in a people's court or to institute a legal action in a people's court in their own names (If a wholly-owned subsidiary of the Company does not have a supervisor, such requirement shall be implemented in accordance with the provisions of the first and second paragraphs of this Article).**
	Article 37. Shareholders may institute legal proceedings in the People's Court against any director or senior management member who damages the shareholders' interests by violating any law, administrative regulation, regulatory rules of the place where the Company's shares are listed or the Articles of Association.

Existing Articles	Revised Articles
Article 52. The ~~ordinary~~ shareholders of the Company shall assume the following obligations: (1) to abide by these articles of association; (2) to pay subscription monies according to the number of shares subscribed and the method of subscription; (3) other obligations imposed by laws, administrative regulations ~~and~~ these articles of association. ~~**are not liable to make any further contribution to the share capital other than as agreed by the subscriber of the relevant shares on subscription.**~~	Article 38. The shareholders of the Company shall assume the following obligations: (1) to abide by **laws, administrative regulations and** these Articles of Association; (2) to pay subscription monies according to the number of shares subscribed and the method of subscription; **(3) not to withdraw their share capital except in circumstances allowed by laws and regulations;** **(4) not to abuse the its/his rights as a shareholder to infringe the interests of the Company or other shareholders and not to abuse the independent position of the Company as a legal person or the limited liability status of the shareholders to infringe the interests of creditors of the Company;** (5) other obligations imposed by laws, administrative regulations**, departmental rules, regulatory rules of the place where the Company's shares are listed and** these articles of association. **Where a shareholder's abuse of rights as a shareholder has caused damages to the Company or other shareholders, he/it shall be liable for compensation in accordance with laws. Where a shareholder abuses the independent position of the Company as a legal person, or the limited liability status of shareholders for the evasion of its debts and such acts have caused serious damages to interests of the Company's creditors, he/it shall bear joint and several liabilities in respect of the debts of the Company.**

Existing Articles	Revised Articles
	Article 39. The controlling shareholder and the actual controller of the Company shall exercise their rights and perform their obligations in accordance with the provisions under the law, administrative regulations, the regulations of the CSRC, the rules of the stock exchange and regulatory rules of the place where the Company's shares are listed, and shall safeguard the interests of the Company.
	Article 40. The controlling shareholder and the actual controller of the Company shall comply with the following provisions: **(1) Exercise shareholder rights in accordance with the law, without abusing control rights or exploiting related-party relationships to harm the lawful rights and interests of the Company or other shareholders;** **(2) Strictly perform any public statements and undertakings made, without unauthorized alteration or waiver;** **(3) Fulfil information disclosure obligations in strict accordance with relevant regulations, actively cooperate with the Company in its information disclosure, and promptly inform the Company of any material events that have occurred or are expected to occur;** **(4) Shall not occupy corporate funds in any manner;** **(5) Shall not compel, instruct, or require the Company or its relevant personnel to provide guarantees in violation of laws or regulations;**

Existing Articles	Revised Articles
	(6) Shall not exploit any undisclosed material information of the Company to seek benefits, shall not disclose any undisclosed material information relating to the Company in any manner, and shall not engage in insider trading, short-swing trading, market manipulation or any other unlawful or non-compliant conduct; **(7) Shall not harm the lawful rights and interests of the Company and other shareholders through any unfair related party transactions, profit distributions, asset restructurings, external investments or any other means;** **(8) Shall ensure the integrity of the Company's assets, independence of its personnel, finance, organisation and business, and shall not interfere with the Company's independence in any manner;** **(9) Comply with other provisions under the laws, administrative regulations, regulatory rules of the place where the Company's shares are listed and the Articles of Association.** **Where the controlling shareholder or actual controller of the Company does not serve as a director but actually transacts the business of the Company, the provisions of these Articles of Association concerning the fiduciary duties and duties of diligence of directors shall apply. Where the controlling shareholder or actual controller instructs any director or senior management to engage in acts that are detrimental to the interests of the Company or its shareholders, they shall bear joint and several liability with such management.**

Existing Articles	Revised Articles
	Article 41 Where the controlling shareholder or actual controller pledges the shares of the Company held or effectively controlled by them, they shall ensure the stability of the Company's control and business operations.
	Article 42 Where the controlling shareholder or actual controller transfers the shares of the Company held by them, they shall comply with the restrictive provisions on share transfers as stipulated by laws, administrative regulations and regulatory rules of the place where the Company's shares are listed, as well as any undertakings made by them in relation to the restriction on share transfers.
	Section 2: General provisions for Shareholders' general meeting
Article 56. The Shareholders' general meeting is the organ of authority of the Company and shall exercise its functions and powers in accordance with law. ~~**Article 57. The Shareholders' general meeting shall have the following functions and powers:**~~ ~~**(1) to decide on the Company's operational policies and investment plans;**~~ (2) to elect and replace directors ~~**(excluding employee representative directors)**~~ and decide on matters relating to the remuneration of directors; ~~**(3) to elect and replace the supervisors who are representatives of shareholders and decide on matters relating to the remuneration of supervisors;**~~ (4) to examine and approve reports of the board of directors;	Article 43. **The Shareholders' general meeting of the Company shall be composed of all shareholders.** The Shareholders' general meeting is the organ of authority of the Company and shall exercise **the following** functions and powers in accordance with law: (1) to elect and replace directors **who are not employee representatives** and decide on matters relating to the remuneration of directors; (2) to examine and approve reports of the board of directors; (3) to examine and approve the Company's profit distribution plans and plans for making up losses; (4) to decide on increases or reductions in the Company registered capital; (5) **to authorize the board of directors** to decide on the issue of debentures by the Company;

Existing Articles	Revised Articles
~~**(5) to examine and approve reports of the supervisory committee;**~~	(6) to decide on matters such as merger, division, spin-off, change in company form, dissolution and liquidation of the Company;
~~**(6) to examine and approve the Company's proposed annual preliminary and final financial budgets;**~~	(7) to decide on the appointment, dismissal and disengagement of the accountants of the Company;
(7) to examine and approve the Company's profit distribution plans and plans for making up losses;	(8) to amend these articles of association;
(8) to decide on increases or reductions in the Company registered capital;	(9) to examine and approve changes in the use of proceeds;
(9) to decide on matters such as merger, division, spin-off, change in company form, dissolution and liquidation of the Company;	(10) to examine and approve share incentive plan and employee share ownership plan;
(10) to decide on the issue of debentures by the Company;	(11) to examine the purchases and disposals of significant assets within one year exceeding 30% of the latest audited total assets of the Company;
(11) to decide on the appointment, dismissal and disengagement of the accountants of the Company;	(12) to approve the guarantees subject to Article 44;
(12) to amend these articles of association;	(13) to approve the financial assistance subject to Article 45;
(13) to examine and approve changes in the use of proceeds;	(14) to examine and approve the connected transaction amounting to more than RMB30 million, and exceeding 5% of the absolute value of the latest audited net assets of the Company **(as otherwise provided in the listing rules of the place where the Company's shares are listed or in these Articles)**;
(14) to examine and approve share incentive plan and employee share ownership plan~~ **of the Company**~~;	(15) **to examine** other matters which require resolutions of the shareholders in general meeting according to relevant laws, administrative regulations, **departmental rules**, the **securities regulatory** rules of the place where the shares of the Company are listed, and provisions of these articles of association;
(15) to examine the purchases and disposals of significant assets within one year exceeding 30% of the latest audited total assets of the Company;	
(16) to approve the ~~**external**~~ guarantees~~ **subject to Article 58**~~;	
(17) to approve the financial assistance~~ **subject to Article 59**~~;	

Existing Articles	Revised Articles
(18) to examine and approve the connected transaction amounting to more than RMB30 million, and exceeding 5% of the absolute value of the latest audited net assets of the Company ~~**(except for the provision of guarantees by the Company and the receipt of endowment in cash assets)**~~;	(16) to deal with matters which the board of directors may be delegated or authorized to deal with by the shareholders in general meeting.
(19) to decide on other matters which require resolutions of the shareholders in general meeting according to relevant laws, administrative regulations, the ~~**listing**~~ rules of the place where the shares of the Company are listed, and provisions of these articles of association;	**Shares and corporate bonds convertible into shares of the Company may be issued by a resolution of the Shareholders' general meeting or by a resolution of the Board of Directors as authorized by the Articles of Association or the Shareholders' general meeting, the specific implementation of which shall comply with the laws, administrative regulations, the requirements of the CSRC and the rules of the stock exchanges.**
(20) to deal with matters which the board of directors may be delegated or authorized to deal with by the shareholders in general meeting. ~~**The general meeting shall not authorize the board of directors to perform statutory duties that the general meeting is supposed to perform.**~~	**Unless otherwise provided by law, administrative regulations, the regulations of the CSRC or the rules of the stock exchange, the Shareholders' general meeting shall not delegate the powers and functions legally to be exercised by the Shareholders' general meeting to the board of directors or to other organizations and individuals to exercise on its behalf.**
For the matters which can be exempted from or waived for consideration and disclosure under relevant provisions of laws, administrative regulations, and the ~~**listing**~~ rules of the place(s) where the Company's shares are listed, the Company may be exempted from or apply for a waiver for being exempted from such consideration and disclosure under relevant provisions.	For the matters which can be exempted from or waived for consideration and disclosure under relevant provisions of laws, administrative regulations, and the **securities regulatory** rules of the place(s) where the Company's shares are listed, the Company may be exempted from or apply for a waiver for being exempted from such consideration and disclosure under relevant provisions.

Existing Articles	Revised Articles
Article 58. The provision of ~~external~~ guarantee by the Company shall be subject to consideration and approval by the general meeting if:	Article 44. The provision of guarantee by the Company shall be subject to consideration and approval by the general meeting if:
(1) the provision of any guarantee where the total amount of the ~~external~~ guarantee by the Company and its subsidiaries exceeds 50% of the latest audited net assets;	(1) the provision of any guarantee where the total amount of the guarantee by the Company and its subsidiaries exceeds 50% of the latest audited net assets;
(2) the provision of any guarantee where the total amount of the ~~external~~ guarantee by the Company exceeds 30% of the latest audited total assets;	(2) the provision of any guarantee where the total amount of the guarantee by the Company exceeds 30% of the latest audited total assets;
(3) any guarantee where the amount of the guarantee by the Company within one year exceeds 30% of the latest audited total assets;	(3) any guarantee where the amount of the guarantee by the Company within one year exceeds 30% of the latest audited total assets;
(4) the provision of any guarantee to any guaranteed party with a gearing ratio exceeding 70%;	(4) the provision of any guarantee to any guaranteed party with a gearing ratio exceeding 70%;
(5) the provision of any single guarantee in which the amount exceeds 10% of the latest audited net assets;	(5) the provision of any single guarantee in which the amount exceeds 10% of the latest audited net assets;
(6) the provision of guarantees to its shareholders, de facto controllers and their related parties.	(6) the provision of guarantees to its shareholders, de facto controllers and their related parties.
The abovesaid "guarantee" includes the guarantee to non-wholly owned subsidiaries, etc. For those ~~external~~ guarantees violating relevant laws and regulations, the approval authority and the consideration procedures under the Articles of Association, the Company shall take reasonable and effective measures to release itself from the obligation thereunder or rectify the guarantee in violation to reduce the loss of the Company and protect the interests of the Company and minority shareholders, while looking into the accountability of the relevant personnel.	The abovesaid "guarantee" includes the guarantee to non-wholly owned subsidiaries, etc. For those guarantees violating relevant laws and regulations, the approval authority and the consideration procedures under the Articles of Association, the Company shall take reasonable and effective measures to release itself from the obligation thereunder or rectify the guarantee in violation to reduce the loss of the Company and protect the interests of the Company and minority shareholders, while looking into the accountability of the relevant personnel.

Existing Articles	Revised Articles
Article 59. The following financial assistance (including interest-bearing or non-interest bearing loans, entrusted loans, etc.) provided by the Company are subject to the consideration and approval of the general meeting, if: (1) a single financial assistance with the amount exceeding 10% of the latest audited net assets of the Company; (2) the gearing ratio in the latest financial statement of the party receiving such assistance is in excess of 70%; (3) the cumulative amount of financial assistance for the past 12 months exceeding 10% of the latest audited net assets of the Company. If the target for assistance is a non-wholly owned subsidiary within the scope of consolidated financial statements of the Company and other shareholders of such non-wholly owned subsidiary are not the Company's controlling shareholder, de facto controller and the related party, the above provisions shall not apply. The Company shall not provide financial assistance to its related parties, unless the financial assistance is provided to a related investee company not controlled by the controlling shareholder or de facto controller of the Company and that other shareholders of the investee company also provide such financial assistance under the same conditions in proportion to their capital contribution. **~~For the provision of financial assistance to such related investee company subject to the above paragraph by the Company, it shall be submitted to the general meeting for consideration.~~**	Article 45. The following financial assistance (including interest-bearing or non-interest bearing loans, entrusted loans, etc.) provided by the Company are subject to the consideration and approval of the general meeting, if: (1) a single financial assistance with the amount exceeding 10% of the latest audited net assets of the Company; (2) the gearing ratio in the latest financial statement of the party receiving such assistance is in excess of 70%; (3) the cumulative amount of financial assistance for the past 12 months exceeding 10% of the latest audited net assets of the Company; **(4) other circumstances as stipulated in the laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.** If the target for assistance is a non-wholly owned subsidiary within the scope of consolidated financial statements of the Company and other shareholders of such non-wholly owned subsidiary are not the Company's controlling shareholder, de facto controller and the related party, the above provisions shall not apply.

Existing Articles	Revised Articles
If the financial assistance violates the relevant laws and regulations, the approval authority thereunder the Articles of Association or consideration procedures, the Company shall take reasonable and effective measures to release itself from the obligation thereunder or rectify the assistance in violation to reduce losses suffered by the Company, protect the interests of the Company and minority shareholders and look into the accountability of the relevant personnel.	The Company shall not provide financial assistance to its related parties, unless the financial assistance is provided to a related investee company not controlled by the controlling shareholder or de facto controller of the Company and that other shareholders of the investee company also provide such financial assistance under the same conditions in proportion to their capital contribution. **If the Company intends to provide financial assistance to any of the related investee companies, in addition to consideration and approval by a simple majority of all non-related directors, consideration and approval by more than two-thirds of the non-related directors present at the board of directors' meeting shall be required, and the matter shall be submitted to the shareholders' general meeting for deliberation.** If the financial assistance violates the relevant laws and regulations, the approval authority thereunder the Articles of Association or consideration procedures, the Company shall take reasonable and effective measures to release itself from the obligation thereunder or rectify the assistance in violation to reduce losses suffered by the Company, protect the interests of the Company and minority shareholders and look into the accountability of the relevant personnel.

Existing Articles	Revised Articles
Article 61 Shareholders' general meetings are divided into annual general meetings and extraordinary general meetings. Shareholders' general meetings shall be convened by the board of directors. Annual general meetings are held once every year and within six (6) months from the end of the preceding financial year. Under any of the following circumstances, the ~~**board of directors**~~ shall convene an extraordinary general meeting within two (2) months: (1) when the number of directors is less than the number of directors required by the Company Law or two thirds of the number of directors specified in these articles of association; (2) when the unrecovered losses of the Company amount to one third of the total amount of its share capital; (3) when shareholder(s), individually or in aggregate, holding ~~**10 percent or more of the Company's issued and outstanding shares carrying voting rights request(s) in writing the convening of an extraordinary general meeting;**~~ (4) when deemed necessary or as requested by the board of directors ~~**or as requested by the supervisory committee**~~; (5) other circumstances subject to the laws, administrative regulations, departmental rules ~~**or**~~ the Articles of Association.	Article 46 Shareholders' general meetings are divided into annual general meetings and extraordinary general meetings. Annual general meetings are held once every year and within six (6) months from the end of the preceding financial year. Under any of the following circumstances, the **Company** shall convene an extraordinary general meeting within two (2) months **from the date of the occurrence**: (1) when the number of directors is less than the number of directors required by the Company Law or two thirds of the number of directors specified in these Articles of Association; (2) when the unrecovered losses of the Company amount to one third of the total amount of its share capital; (3) when shareholder(s), individually or in aggregate, holding **10 percent or more of the shares of the Company request(s) to hold such a meeting**; (4) when deemed necessary by the board of directors or as **proposed** by **the audit and risk management committee of the board of directors**; (5) other circumstances subject to the laws, administrative regulations, departmental rules, **the securities regulatory rules of the place where the Company's shares are listed** or the Articles of Association.

Existing Articles	Revised Articles
	Article 47 The venue of the general meeting convened by the Company shall be the place specified in the notice of general meetings. After a notice of the general meeting is given, the venue of the live conference of the general meeting shall not be changed, unless with valid reasons. In case of actual needs to change, the convener shall make an announcement and explain the reasons at least 2 business days prior to the date of the live conference. A meeting venue shall be established for the general meeting, and meetings will take the form of physical meeting. On the premise of the lawfulness and validity of general meetings, according to the laws, administrative regulations, departmental rules and securities regulatory rules of the place where the shares of the Company are listed, the Company shall facilitate the participation of shareholders in general meetings by providing Internet voting method. The shareholders shall be deemed as present when participating in the general meeting via the abovementioned methods.
	Article 48 The Company shall engage lawyers to issue legal opinions in respect of the following matters relating to the holding of general meetings and make relevant announcements: **(1) whether the convening and holding procedures of the meeting comply with provisions of the relevant laws, administrative regulations and these Articles of Association;** **(2) whether the qualifications of the attendees and the convener of the meeting are lawful and valid;** **(3) whether the procedures of voting at the meeting and the voting results are lawful and valid;** **(4) provision of any legal advice on any other matters requested by the Company.**

Existing Articles	Revised Articles
	Section 3: Convening of Shareholders' General Meeting
	Article 49 Shareholders' general meeting shall be convened by the board of directors according to laws. Where the board of directors cannot or do not fulfill the obligation to convene general meeting, the audit and risk management committee of the board of directors shall take over without delay; where the audit and risk management committee of the board of directors do not convene and preside over the meeting, the shareholder(s) (either independently or jointly) holding more than 10% of the total shares of the Company may convene and preside over the meeting on their own.
	Article 50 Subject to the consent of more than half of all the independent directors, independent directors are entitled to propose to the Board to convene an extraordinary general meeting. The Board shall, in accordance with laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed and these Articles of Association, inform in writing whether it agrees or disagrees to convene an extraordinary general meeting within ten (10) days upon receipt of the proposal. If the Board agrees to convene the extraordinary general meeting, it shall serve a notice of such meeting within five (5) days after the resolution is made by the Board. If the Board does not agree to hold the extraordinary general meeting, it shall give the reasons and publish an announcement thereof.

Existing Articles	Revised Articles
	Article 51 The audit and risk management committee of the board of directors has the right to propose an extraordinary general meeting to be convened to the board of directors, and the proposal shall be made to the board of directors in writing. The board of directors shall in accordance with the laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed and these Articles of Association within 10 days of the receipt of the proposal for convening an extraordinary general meeting, provide a written feedback as to whether or not it agrees to convene the proposed meeting. **If the board of directors agrees to convene the proposed extraordinary general meeting, it shall within 5 days of making board resolution give a notice of convening the aforesaid meeting. Any alteration to the original proposal within the notice shall be subject to the agreement of the audit and risk management committee of the board of directors.** **If the board of directors does not agree to convene the proposed extraordinary general meeting or fails to provide a feedback within 10 days of the receipt of the proposal, the board of directors shall be deemed as unable to perform or not performing its duty of convening Shareholders' general meeting, and the audit and risk management committee of the board of directors is entitled to convene and preside at the proposed meeting.**

Existing Articles	Revised Articles
~~Article 82 Shareholders requisitioning the convening of extraordinary general meetings of shareholders or class meetings shall abide by the following procedures:~~ ~~(1) Two or more shareholders holding in aggregate 10 per cent or more of the shares carrying the right to vote at the meeting sought to be held shall sign one or more counterpart requisitions stating the object of the meeting and requiring the board of directors to convene a shareholders' extraordinary general meeting or a class meeting thereof. The board of directors shall as soon as possible proceed to convene the extraordinary general meeting of shareholders or a class meeting thereof after receiving the requisition.~~ ~~The amount of shareholdings referred to above shall be calculated as at the date of the deposit of the requisition.~~ ~~(2) If the board of directors fails to issue a notice of such a meeting within thirty (30) days from the date of the receipt of the requisition, the requisitionists may themselves convene such a meeting in a manner as similar as possible as that in which shareholders' meetings are to be convened by the board of directors within four (4) months from the date of receipt of the requisition by the board of directors.~~ ~~Any reasonable expenses incurred by the requisitionists by reason of the failure of the board of directors to duly convene a meeting shall be repaid to the requisitionists by the Company and any sum so repaid shall be set off against sums owed by the Company to the directors in default.~~	**Article 52 Shareholders solely or collectively holding 10% or more of the shares of the Company shall have the right to propose to the board of directors for holding an extraordinary general meeting, and shall put forward the proposal in writing to the board of directors. The board of directors shall, in accordance with the laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed and these Articles of Association, give a written reply on whether to hold the extraordinary general meeting or not within ten (10) days upon receipt of the proposal.** **If the board of directors agrees to convene the proposed extraordinary general meeting, it shall within 5 days of making board resolution give a notice of convening the aforesaid meeting. Any alteration to the original proposal within the notice shall be subject to the agreement of the relevant shareholders.** **If the board of directors does not agree to hold the extraordinary general meeting or fails to give a reply within ten (10) days upon receipt of the proposal, shareholders or collectively holding 10% or more of the shares of the Company shall have the right to propose to the audit and risk management committee of the board of directors for holding the extraordinary general meeting, and shall put forward the request to the audit and risk management committee of the board of directors in writing.** **If the audit and risk management committee of the board of directors agrees to hold the extraordinary general meeting, it shall serve a notice of such meeting within five (5) days upon receipt of the request. In the event of any change to the original proposal set forth in the notice, the consent of the relevant shareholders shall be obtained.**

Existing Articles	Revised Articles
	If the audit and risk management committee of the board of directors fails to serve a notice of the Shareholders' general meeting within the prescribed period, it shall be regarded that the audit and risk management committee of the board of directors will not convene or preside over the meeting, and shareholders solely or collectively holding 10% or more of the shares of the Company for 90 or more consecutive days may hold or preside over the meeting by themselves.
	Article 53 If the audit and risk management committee of the board of directors or shareholder decides to convene the general meeting on its own, it shall publish the notice for convening the Shareholders' general meeting after giving a notice to the Board of Directors in writing, and reporting to the stock exchanges accordingly. **The audit and risk management committee of the board of directors or convening shareholder shall submit relevant evidence to the stock exchange upon the issuance of the notice of Shareholders' general meeting and the announcement of the resolutions of the general meeting.** **The shareholding proportion of the convening shareholders (including preferred shares with voting rights restored, etc.) shall not be lower than 10% prior to the announcement of the resolutions of the Shareholders' general meeting.**

Existing Articles	Revised Articles
	Article 54 When a Shareholders' general meeting is convened by the audit and risk management committee of the board of directors or by the shareholders, the board of directors and the secretary to the board of directors shall act in concert therewith. The board of directors shall provide the register of shareholders as on the record date. Where the board of directors does not provide a register of members, the convener may apply for obtaining it to the securities registration and clearing institution by providing relevant announcement on convention of a Shareholders' general meeting. The register of members obtained by the convener may not be used for other purposes except convention of a general meeting. **Any expenses necessary for holding shareholders' general meetings convened by the audit and risk management committee of the board of directors or shareholders shall be borne by the Company.**
	Section 4: Proposals and Notices for Shareholders' General Meetings
	Article 55 The content of the proposal shall fall within the scope of the authority of the shareholders' general meeting, have a clear subject matter and specific resolution matters, and comply with the relevant provisions of laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed and these articles of association.

Existing Articles	Revised Articles
	Article 56 When the Company convenes a Shareholders' general meeting, the board of directors, the audit and risk management committee of the board of directors and shareholders individually or jointly holding 1% or more of the total shares of the Company are entitled to propose resolutions to the Company. **Shareholder(s) either individually or jointly holding 1% or more of the Company's shares may propose extraordinary resolutions and submit the same in writing to the convener ten (10) days prior to the holding of the Shareholders' general meeting. Extraordinary resolutions shall have clear topics and specific resolution matters. The convener shall, within two (2) days after the receipt of such extraordinary resolutions, issue a supplemental notice of the Shareholders' general meeting, announce the contents of such extraordinary resolutions and submit the same to the Shareholders' general meeting for consideration. However, extraordinary resolutions that violate laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association, or are not within the authority of the Shareholders' general meeting, shall be excluded.** **Except as prescribed in the preceding paragraph, the convener, after issuing the notice of the Shareholders' general meeting, shall neither revise the resolutions stated in the notice of the Shareholders' general meeting nor add new resolutions.** **No voting may take place and no re solutions may be made at the Shareholders' general meeting on proposals which are not set out in the notice of general meeting or do not meet the requirements of the Articles of Association.**

Existing Articles	Revised Articles
Article 62 When the Company convenes an annual general meeting, written notice of the meeting shall be given to Shareholders who are entitled to attend this general meeting at least twenty (20) days before the date of the meeting. When the Company convenes an extraordinary general meeting, written notice of the meeting shall be given to Shareholders who are entitled to attend this general meeting at least fifteen (15) days before the date of the meeting. Where laws, administrative regulations, departmental rules and ~~**the authorities in charge of the securities or stock exchanges**~~ in the places where the Company's shares are listed provide otherwise, such provisions shall prevail.	Article 57 When the Company convenes an annual general meeting, written notice of the meeting shall be given to Shareholders who are entitled to attend this general meeting at least twenty (20) days before the date of the meeting. When the Company convenes an extraordinary general meeting, written notice of the meeting shall be given to Shareholders who are entitled to attend this general meeting at least fifteen (15) days before the date of the meeting. Where laws, administrative regulations, departmental rules and **the securities regulatory rules of** the places where the Company's shares are listed provide otherwise, such provisions shall prevail.
Article 65. A notice of meeting of shareholders ~~**shall meet the following requirements**~~: ~~**(1) be in writing;**~~ ~~**(2) specify the**~~ place~~**, the date and time**~~ of the meeting~~**;**~~ ~~**(3) state**~~ the matters ~~**to be discussed at the**~~ meeting~~**;**~~ ~~**(4) provide such information and explanation as are necessary for the shareholders to make an informed decision on the proposals put before them. Without limiting the generality of the foregoing, where a proposal is made to amalgamate the Company with another, to repurchase shares, to reorganize the share capital, or to restructure the Company in any other way, the terms of the proposed transaction must be provided in detail together with copies of the proposed agreement, if any, and the cause and effect of such proposal must be properly explained;**~~	Article 58. A notice of meeting of shareholders **shall include:** (1) **time,** place **and duration** of the meeting; (2) the matters **and proposals to be considered at the** meeting; (3) **a conspicuous statement that all shareholders are entitled to attend the shareholders' general meeting, and all shareholders have the right to appoint proxies in writing to attend the meeting and vote on his/her behalf, and that such proxy need not be a shareholder of the Company;** **(4) the record date for shareholders entitled to attend the shareholders' general meeting;** **(5) the names and telephone numbers of the contact persons of the meeting;** **(6) time and procedures of the voting online or by any other means.**

Existing Articles	Revised Articles
~~(5) contain a disclosure of the nature and extent, if any, of the material interests of any director, supervisor, general manager, deputy general manager or other senior administrative officer in the proposed transaction and the effect of the proposed transaction on them in their capacity as shareholders in so far as it is different from the effect on the interests of the shareholders of the same class;~~ ~~(6) contain the full text of any special resolution to be proposed at the meeting;~~ ~~(7) contain conspicuously a statement that a shareholder entitled to attend and vote is entitled to appoint one or more proxies to attend and vote instead of him and that a proxy need not be a shareholder;~~ ~~(8) specify the time and place for lodging proxy forms for the relevant meeting.~~	
	Article 59. If the matters involving the election of directors are to be discussed at the Shareholders' general meeting, the notice of the Shareholders' general meeting shall fully disclose the detailed information of the candidates for directors, which shall at least include the following: **(I) personal particulars including educational background, working experience, part-time jobs;** **(II) whether there is any connected relationship between such candidates and the Company or controlling shareholders and actual controller of the Company;** **(III) disclosure of their shareholdings in the Company;** **(IV) whether the candidates have been punished by CSRC and other relevant authorities or reprimanded by a stock exchange.** **Except for the directors elected through the cumulative voting system, each candidate for director shall be individually proposed.**

Existing Articles	Revised Articles
	Article 60. After the issuance of the notice for a Shareholders' general meeting, the general meeting shall not be postponed or canceled without any proper reasons, and the proposals specified in the notice shall not be withdrawn. In case of delay or cancellation, the convener shall give a notice to shareholders stating the reasons at least two business days before the original meeting date.
	Section 5 Holding of Shareholders' General Meetings
	Article 61. The Board of the Company and other conveners shall take all necessary measures to ensure that the Shareholders' general meeting is conducted in an orderly manner, and shall take steps to prevent any activities that interfere the Shareholders' general meetings, cause disturbances and infringe the legal interests of the shareholders, and report such activities to the relevant authorities for investigation and punishment.
	Article 62. All shareholders of ordinary shares (including preference shareholders with restored voting rights) whose names appear on the register of shareholders on the record date, shareholders holding special voting rights or their proxies shall be entitled to attend and exercise voting rights at the shareholders' general meeting in accordance with relevant laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association. **Shareholders may attend the shareholders' general meeting in person or appoint a proxy to attend and vote on their behalf.**

Existing Articles	Revised Articles
Article 68. Any shareholder entitled to attend and vote at a shareholders' meeting of the Company shall be entitled to appoint one or more other persons (whether a shareholder or not) as his or her proxies to attend and vote on his or her behalf, and a proxy so appointed shall be entitled to exercise the following rights pursuant to the authorization from that shareholder:	Article 63. Any shareholder entitled to attend and vote at a shareholders' meeting of the Company shall be entitled to appoint one or more other persons (whether a shareholder or not) as his or her proxies to attend and vote on his or her behalf, and a proxy so appointed shall be entitled to exercise the following rights pursuant to the authorization from that shareholder:
(1) the shareholder's right to speak at the meeting;	(1) the shareholder's right to speak at the meeting;
(2) the right to demand or join in demanding a poll;	(2) the right to demand or join in demanding a poll;
(3) the right to vote by hand or on a poll, but proxies of a shareholder who has appointed more than one proxy may only vote on a poll.	(3) the right to vote by hand or on a poll, but proxies of a shareholder who has appointed more than one proxy may only vote on a poll.
Where shareholder is a recognised clearing house within the meaning of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and any amendments thereto or re-enactment thereof from time to time, it may authorise such person or persons as it thinks fit to act as its representative (or representatives) at any Shareholders' general meeting or ~~any~~ meeting of any class of shareholders provided that, if more than one person is so authorised, the authorisation must specify the number and class of shares in respect of which each such person is so authorised. The person so authorised will be entitled to exercise the same power on behalf of the recognised clearing house as that clearing house (or its nominees) could exercise if it were an individual shareholder of the Company.	Where shareholder is a recognised clearing house within the meaning of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and any amendments thereto or re-enactment thereof from time to time, it may authorise such person or persons as it thinks fit to act as its representative (or representatives) at any Shareholders' general meeting or meeting of any class of shareholders provided that, if more than one person is so authorised, the authorisation must specify the number and class of shares in respect of which each such person is so authorised. The person so authorised will be entitled to exercise the same power on behalf of the recognised clearing house as that clearing house (or its nominees) could exercise if it were an individual shareholder of the Company.

Existing Articles	Revised Articles
Article 73. ~~**A proxy who attends a Shareholders' general meeting on behalf of a shareholder shall present his identification document.**~~ ~~**If a shareholder who is a legal person appoints its legal representative to attend the meeting, the legal representative shall present his own identification document and a notarially certified copy of the resolution of the board of directors or other governing body of the appointor or letter of authorization.**~~	Article 64. **Individual shareholders attending the meeting in person shall present their identity cards or any other valid certificates or documents or stock account cards for identification. Proxies attending the meeting shall present their personal identity cards and the power of attorney from the shareholder.** **Legal person shareholders shall assign their legal representatives or the proxies they entrust to attend the meeting. Legal representatives attending the meeting shall present their identity cards and valid documents that can prove his or her qualification as the legal representative. Proxies authorized to attend the meeting shall present their identity cards and the written power of attorney legally issued by the legal representative of the legal person shareholder.**
Article 69. ~~**The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorized in writing, or if the appointer is a legal entity, either under seal or under the hand of a director or attorney duly authorized.**~~	Article 65. **The power of attorney issued by a shareholder to appoint another person to attend a Shareholders' general meeting shall contain the following information:** **(i) the name of the principal, the class and number of shares held in the company;** **(ii) the name of the proxy;** **(3) specific instructions of the shareholder, including instructions to vote for, against, or abstain from each item on the agenda of the Shareholders' general meeting;** **(4) the date of issuance and period of validity of the power of attorney;** **(5) the signature (or seal) of the principal. If the principal is a corporate shareholder, the corporate seal should be affixed.**

Existing Articles	Revised Articles
Article 70. ~~**The instrument appointing a voting proxy and, if**~~ If such instrument is signed by a person under a power of attorney or other authority on behalf of the appointer, a notarially certified copy of that power of attorney or other authority ~~**shall be**~~ deposited at the residence of the Company or at such other place as is specified for that purpose in the notice convening the meeting~~**, not less than twenty-four (24) hours before the time for holding the meeting at which the proxy propose to vote or the time appointed for the passing of the resolution**~~. If the appointor is a legal person, its legal representative or such person as is authorized by resolution of its board of directors or other governing body may attend at any meeting of shareholders of the Company as a representative of the appointor.	Article 66. If **the proxy form** is signed by a person under a power of attorney or other authority on behalf of the appointer, a notarially certified copy of that power of attorney or other authority **shall both be** deposited at the residence of the Company or at such other place as is specified for that purpose in the notice convening the meeting. If the appointor is a legal person, its legal representative or such person as is authorized by resolution of its board of directors or other governing body may attend at any meeting of shareholders of the Company as a representative of the appointor.
	Article 67. The attendance register of persons attending the meeting shall be prepared by the Company. The register shall specify the attendants' names (or the name of their entities), ID numbers, home addresses, number of voting shares held or represented, and the names of the proxies' principals (or the names of the principals' entities).
	Article 68. The convener and the lawyers engaged by the Company shall jointly verify the validity of the shareholders' qualifications based on the register of members provided by the securities registration and clearing authorities, and shall register the names of the shareholders as well as the number of their voting shares. The registration for a meeting shall end before the chairman of the meeting announces the number of shareholders and proxies attending the meeting in person and the total number of their voting shares held.

Existing Articles	Revised Articles
	Article 69. If the Shareholders' general meeting requests the attendance of directors and senior management, the directors and senior management shall attend the meeting and accept the enquiry of shareholders.
Article 83. ~~**The Chairman of the board of directors shall convene and take the chair of every Shareholders' general meeting. If the Chairman is unable to attend the meeting for any reason, the vice-chairman of the board of directors shall convene and take the chair of the meeting. If both the Chairman and vice-chairman of the board of directors are unable to attend the meeting, then the board of directors may designate a director to convene and take the chair of the meeting. If no chairman of the meeting has been so designated, shareholders present shall choose one person to be the chairman of the meeting. If for any reason, the shareholders shall fail to elect a chairman, then the shareholder (including proxy) present in person or by proxy and holding the largest number of shares carrying the right to vote thereat shall be the chairman of the meeting.**~~	Article 70. **The Shareholders' general meeting shall be presided over by the chairman of the board of directors. Where the chairman of the board of directors is unable to discharge the duty or will not discharge the duty, the meeting shall be presided over by the vice chairman of the board. Where the vice chairman of the board is unable to discharge the duty or will not discharge the duty, more than one half of the directors shall jointly designate a director to preside over the meeting.** **If a Shareholders' general meeting is convened by the audit and risk management committee of the board of directors, the chairman of the audit and risk management committee of the board of directors shall preside over the meeting. If the chairman of the audit and risk management committee of the board of directors is unable to discharge the duty or will not discharge the duty, more than one half of the members of the audit and risk management committee of the board of directors shall jointly designate a member to preside over the meeting.** **If a Shareholders' general meeting is convened by the shareholders themselves, the convener or a representative elected by him/her shall nominate a representative to preside over the meeting. If for any reason the convener fails to elect a chairman, the shareholder (including proxy thereof) holding the most voting shares thereat shall preside over the meeting.**

Existing Articles	Revised Articles
	At a Shareholders' general meeting, if the chairman of the meeting contravenes the meeting procedures, making the Shareholders' general meeting impossible to proceed, with consent from more than one half of the attendant shareholders with voting rights, a person may be nominated at the Shareholders' general meeting to serve as the chairman and continue with the meeting.
	Article 71. The Company shall formulate the rules for procedures for the Shareholders' general meeting which shall specify in detail the convening, holding and voting procedures of a Shareholders' general meeting, including notification, registration, consideration of proposals, voting, counting of votes, announcement of voting results, formation of resolutions, meeting minutes and their signing, announcements and other contents, and the principles of authorization to the board of directors at the Shareholders' general meeting. The authorization shall be clear and specific. The rules for procedures for the Shareholders' general meeting shall be annexed to these articles of association and shall be prepared by the board of directors and approved by the Shareholders' general meeting.
	Article 72. At an annual general meeting, the board of directors shall report to the meeting on their work over the past year. Each independent director shall also present reports on their work at the meeting.
	Article 73. The directors and senior management officers shall reply or give explanation and description to the inquiries and suggestions raised by the shareholders at the Shareholders' general meeting.

Existing Articles	Revised Articles
	Article 74. The chairman of the meeting shall declare the number of attending shareholders and proxies and the total number of shares with voting rights they hold prior to voting. To determine the number of shareholders and proxies present and the total number of shares with voting rights they hold, the meeting register shall prevail.
	Article 75. The Shareholders' general meeting shall have meeting minutes, and the secretary to the board of directors shall be responsible for the meeting minutes. The meeting minutes shall contain the following contents: **(1) the time, venue of, and the agenda for, the meeting, and the name or title of the convener;** **(2) the name of the chairman of the meeting, the directors, general manager, deputy general manager and other senior administrative officers attending the meeting;** **(3) the number of shareholders and proxies attending the meeting, the total number of their voting shares and their respective proportions to the total number of shares of the Company;** **(4) the process of deliberation of each proposal, the main points of speeches and the voting results;** **(5) the inquiries or suggestions of the shareholders and the corresponding replies or explanations;** **(6) the names of legal counsel, vote counters, and supervisors;** **(7) other contents which, shall be contained in the minutes of the meeting as prescribed by these Articles of Association.**

Existing Articles	Revised Articles
	Article 76. The convener shall ensure that the meeting minutes are true, accurate and complete. The Directors and Secretary to the Board who attended the meeting, the convener or his/her representative and the chairman of the meeting shall sign the minutes. The meeting minutes shall be maintained together with the signature book of the shareholders present in person, the instruments of appointment of proxies and valid information on votes cast online or by other means for a period of no less than 10 years.
	Article 77. The convener shall ensure that the Shareholders' general meeting is held continuously until the final resolution is made. If the Shareholders' General Meeting is suspended or the resolution cannot be made due to force majeure or other special causes, necessary measures shall be taken to resume the Shareholders' general meeting as soon as possible or directly terminate the general meeting, and an announcement shall be made promptly. Meanwhile, the convener shall report to the local office of the CSRC in the locality of the Company as well as the stock exchange.
	Section 6 Voting and Resolutions of the Shareholders' General Meeting
Article 74. Resolutions of Shareholders' general meetings shall be divided into ordinary resolutions and special resolutions. To adopt an ordinary resolution, votes representing a majority of the voting rights represented by the shareholders (including proxies) present at the meeting must be exercised in favour of the resolution in order for it to be passed.	Article 78. Resolutions of Shareholders' general meetings shall be divided into ordinary resolutions and special resolutions. To adopt an ordinary resolution, votes representing a majority of the voting rights represented by the shareholders (including proxies) present at the meeting must be exercised in favour of the resolution in order for it to be passed.

Existing Articles	Revised Articles
To adopt a special resolution, votes representing more than two-thirds of the voting rights represented by the shareholders (including proxies) present at the meeting must be exercised in favour of the resolution in order for it to be passed. ~~**If any shareholder (including his or her proxy) who is required under relevant rules governing the listing of securities to abstain from voting on any particular resolution or is restricted to vote only for or against any particular resolution fails to comply with any such requirement or restriction, his or her vote shall not be counted towards the voting results.**~~	To adopt a special resolution, votes representing more than two-thirds of the voting rights represented by the shareholders (including proxies) present at the meeting must be exercised in favour of the resolution in order for it to be passed.
Article 80. The following matters shall be resolved by an ordinary resolution at a Shareholders' general meeting: (1) work report~~**s**~~ of the board of directors~~ **and the supervisory committee**~~; (2) plans formulated by the board of directors for distribution of profits and for making up losses; (3) removal of the members of the board of directors ~~**and members of the supervisory committee**~~, their remuneration and method of payment; (4) ~~**annual preliminary and final budgets, balance sheets and profit and loss accounts and other financial statements of the Company;**~~ (5) matters other than those required by the laws and administrative regulations ~~**or**~~ by these articles of association to be adopted by special resolutions.	Article 79. The following matters shall be resolved by an ordinary resolution at a Shareholders' general meeting: (1) work report of the board of directors; (2) plans formulated by the board of directors for distribution of profits and for making up losses; (3) removal of the members of the board of directors, their remuneration and method of payment; (4) matters other than those required by the laws and administrative regulations, **departmental rules, the securities regulatory rules of the place where the Company's shares are listed** or by these articles of association to be adopted by special resolutions.

Existing Articles	Revised Articles
Article 81. The following matters shall be resolved by a special resolution at a shareholders' general meeting: ~~**(1) the increase or reduction in share capital and the issue of shares of any class, warrants and other similar securities;**~~ ~~**(2) the issue of debentures of the Company;**~~ (3) the division, spin-off, merger, dissolution and liquidation of the Company; (4) amendments to Company's Articles of Association; (5) the amount of purchases and disposals of significant assets or guarantee by the Company within one year exceeding 30% of the latest audited total assets of the Company; (6) the share incentive scheme; (7) any other matters considered by the Shareholders' general meeting, resolved by way of an ordinary resolution, to be of a nature which may have a material impact on the Company and should be adopted by a special resolution.	Article 80. The following matters shall be resolved by a special resolution at a shareholders' general meeting: **(1) the increase or reduction in share capital;** (2) the division, spin-off, merger, dissolution and liquidation of the Company; (3) amendments to the Articles of Association; (4) the amount of purchases and disposals of significant assets or guarantee by the Company within one year exceeding 30% of the latest audited total assets of the Company; (5) the share incentive scheme; (6) any other matters **as provided by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed and** considered by the Shareholders' general meeting, resolved by way of an ordinary resolution, to be of a nature which may have a material impact on the Company and should be adopted by a special resolution.
	Article 81. A shareholder (including proxy) may exercise voting rights in accordance with the number of shares carrying the right to vote and each share shall have one vote, except for class shareholders. **For significant matters to be decided in general meetings of the Company that would affect the interests of its small and medium sized investors, the votes by the small and medium sized investors shall be counted separately. The result of such separate vote counting shall be disclosed publicly in a timely manner.**

Existing Articles	Revised Articles
	Shares held by the Company shall not carry any voting right and shall not be counted into the total shares with voting rights represented by shareholders attending the Shareholders' general meeting. **If the purchase of the Company's voting shares by the shareholders violates the provisions under Clauses 63(1) and (2) of the Securities Law, the voting rights of such shares in excess of the prescribed proportion shall not be exercised within 36 months after the purchase, and shall not be counted in the total number of shares carrying voting rights represented by shareholders present at the Shareholders' general meeting.** **The Board of the Company, Independent Directors, shareholders with more than 1% of the voting shares or investor protection agencies established in accordance with laws, administrative regulations or the provisions of the CSRC may openly collect voting rights from the Company's shareholders. While collecting votes of the shareholders, sufficient disclosure of information such as the specific voting preference shall be made to the shareholders from whom voting rights are being collected. No consideration or other form of de facto consideration shall be involved in the collection of voting rights from the shareholders. The Company shall not impose any limitation related to minimum shareholdings on the collection of voting rights except under statutory conditions.**

Existing Articles	Revised Articles
	Article 82. When related transactions are considered at the Shareholders' general meeting, the related shareholders shall not participate in voting, and the number of voting shares represented by them shall not be counted into the total number of valid votes. The announcement of any resolution made at the Shareholders' general meeting shall adequately disclose information relating to voting by non-connected shareholders. When related transactions are considered at the general meeting, the board of directors of the Company shall remind the related shareholders to abstain from voting prior to voting by shareholders; the related shareholders shall proactively declare the relationship to the Shareholders' general meeting and abstain from voting.
	Article 83. Unless the Company is in a crisis or under other special circumstances, the Company shall not, without the approval by special resolutions at the Shareholders' general meeting, enter into contracts with persons other than directors and senior management officers granting those persons responsibility for the management of all or part of the Company's material business.
	Article 84. The list of candidates for directors shall be submitted by way of proposal for voting at the general meeting. The nomination methods and procedures of directors are set out below: (I) Any shareholders or the board of directors may propose a resolution for the nomination of directors at the general meeting. (II) candidates for independent directors are nominated by the board of directors of the Company, the audit and risk management committee of the board of directors, or any shareholders holding 1% or above of the issued shares of the Company individually or in aggregate.

Existing Articles	Revised Articles
	In considering the proposal for the election of directors, the general meeting shall vote on each candidate for director one by one. The board of directors shall inform the shareholders of the resumes and basic information of the candidates for directors. When voting on the election of two directors and above at the Shareholders' general meeting, cumulative voting system may be implemented in accordance with the provisions of these Articles of Association or the resolutions at the general meeting. **The cumulative voting system mentioned in the preceding paragraph means that when directors are being elected at the general meeting, each share carries a number of voting right equivalent to the number of directors to be elected, and the shareholders' voting rights may be used in a concentrated manner.**
	Article 85. Shareholders attending the Shareholders' general meeting shall have the same number of votes for each share held as the number of directors to be elected under each resolution group for which the cumulative voting system is adopted. The shareholders may cast all their votes on one candidate or split them on a few candidates. **Shareholders with multiple shareholder accounts can participate in online voting through any of their shareholder accounts. The number of votes they have is calculated based on the total number of shares of the same class across all their shareholder accounts.** **Shareholders shall vote within the limit of the number of votes of each resolution group. In the event that the number of votes cast by a shareholder exceeds the number of the votes he/she holds, or in the competitive election, the shareholder casts votes in a way that exceeds the actual number of directors to be elected, the vote on such resolution shall be deemed invalid.**

Existing Articles	Revised Articles
	Article 86. In addition to the cumulative voting system, the Shareholders' general meeting shall resolve on all the proposals separately; in the event of several proposals for the same issue, such proposals shall be voted on and resolved in the order of time at which they are submitted. Unless the Shareholders' general meeting is adjourned or no resolution can be made for special reasons such as force majeure, voting of such proposals shall neither be shelved nor refused at the Shareholders' general meeting.
	Article 87. When considering a proposal, the Shareholders' general meeting shall not revise it; and in the event of any amendment, it shall be deemed as a new proposal and may not be voted at the current meeting.
	Article 88. The same voting right shall only be exercised on site, online or by other means. Where the same vote is cast for two or more times, the first cast shall hold.
	Article 89. The Shareholders' general meeting shall vote by open ballot.
	Article 90. Before the relevant proposal is voted on at the Shareholders' general meeting, two representatives of the shareholders shall be elected to take part in counting the votes and scrutinizing the conduct of the poll. Any shareholder who is interested in the matter under consideration and his/her proxy shall not take part in counting the votes or scrutinizing the conduct of the poll. **At the time of deciding on a proposal by voting at a Shareholders' general meeting, the lawyer, shareholder representatives shall count and scrutinize the votes, and announce the voting result forthwith. The voting result in connection with the resolution shall be recorded in the minutes of meeting.** **The shareholders, who cast votes online or by other means, whether in person or by proxy, shall have the right to check their voting results through the relevant voting system.**

Existing Articles	Revised Articles
	Article 91. The on-site voting at a Shareholders' general meeting shall not end before voting online or by other means. The chairperson shall declare the result of voting on each proposal, and whether such proposal has been adopted accordingly. **Before the formal declaration of the result of any voting, the Company, teller(s), scrutineer(s), shareholders, network service providers and other persons involved in voting on site, online or by other means shall have the obligation to keep confidential the information related to the voting.**
	Article 92. A shareholder attending any Shareholders' general meeting shall vote for or against or abstain from voting on each proposal submitted to the meeting for voting, except the Securities Depository and Clearing Institution, as a nominee holder under the Mainland-Hong Kong Stock Connect Scheme, may make declarations according to the intentions of the actual holders. **In the event of any vote that is uncompleted, erroneously completed or illegible, or fails to be cast, the shareholder casting or failing to cast the same shall be deemed to have waived his/her voting right, and the voting results of the shares held by him/her shall counted as "abstaining from voting".**
Article 85. If the chairman of the meeting has any doubt as to the result of a resolution put to the vote of the meeting, he may ~~**have the votes counted**~~. If the chairman of the meeting fails to have the votes counted, any shareholder who is present in person or by proxy and who objects to the result announced by the chairman of the meeting may demand that the votes be counted immediately after the declaration of the result, the chairman of the meeting shall ~~**have the votes counted immediately**~~. Article 86. If votes are counted at a Shareholders' general meeting, the result of the count shall be recorded in the minute book.	Article 93. If the chairman of the meeting has any doubt as to the result of a resolution put to the vote of the meeting, he may **arrange the counting of the votes cast**. If the chairman of the meeting fails to have the votes counted, any shareholder who is present in person or by proxy and who objects to the result announced by the chairman of the meeting may demand that the votes be counted immediately after the declaration of the **voting** result, the chairman of the meeting shall **immediately arrange the counting of votes**. If votes are counted at a Shareholders' general meeting, the result of the count shall be recorded in the minute book.

Existing Articles	Revised Articles
Article 84. ~~**The chairman of the meeting shall be responsible for the determination of whether a resolution is passed. His decision, which is final and conclusive, shall be announced at the meeting and recorded in the minute book.**~~ Public announcements shall be made with respect to the resolutions of the Shareholders' general meeting in accordance with the relevant regulations.	Article 94. Public announcements shall be made **timely** with respect to the resolutions of the Shareholders' general meeting in accordance with the relevant **laws, administrative** regulations**, departmental regulations, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association. The announcement shall contain the number of shareholders and proxies present, the total number of voting shares held by them and the percentage of such shares in total voting shares of the Company, means of voting, the voting result for each proposal and the details of each of the resolutions.**
	Article 95. If a proposal is not passed or a resolution adopted at the previous Shareholders' general meeting is amended at the current Shareholders' general meeting, it shall be set out as a special reminder in the announcement on resolutions of the Shareholders' general meeting.
	Article 96. If a proposal relating to election of directors is adopted at a Shareholders' general meeting, the newly elected directors shall take office immediately after the completion of the meeting.
	Article 97. For proposals adopted at a Shareholders' general meeting regarding cash dividends, bonus issue or conversion of capital reserve into share capital, the specific plans shall be implemented within two months after the conclusion of the Shareholders' general meeting.

Existing Articles	Revised Articles
CHAPTER 5: BOARD OF DIRECTORS	
	Section 1: Directors
Article 98. Directors ~~**(excluding employee representative directors)**~~ shall be elected at the Shareholders' general meeting. ~~**while employee representative directors shall be elected or removed by employee representative assembly.**~~ The term of office ~~**of the directors**~~ is three (3) years. At the expiry of a director's term, the term is renewable upon re-election. ~~**The director (excluding employee representative director) candidates shall be nominated by the board of directors or shareholders. The notice of nomination of directors and the notice by a director candidate of his or her willingness to be elected shall be given to and lodged with the Company on, at the earliest, the day after the despatch of the relevant notice of Shareholders' general meeting appointed for the election and seven days before the date of the Shareholders' general meeting.**~~ ~~**The Chairman and the Vice-chairman shall be elected and removed by more than one half of all the members of the board of directors. The term of office of each of the chairman and the Vice-chairman is three (3) years, renewable upon re-election.**~~ ~~**The Shareholders' general meeting may by ordinary resolution remove any director (excluding employee representative director) before the expiration of his term of office (but without prejudice to such director's right to claim damages based on any contract) on the condition that all the relevant laws and administrative regulations are fully complied with. The Directors shall not be required to hold shares of the Company.**~~ ~~**Any person appointed as a director by the board of directors to fill certain casual vacancy or to be addition to the members of the board of directors shall only take office until the next annual general meeting from the appointment, and shall then be eligible for re-election.**~~	Article 98. Directors shall be elected **or replaced and may be removed from office before their term of office expires by a Shareholders' general meeting**. **Each** term of office is three (3) years. At the expiry of a director's term, the term is renewable upon re-election. **The term of office of directors shall commence from the date of appointment up to the expiry of the term of office of the current board of directors. If the term of office of a director expires but re-election is not made in time, the existing director shall continue performing the duties as director in accordance with laws, administrative regulations, departmental regulations, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association until the newly elected director assumes office.** **A director may hold a concurrent post as general manager, deputy general managers or other senior administrative officers of the Company, provided that the total number of directors who are serving concurrently as general manager, deputy general managers or other senior administrative officers of the Company shall not exceed half of the total number of the Company's directors.**

Existing Articles	Revised Articles
	Article 99. Directors shall comply with laws, administrative regulations, departmental regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association, and shall faithfully perform their obligations to the Company. They shall take measures to avoid conflicts between their personal interests and the interests of the Company, and shall not abuse their authority to obtain improper benefits. Directors shall perform the following duties of loyalty to the Company: **(1) directors shall not embezzle any of the property of the Company, and shall not misappropriate the Company's funds;** **(2) directors shall not deposit funds of the Company into accounts held in their own names or in the name of any other individual;** **(3) directors shall not abuse their authority by receiving any bribe or other illegal income;** **(4) directors shall not conclude any contract or enter into any transaction with the Company directly or indirectly, without reporting to the board of directors or the Shareholders' general meeting, and without being approved by a resolution of the board of directors or the Shareholders' general meeting in accordance with the provisions of the Articles of Association;** **(5) directors shall not take advantage of their positions to seek business opportunities for themselves or others that should have otherwise been available to the Company, except when reported to the board of directors or the Shareholders' general meeting and approved by a resolution of the Shareholders' general meeting, or when the Company, according to laws, administrative regulations, or the provisions of the Articles of Association, cannot utilise such business opportunities;**

Existing Articles	Revised Articles
	(6) directors shall not operate for themselves or others any business similar to that of the Company, without reporting to the board of directors or the Shareholders' general meeting and obtaining approval through a resolution of the Shareholders' general meeting; **(7) directors shall not accept commissions for transactions between others and the Company as their own;** **(8) directors shall not disclose Company secrets without authorization;** **(9) directors shall not make use of their related-party relationship to damage the Company's interests;** **(10) directors shall have other duties of loyalty specified by laws, administrative regulations, departmental regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.** **Any income obtained by a director in violation of this Article shall belong to the Company; if losses are caused to the Company, the director shall be liable for compensation.** **The close family members of the directors and senior administrative officers, enterprises directly or indirectly controlled by the directors and senior administrative officers or their close family members, as well as connected persons with other connections to the directors and senior administrative officers, shall be subject to the provisions of item (4) of paragraph 2 of this Article when entering into contracts or conducting transactions with the Company.**

Existing Articles	Revised Articles
	Article 100. Directors shall comply with laws, administrative regulations, departmental regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association, and shall diligently perform their obligations to the Company. In performing their obligations, they shall exercise the reasonable care that a manager should typically have for the Company's best interests. Directors shall bear the following duties of diligence to the Company: **(1) directors shall be prudent, scrupulous and diligent in exercising the authority conferred by the Company to ensure that the business activities of the Company comply with the national laws, administrative regulations and various economic policy requirements, and that the business activities do not go beyond the scope of business activities specified in the Company's business license;** **(2) directors shall treat all shareholders equally;** **(3) directors shall keep abreast of the Company's business management status;** **(4) directors shall sign written statements confirming periodic reports of the Company, and ensure that the information disclosed by the Company is true, accurate, and complete;** **(5) directors shall provide accurate information and materials to the audit and risk management committee of the board of directors, and shall not impede the audit and risk management committee of the board of directors from exercising its statutory powers and authorities as stipulated by relevant laws and regulations;** **(6) directors shall have other diligence duties prescribed by laws, administrative regulations, departmental regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.**

Existing Articles	Revised Articles
	Article 101. If any director fails to attend in person or entrust other directors as his representative to attend meetings of the board of directors for two consecutive times, such director shall be deemed to have failed to perform his duties, and the board of directors may propose to replace such director at the Shareholders' general meeting.
	Article 102. A director may resign before the expiration of his term by submitting a written resignation report to the board of directors. The resignation shall take effect on the date when the company receives the resignation report, and the board of directors shall disclose the relevant situation within two trading days. **Where the board of directors is lower than the minimum quorum due to the resignation of the directors, the original directors shall, before the re-elected directors assume positions, still perform their duties in accordance with the laws, administrative regulations, departmental rules, securities regulatory rules in the places where the Company's shares are listed and the Articles of Association.**
	Article 103. The Company shall establish the director resignation management rules, clarifying the security measures for accountability and claims on unfulfilled public commitments and other outstanding issues. Upon a director's resignation becoming effective or upon expiration of term of office, he/she shall complete all handover procedures with the board of directors, and his/her loyalty obligations to the Company which remain effective within two years after the end of the term of office. The responsibilities that a director shall bear during his/her term of office due to his/her execution of duties shall not be exempted or terminated due to resignation from office. **The Shareholders' general meeting may resolve to remove a director, and the removal takes effect on the date the resolution is made. Without valid reason, if a director is removed before the expiration of his/her term of office, he/she may request compensation from the Company.**

Existing Articles	Revised Articles
	Article 104. No director shall act on behalf of the Company or the board of directors without legal authorization provided hereunder or by the board of directors. When a director acts in his own name, state his/her standings and identities in advance if a third party reasonably considers such director acts on behalf of the Company or the board of directors.
	Article 105. If a director, in performing his duties for the Company, causes damage to others, the Company shall bear the compensation liability; if the director's act is intentional or involves gross negligence, the director shall also bear the compensation liability. **If a director, while performing duties for the Company, violates laws, administrative regulations, departmental rules, securities regulatory rules in the places where the Company's shares are listed and the Articles of Association, causing loss to the Company, he/she shall bear compensation liability.**
	Section 2: The Board of Directors
Article 97. The Company shall have a board of directors. The board of directors shall consist of seven (7) to thirteen (13) directors. External directors (refer to directors who do not hold any office within the Company) shall represent more than half of the number of all members of the board of directors including independent directors **~~(refer to directors who are independent of the Shareholders and do not hold any office within the Company)~~** not less than one third of the total number of directors and at least one of them shall be an accounting professional; the board of directors shall have one employee representative director. The board of directors shall have one Chairman and one Vice-chairman.	Article 106. The Company shall have a board of directors**, which is responsible to the general meeting**. **The board of directors** shall consist of seven (7) to thirteen (13) directors. External directors (refer to directors who do not hold any office within the Company) shall represent more than half of the number of all members of the board of directors including independent directors not less than one third of the total number of directors and at least one of them shall be an accounting professional; the board of directors shall have one Chairman, one Vice-chairman and one employee representative director.

Existing Articles	Revised Articles
Article 98. Directors (excluding employee representative directors) shall be elected at the Shareholders' general meeting. while employee representative directors shall be elected or removed by employee representative assembly. ~~**The term of office of the directors is three (3) years. At the expiry of a director's term, the term is renewable upon re-election.**~~ The director (excluding employee representative director) candidates shall be nominated by the board of directors or shareholders. The notice of nomination of directors and the notice by a director candidate of his or her willingness to be elected shall be given to and lodged with the Company on, at the earliest, the day after the despatch of the relevant notice of Shareholders' general meeting appointed for the election and seven days before the date of the Shareholders' general meeting. Notice in writing of the intention to propose a person for election as a director and notice in writing by that person of his willingness to be elected shall have been given to the Company seven (7) days before the date of such Shareholders' general meeting. The Chairman and the Vice-chairman shall be elected and removed by more than one half of all the members of the board of directors. The term of office of each of the chairman and the Vice-chairman is three (3) years, renewable upon re-election. ~~**The Shareholders' general meeting may by ordinary resolution remove any director (excluding employee representative director) before the expiration of his term of office (but without prejudice to such director's right to claim damages based on any contract) on the condition that all the relevant laws and administrative regulations are fully complied with. The Directors shall not be required to hold shares of the Company.**~~	Article 107. Directors (excluding employee representative directors) shall be elected at the Shareholders' general meeting. while employee representative directors shall be elected or removed by employee representative assembly. The director (excluding employee representative director) candidates shall be nominated by the board of directors or shareholders. The notice of nomination of directors and the notice by a director candidate of his or her willingness to be elected shall be given to and lodged with the Company on, at the earliest, the day after the despatch of the relevant notice of Shareholders' general meeting appointed for the election and seven days before the date of the Shareholders' general meeting. The Chairman and the Vice-chairman shall be elected and removed by more than half of all the members of the board of directors. The term of office of each of the chairman and the Vice-chairman is three (3) years, renewable upon re-election. Any person appointed as a director by the board of directors to fill certain casual vacancy or to be addition to the members of the board of directors shall only take office until the next annual general meeting from the appointment, and shall then be eligible for re-election.

Existing Articles	Revised Articles
Any person appointed as a director by the board of directors to fill certain casual vacancy or to be addition to the members of the board of directors shall only take office until the next annual general meeting from the appointment, and shall then be eligible for re-election.	
Article 99. The board of directors is responsible to the Shareholders' general meeting and exercises the following powers: (1) ~~**to be responsible for the convening of**~~ the Shareholders' general meeting and to report on its work to the Shareholders' general meeting; (2) to implement the resolutions of the Shareholders' general meetings; (3) to decide on the Company's business plans and investment plans; (4) ~~**to formulate**~~ the Company's annual preliminary and final financial budgets; (5) to formulate the Company's profit distribution plan and plan for making up losses; (6) to formulate proposals for increases or reductions in the Company's registered capital and the issue and listing of bonds and other securities; (7) to draw up plans for the significant acquisitions, acquisitions of the shares of the Company, or the merger, division, spin-off, dissolution and alteration of the form of the Company (8) to approve the ~~**external**~~ guarantees other than those subject to ~~**Article 58**~~; (9) to approve the financial assistance other than those subject to ~~**Article 59**~~;	Article 108. The board of directors is responsible to the Shareholders' general meeting and exercises the following powers: (1) to convene the Shareholders' general meeting and to report on its work to the Shareholders' general meeting; (2) to implement the resolutions of the Shareholders' general meetings; (3) to decide on the Company's business plans and investment plans; (4) **to decide** the Company's annual preliminary and final financial budgets; (5) to formulate the Company's profit distribution plan and plan for making up losses; (6) to formulate proposals for increases or reductions in the Company's registered capital and the issue and listing of bonds and other securities; (7) to draw up plans for the significant acquisitions, acquisitions of the shares of the Company, or the merger, division, spin-off, dissolution and alteration of the form of the Company (8) to approve the guarantees other than those subject to **Article 44**; (9) to approve the financial assistance other than those subject to **Article 45**;

Existing Articles	Revised Articles
(10) to examine and approve the connected transaction representing less than 5% of the absolute value of the latest audited net assets of the Company ~~(except for the provision of guarantees by the Company and the receipt of endowment in cash assets)~~;	(10) to examine and approve the connected transaction representing less than 5% of the absolute value of the latest audited net assets of the Company **(Where the listing rules of the places where the Company's shares are listed or the Articles of Association provide otherwise, such provisions shall prevail);**
(11) other external investment, asset acquisition or disposal, assets pledge, entrusted wealth management, external donations, etc. other than those required examination and approval at the general meeting of the Company in accordance with the applicable laws and regulations in the place where the Company is listed and/or relevant regulatory authorities;	(11) other external investment, asset acquisition or disposal, assets pledge, entrusted wealth management, external donations, etc. other than those required examination and approval at the general meeting of the Company in accordance with the applicable laws and regulations in the place where the Company is listed and/or relevant regulatory authorities;
(12) to decide on the establishment of the Company's internal management structure;	(12) to decide on the establishment of the Company's internal management structure;
(13) pursuant to the chairman's nominations to decide to appoint or dismiss the Company's general manager, to appoint or dismiss the secretary of the board of directors and determine their remuneration, etc. and pursuant to the general manager's nominations to decide to appoint or dismiss the deputy general manager, the financial controller, the general counsel legal adviser and other senior administrative officers of the Company and decide on their remuneration, etc.;	(13) pursuant to the chairman's nominations to decide to appoint or dismiss the Company's general manager, to appoint or dismiss the secretary of the board of directors and determine their remuneration, etc. and pursuant to the general manager's nominations to decide to appoint or dismiss the deputy general manager, the financial controller, the general counsel legal adviser and other senior administrative officers of the Company and decide on their remuneration, etc.;
(14) to formulate the board of directors' authorized management system;	(14) to formulate the board of directors' authorized management system;
(15) to establish the Company's basic management system;	(15) to establish the Company's basic management system;
(16) to formulate proposals for any amendments of the Company's articles of association;	(16) to formulate proposals for any amendments of the Company's articles of association;
(17) to manage the disclosure of information of the Company;	(17) to manage the disclosure of information of the Company;

Existing Articles	Revised Articles
(18) to propose at the general meeting to engage or replace the accounting firm performing the audit for the Company; (19) to listen to the reporting on the works of the general manager of the Company and to perform checking on the works of the general manager; (20) to exercise any other powers conferred by the Shareholders' general meetings. Except the board of directors' resolutions in respect of the matters specified in sub-paragraphs (6), (7), (8), (9), (16) of this Article which shall be passed by more than two-thirds of all the directors, the board of directors' resolutions in respect of all other matters may be passed by more than one half of all the directors. Prior to making decisions on materials ~~issues~~ of the Company, the board of directors shall first seek advice from the Party Committee of the Company in advance. For the matters which can be exempted from or waived for consideration and disclosure under relevant provisions of laws, administrative regulations, and the ~~listing~~ rules of the place(s) where the Company's shares are listed, the Company may be exempted from or apply for a waiver for being exempted from such consideration and disclosure under relevant provisions.	(18) to propose at the general meeting to engage or replace the accounting firm performing the audit for the Company; (19) to listen to the reporting on the works of the general manager of the Company and to perform checking on the works of the general manager; (20) to exercise any other powers **provided by laws, administrative regulations, departmental rules, securities regulatory rules in the places where the Company's shares are listed, and** conferred by the Shareholders' general meetings. Except the board of directors' resolutions in respect of the matters specified in sub-paragraphs (6), (7), (8), (9), (16) of this Article which shall be passed by more than two-thirds of all the directors, the board of directors' resolutions in respect of all other matters may be passed by more than one half of all the directors. **The board of directors may resolve on the issuance of corporate bonds under the authorization of the shareholders' general meetings.** Prior to making decisions on material **business management matters** of the Company, the board of directors shall first seek advice from the Party Committee of the Company in advance. For the matters which can be exempted from or waived for consideration and disclosure under relevant provisions of laws, administrative regulations**, departmental rules** and **securities regulations** of the place(s) where the Company's shares are listed, the Company may be exempted from or apply for a waiver for being exempted from such consideration and disclosure under relevant provisions.

Existing Articles	Revised Articles
	Article 109. The board of directors shall provide an explanation to the general meeting regarding any non-standard audit opinion issued by the certified public accountant on the Company's financial report.
Article 100. For those external investment, asset acquisition or disposal, assets pledge, ~~external~~ guarantee, entrusted wealth management, connected transactions, external donations, etc. within the decision-making authority of the board of directors, the board of directors shall strictly conduct review and examination, perform corresponding decision-making procedures and obligation of information disclosure; for those major investments, review and examination shall be organized with relevant experts and professionals, and approval is needed upon reporting to the general meeting.	Article 110. For those external investment, asset acquisition or disposal, assets pledge, guarantee, entrusted wealth management, connected transactions, external donations, etc. within the decision-making authority of the board of directors, the board of directors shall strictly conduct review and examination, perform corresponding decision-making procedures and obligation of information disclosure; for those major investments, review and examination shall be organized with relevant experts and professionals, and approval is needed upon reporting to the general meeting.
Article 103. The Chairman of the board of directors shall exercise the following powers: (1) to preside over Shareholders' general meetings and to convene and preside over meetings of the board of directors; (2) to check on the implementation of resolutions of the board of directors; (3) to sign the securities certificates issued by the Company; (4) to exercise other powers conferred by the board of directors. When the Chairman is unable to ~~exercise his powers, the Chairman may designate~~ the Vice-chairman ~~to exercise such powers on the Chairman's behalf~~.	Article 111. The Chairman of the board of directors shall exercise the following powers: (1) to preside over Shareholders' general meetings and to convene and preside over meetings of the board of directors; (2) to **oversee and** check on the implementation of resolutions of the board of directors; (3) to sign the securities certificates issued by the Company; (4) to exercise other powers conferred by the board of directors.

Existing Articles	Revised Articles
	Article 112. **The Vice-chairman shall assist the Chairman at work**. When the Chairman is unable to **perform or is not performing his duty,** the Vice-chairman **shall perform such duty. In the event that the Vice-chairman is unable to perform or is not performing his/her duties, a director jointly nominated by half or more of the directors shall preside over the meeting.**
Article 104. Regular meetings of the board of directors shall be held four times every year, approximately once per quarter and shall be convened by the Chairman of the board of directors. Upon requisition by the shareholders representing more than one tenth of the voting rights, more than one half of the directors, ~~**supervisory committee**~~ and more than one half of the independent directors or upon request by the securities regulatory authorities, an extraordinary meeting of the board of directors shall be held. In case of any urgent matters, the Chairman may convene an extraordinary meeting of the board of directors; upon requisition by more than one third of the directors or by the general manager, an extraordinary meeting of the board of directors may be held. The Chairman of the board shall convene and preside over the meeting of the board of directors within 10 days upon receipt of the requisition.	Article 113. Regular meetings of the board of directors shall be held four times every year, approximately once per quarter and shall be convened by the Chairman of the board of directors. Upon requisition by the shareholders representing more than one tenth of the voting rights, more than one half of the directors, **the audit and risk management committee of the board of directors** and more than one half of the independent directors or upon request by the securities regulatory authorities, an extraordinary meeting of the board of directors shall be held. In case of any urgent matters, the Chairman may convene an extraordinary meeting of the board of directors; upon requisition by more than one third of the directors or by the general manager, an extraordinary meeting of the board of directors may be held. The Chairman of the board shall convene and preside over the meeting of the board of directors within 10 days upon receipt of the requisition.

Existing Articles	Revised Articles
Article 105. Meetings and extraordinary meetings of the board of directors shall be notified in the following ways:	Article 114. Meetings and extraordinary meetings of the board of directors shall be notified in the following ways:
(1) No notice of directors' regular meeting shall be required, if the time and place of regular meetings of the board of directors have been fixed by the board of directors in advance.	(1) No notice of directors' regular meeting shall be required, if the time and place of regular meetings of the board of directors have been fixed by the board of directors in advance.
(2) Notice of the time and place of a meeting of the board of directors for which the time and place have not otherwise been set in advance by the board of directors shall be notified in advance by the Chairman through the secretary to the board of directors to each of the directors ~~**and the chairman of the supervisory committee**~~ by telex, telegram, facsimile, express delivery, registered mail or personal delivery. For regular meetings, the notice of meeting shall be sent not less than 14 days before such meeting; for provisional meetings, the notice of meeting shall be sent not less than 5 days before such meeting; for provisional meetings of the board of directors to be convened as soon as possible for emergency, the notice of meeting may be sent by telephone or other verbal means at any time, provided that the convener shall make explanation at the meeting.	(2) Notice of the time and place of a meeting of the board of directors for which the time and place have not otherwise been set in advance by the board of directors shall be notified in advance by the Chairman through the secretary to the board of directors to each of the directors by telex, telegram, facsimile, express delivery, registered mail or personal delivery. For regular meetings, the notice of meeting shall be sent not less than 14 days before such meeting; for provisional meetings, the notice of meeting shall be sent not less than 5 days before such meeting; for provisional meetings of the board of directors to be convened as soon as possible for emergency, the notice of meeting may be sent by telephone or other verbal means at any time, provided that the convener shall make explanation at the meeting.
(3) The requirement of sending notices of meetings to directors in advance in accordance with this article may be waived with the consents from all of directors; moreover, where directors have attended the meetings, the notices of meetings shall be deemed to be received by directors in due course where no dissents due to failure of receiving the notices of meetings in due course have been raised before and upon the attendance of directors.	(3) The requirement of sending notices of meetings to directors in advance in accordance with this article may be waived with the consents from all of directors; moreover, where directors have attended the meetings, the notices of meetings shall be deemed to be received by directors in due course where no dissents due to failure of receiving the notices of meetings in due course have been raised before and upon the attendance of directors.
(4) Notice shall be in Chinese and, where necessary, in English also and shall include an agenda of the meeting.	(4) Notice shall be in Chinese and, where necessary, in English also and shall include an agenda of the meeting.

Existing Articles	Revised Articles
	Article 115. A notice of a meeting of the board of directors shall contain: **(1) the date and venue of the meeting;** **(2) the duration of the meeting;** **(3) the purpose and matters to be discussed;** **(4) the date of the notice.**
Article 106. Notice of a meeting shall be deemed to have been given to any director who attends the meeting without protesting against, before or at its commencement, any lack of notice.	**Article 116.** Notice of a meeting shall be deemed to have been given to any director who attends the meeting without protesting against, before or at its commencement, any lack of notice.
Article 108. Meetings of the board of directors shall be held only if a majority of the directors (including any director appointed ~~**pursuant to Article 106 below)**~~ are present. ~~**A resolution of the board of directors shall be decided on a show of hands.**~~ ~~**Each director shall have one vote.**~~ Unless otherwise provided for in these articles of association, a resolution of the board of directors must be passed by more than half of all the directors. ~~**Where the number of votes cast for and against a resolution are equal, the Chairman of the board of directors shall have a casting vote.**~~ ~~**Where a director or his or her associate(s) (as defined in the relevant rules governing the listing of securities) will benefit from, or has a material interest in, any resolution proposed at a board meeting, such director shall abstain from voting on such resolution at that board meeting. Such director shall not be counted in the quorum for the relevant meeting.**~~	Article 117. Meetings of the board of directors shall be held only if a majority of the directors (including any director appointed) are present. Unless otherwise provided for in these articles of association, a resolution of the board of directors must be passed by more than half of all the directors. **Each director shall have one ballot for a resolution put to vote at a meeting of the board of directors.** **If any director has connected relationship with the enterprise or individual involved in the resolution made at a meeting of the board of directors, such director shall promptly report in writing to the board of directors. The director who has a connected relationship shall not vote on the said resolution for itself or on behalf of another director. The meeting of the board of directors may be held when more than half of the non-connected directors attend the meeting. The resolution of the meeting of the board of directors shall be passed by more than half of the non-connected directors. If the number of non-connected directors attending the meeting is less than three, the issue shall be submitted to the general meeting for consideration.**

Existing Articles	Revised Articles
Article 109. Directors shall attend the meetings of the board of directors in person. Where a director is unable to attend a meeting for any reason, he may appoint another director by a written power of attorney to attend the meeting on his behalf. The power of attorney shall set out the scope of the authorization. A Director appointed as a representative of another director to attend the meeting shall exercise the rights of a director within the scope of authority conferred by the appointing director. Where a director is unable to attend a meeting of the board of directors and has not appointed a representative to attend the meeting on his behalf, he shall be deemed to have waived his right to vote at the meeting. In respect of any matter requiring the resolution of any extraordinary meeting of the board of directors, a resolution approved in writing by at least such number of directors as may be required pursuant to ~~**Article 97 of**~~ these Articles after the proposed resolution has been reduced into writing and delivered to all directors, shall be deemed to be a valid resolution and a board meeting shall be dispensed with.	Article 118. Directors shall attend the meetings of the board of directors in person. Where a director is unable to attend a meeting for any reason, he may appoint another director by a written power of attorney to attend the meeting on his behalf. The power of attorney shall set out **the proxy's name, the subject matter**, the scope of the authorization **and the validity period and shall be signed or sealed by the entrusting Director**. A Director appointed as a representative of another director to attend the meeting shall exercise the rights of a director within the scope of authority conferred by the appointing director. Where a director is unable to attend a meeting of the board of directors and has not appointed a representative to attend the meeting on his behalf, he shall be deemed to have waived his right to vote at the meeting. In respect of any matter requiring the resolution of any extraordinary meeting of the board of directors, a resolution approved in writing by at least such number of directors as may be required pursuant to these Articles after the proposed resolution has been reduced into writing and delivered to all directors, shall be deemed to be a valid resolution and a board meeting shall be dispensed with.
Article 107. Any regular or extraordinary meeting of the board of directors may be held by conference telephone or similar communication equipment so long as all directors participating in the meeting can clearly hear and communicate with each other, and all such directors shall be deemed to be present in person at the meeting.	Article 119. Any regular or extraordinary meeting of the board of directors may be held by conference telephone or similar communication equipment so long as all directors participating in the meeting can clearly hear and communicate with each other, and all such directors shall be deemed to be present in person at the meeting.

Existing Articles	Revised Articles
Article 110. The board of directors shall keep minutes of resolutions on matters discussed at meetings. The minutes shall be signed by the directors and the secretary of the board of directors present at the meeting and the person who recorded the minutes. The directors shall be liable for the resolutions of the board of directors. If a resolution of the board of directors violates the laws, administrative regulations or these articles of association and results in the Company sustaining serious losses, the directors participating in the resolution are liable to compensate the Company. However, if it can be proven that a director expressly objected to the resolution when the resolution is voted on, and that such objection is recorded in the minutes of the meeting, such director may be released from such liability.	Article 120. The board of directors shall keep minutes of resolutions on matters discussed at meetings. The minutes shall be signed by the directors and the secretary of the board of directors present at the meeting and the person who recorded the minutes. The directors shall be liable for the resolutions of the board of directors. If a resolution of the board of directors violates the laws, administrative regulations or these articles of association and results in the Company sustaining serious losses, the directors participating in the resolution are liable to compensate the Company. However, if it can be proven that a director expressly objected to the resolution when the resolution is voted on, and that such objection is recorded in the minutes of the meeting, such director may be released from such liability. **The minutes of meetings of the board of directors shall be kept as corporate archives for a period not less than 10 years.**
	Article 121. The minutes of the board of directors shall contain the following: **(1) date and venue of the meeting and name of the convener;** **(2) names of the directors present at the meeting and names of the directors (proxies) appointed by other directors to attend the meeting of the board of directors;** **(3) the agenda of the meeting;** **(4) main points of the speeches of directors;** **(5) the methods and results of the voting for each proposal (the voting results shall indicate the numbers of the votes of for, against or abstention).**

Existing Articles	Revised Articles
	Section 3: Independent Directors
	Article 122 In accordance with the requirements of the laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association, independent directors shall diligently perform their duties, play the roles in decision-making, supervise checks and balances, and provide professional advice to the board of directors, safeguard the overall interests of the Company, and protect the legitimate rights and interests of minority shareholders.
	Article 123 Independent directors shall have independence. None of the following persons shall act as independent directors: **(1) persons working in the Company or its subsidiaries, as well as their spouses, parents, children and major social relations;** **(2) natural person shareholders as well as their spouses, parents and children who directly or indirectly hold not less than one percent of the issued shares of the Company or who are ranked as the top ten shareholders of the Company;** **(3) persons as well as their spouses, parents and children who work in entities which are such shareholders of the Company directly or indirectly holding not less than five percent of the shares of the Company in issue or which are ranked as the top five shareholders of the Company;** **(4) persons as well as their spouses, parents and children who work in the subsidiary of the Company's controlling shareholder and de facto controller;**

Existing Articles	Revised Articles
	(5) persons who have material business transactions with the Company and its controlling shareholders, de facto controllers or their respective subsidiaries, or persons who hold positions in such entities and their controlling shareholders or de facto controllers that have material business transactions with the same; **(6) persons who provide financial, legal, consulting, recommendation and other services for the Company, its controlling shareholders, de facto controllers or their respective subsidiaries, including but not limited to all personnel of the project team, reviewers at all levels, personnel signing the report, partners, directors, senior officers and principal responsible persons of the intermediary institutions providing services;** **(7) persons who have satisfied the conditions stated in sub-paragraph (1) to sub-paragraph (6) in the last 12 months;** **(8) other persons without independence as stipulated by laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.** **The subsidiaries of the controlling shareholders and de facto controllers of the Company mentioned in preceding subparagraphs (4) to (6) do not include the enterprises controlled by the same state-owned assets management institution as the Company and not forming a connected relationship with the Company according to relevant regulations.** **Independent directors shall conduct self-examination on their independence every year and submit the self-examination results to the board of directors. The board of directors shall evaluate the independence of the independent directors in office and issue special opinions every year, which shall be disclosed together with the annual report.**

Existing Articles	Revised Articles
	Article 124 A person acting as an independent director shall fulfil the following basic requirements: **(1) he or she shall possess the qualifications to act as the director of a listed company in accordance with the laws, regulations and other relevant requirements;** **(2) meet the independence requirements stipulated in these Articles of Association;** **(3) he or she possesses the basic knowledge of operation of a listed company and is familiar with relevant laws, regulations and rules;** **(4) he or she shall have not less than 5 years of law, accounting, economics or other working experience necessary for performing duties of an independent director;** **(5) he or she shall have good character traits and shall not have any gross dishonesty or other adverse records;** **(6) he or she shall fulfil other conditions as prescribed by the laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.**

Existing Articles	Revised Articles
	Article 125 Independent directors, as members of the board of directors, shall have the duty of loyalty and diligence to the Company and all shareholders to prudently perform the following duties: **(1) to participate in the decision-making of the board of directors and express clear opinions on the matters discussed;** **(2) to supervise the potential material conflicts of interest between the Company and its controlling shareholders, de facto controllers, directors and senior officers, so as to protect the legitimate rights and interests of minority shareholders;** **(3) to provide professional and objective suggestions on the operation and development of the Company, and promote the improvement of the decision-making level of the board of directors;** **(4) other duties as stipulated by laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and these Articles of Association.**

Existing Articles	Revised Articles
	Article 126 An independent director shall exercise the following special functions and powers: **(1) to independently engage an intermediary to audit, consult on or verify specific matters of the Company;** **(2) to propose to the board of directors to convene an extraordinary shareholders' meeting;** **(3) to propose to convene a board meeting;** **(4) to publicly solicit shareholders' rights from shareholders according to laws;** **(5) to express independent opinions on matters that may damage the rights and interests of the Company or minority shareholders;** **(6) other functions and powers as stipulated by laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and these Articles of Association.** **An independent director shall obtain the consent from more than half of all independent directors in the case of exercising his/her functions as described in preceding sub-paragraphs (1) to (3).** **If an independent director exercises the functions and powers as described in the sub-paragraph (1) of this Article, the Company shall timely disclose the same. If the aforesaid functions and powers cannot be normally exercised, the Company shall disclose the specific circumstances and reasons.**

Existing Articles	Revised Articles
Article 110 (C) Any connected transaction that ~~the Company~~ shall be disclosed; plans for the Company and relevant parties to change or waive their commitments; the decisions made and measures taken by the board of directors when the Company is acquired regarding the acquisition and other matters stipulated by laws, administrative regulations, regulations of the ~~China Securities Regulatory Commission and the~~ Company~~, shall not be submitted for consideration by the board of directors unless it is approved by more than half of all independent directors. Consent of more than half of all independent directors is required for:~~	Article 127 **The following matters shall be submitted to the board of directors for deliberation after obtaining the approval of more than half of all independent directors of the Company:** (1) Any connected transaction that shall be disclosed; (2) plans for the Company and relevant parties to change or waive their commitments; (3) the decisions made and measures taken by the board of directors when the Company is acquired regarding the acquisition; (4) other matters stipulated by laws, administrative regulations, and the securities **regulatory rules of the place where the Company's shares are listed and these Articles of Association**.
	Article 128 The Company shall establish a mechanism of special meetings attended by all independent directors. Matters such as related transactions to be considered by the board of directors shall be approved in advance by a special meeting of independent directors. **The Company shall hold special meetings on a regular or irregular basis, and the matters as described in sub-paragraphs (1) to (3) of paragraph 1 of Article 126 and Article 127 of these Articles of Association shall be considered at special meetings of independent directors.** **The special meeting of independent directors may study and discuss other matters of the Company as required.**

Existing Articles	Revised Articles
	The special meeting of independent directors shall be convened and presided over by an independent director jointly recommended by more than half of the independent directors; if the convener does not perform his duties or is unable to perform his duties, two or more independent directors may convene the meeting and elect a representative to preside over the meeting on their own. **The minutes of the special meeting of independent directors shall be prepared in accordance with the regulations, and the opinions of independent directors shall be recorded in the minutes of the meeting. The independent directors shall sign to confirm the minutes of the meeting.** **The Company shall provide convenience and support for the convening of special meetings of independent directors.**
	Article 129 Regarding independent directors, unless explicitly stipulated in this section, they shall be governed by applicable laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed and relevant provisions.
	Section 4: Special Committees of the Board of Directors
	Article 130 The Board of Directors shall establish special committees, including the Audit and Risk Management Committee, the Nomination and Remuneration Committee, the Planning, Development and Digitalization Committee, and the Aviation Safety and Environment Committee. All members of the special committees shall be composed of directors. The Board of Directors shall be responsible for formulating the working rules of the special committees to regulate their operations.

Existing Articles	Revised Articles
	Article 131 The Audit and Risk Management Committee shall exercise the powers of the supervisory board as stipulated in the Company Law. The Audit and Risk Management Committee shall be composed of three to five members, who shall be directors who do not hold senior officer positions in the Company, of whom more than half shall be independent directors, with accounting professionals among the independent directors serving as the convenor. Employee representative directors among the Board members may serve as members of the Audit Committee.
	Article 132 The Audit and Risk Management Committee under the board of directors shall be responsible for reviewing the Company's financial information and its disclosure, supervising and evaluating the internal and external auditing work and internal control. The following matters shall be submitted to the board of directors for deliberation with the approval of more than half of all members of the Audit and Risk Management Committee: **(1) disclosure of financial information and internal control evaluation reports in financial accounting reports and periodic reports;** **(2) appointment or dismissal of an accounting firm that undertakes the audit business of the Company;** **(3) appointment or dismissal of the listing company's financial controller;** **(4) changes in accounting policies, accounting estimates or corrections of major accounting errors due to reasons other than changes in accounting standards;** **(5) other matters stipulated by laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and these Articles of Association.**

Existing Articles	Revised Articles
	Article 133 The Audit and Risk Management Committee shall hold meetings at least once a quarter. Extraordinary meetings may be convened at the proposals of two or more members or when the convener considers it necessary. Meetings of the Audit and Risk Management Committee shall be held with the presence of more than two thirds of the members. **Resolutions of the Audit and Risk Management Committee shall be passed by more than half of the members of the Audit and Risk Management Committee.** **Each person shall have one vote for a resolution of the Audit and Risk Management Committee.** **The Audit and Risk Management Committee shall prepare the minutes of the meeting with respect of resolutions in accordance with the regulations, and the minutes shall be signed by the members of the Audit and Risk Management Committee attending the meeting.** **The working rules of the Audit and Risk Management Committee shall be formulated by the board of directors.**

Existing Articles	Revised Articles
	Article 134 The Nomination and Remuneration Committee of the board of directors shall consist of 3 to 5 directors, with independent directors constituting the majority, and the convener shall be determined in accordance with the provisions of the relevant competent department of the State Council. The Nomination and Remuneration Committee shall be responsible for formulating the selection criteria and procedures for directors and senior management, selecting and reviewing the qualifications of candidates for directors and senior management, establishing performance evaluation standards for directors and senior management and conducting assessments, formulating and reviewing the remuneration decision mechanism, decision-making process, payment, and clawback arrangements for directors and senior management, and making recommendations to the Board of Directors on the following matters: **(1) nomination or appointment or dismissal of directors;** **(2) appointment or dismissal of senior officers;** **(3) remuneration of directors and senior management;** **(4) formulation or amendment of equity incentive plans, employee stock ownership plans, and the granting of benefits to eligible participants and the fulfillment of conditions for exercising such benefits;** **(5) arrangements for directors and senior management to hold shares in subsidiaries proposed for spin-off.**

Existing Articles	Revised Articles
	(6) other matters stipulated by laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association. **If the board of directors does not adopt or does not fully adopt the recommendations of the Nomination and Remuneration Committee, it shall record the opinions of the Nomination and Remuneration Committee and the specific reasons for their non-adoption in the resolution of the board of directors and disclose the same.**
	Article 135. The Planning, Development and Digitalization Committee of the board of directors shall be composed of 3 to 5 directors, including at least one independent director. The Planning, Development and Digitalization Committee of the board of directors is primarily responsible for researching and deliberating on the Company's long-term development plans, digitalization initiatives and major investment decisions, proposing plans or recommendations, and supervising their implementation.
	Article 136. The Aviation Safety and Environment Committee of the board of directors shall be composed of 3 to 5 directors, including at least one independent director. The Aviation Safety and Environment Committee of the board of directors is primarily responsible for implementing national laws and regulations related to aviation safety and ESG, researching and deliberating on the Company's aviation safety management and ESG initiatives, proposing plans, and conducting supervision and management thereof.

Existing Articles	Revised Articles
CHAPTER 6: MANAGER AND OTHER SENIOR ADMINISTRATIVE OFFICERS	
Article 114. The Company shall have one general manager, who shall be appointed and dismissed by the board of directors. The Company shall have a number of deputy general managers who should assist the general manager in his work. The term of office of the general manager and deputy general managers is three (3) years and renewable upon re-election and reappointment.	**Article 137.** The Company shall have one general manager, who shall be appointed and dismissed by the board of directors. The Company shall have a number of deputy general managers who should assist the general manager in his work. The term of office of the general manager and deputy general managers is three (3) years and renewable upon re-election and reappointment.
	Article 138. The provisions of these articles of association regarding the circumstances under which a person shall not serve as a director and the departure management system shall equally apply to senior administrative officers. The provisions of these Articles of Association regarding the fiduciary duties and duties of diligence of directors shall also apply to senior administrative officers.
	Article 139. Unless exempted by the relevant competent authorities, personnel holding any administrative positions other than director in the Company's controlling shareholder entity shall not serve as senior administrative officers of the Company.

Existing Articles	Revised Articles
Article 115. The general manager shall be accountable to the board of directors and exercise the following functions and powers:	Article 140. The general manager shall be accountable to the board of directors and exercise the following functions and powers:
(1) to be in charge of the Company's production, operation and management and to organize the implementation of the resolutions of the board of directors;	(1) to be in charge of the Company's production, operation and management and to organize the implementation of the resolutions of the board of directors**, and to report to the board of directors**;
(2) to organize the implementation of the Company's annual business plan and investment plan;	(2) to organize the implementation of the Company's annual business plan and investment plan;
(3) to draft plans for the establishment of the Company's internal management structure;	(3) to draft plans for the establishment of the Company's internal management structure;
(4) to establish the Company's basic management system;	(4) to establish the Company's basic management system;
(5) to formulate basic rules and regulations for the Company;	(5) to formulate basic rules and regulations for the Company;
(6) to propose the appointment or dismissal of the Company's deputy general manager(s) and the financial controller;	(6) to propose the appointment or dismissal of the Company's deputy general manager(s) and the financial controller;
(7) to appoint or dismiss management personnel other than those required to be appointed or dismissed by the board of directors;	(7) to appoint or dismiss management personnel other than those required to be appointed or dismissed by the board of directors;
(8) other powers conferred by these articles of association and the board of directors.	(8) other powers conferred by **these** articles of association and the board of directors.

Existing Articles	Revised Articles
	Article 141. The general manager shall formulate rules relating to the work of the general manager, which shall be implemented after being submitted to the board of directors for approval. The rules relating to the work of the general manager shall include the following contents: **(1) The conditions, procedures and participants for the convening of the general manager's work meetings;** **(2) The specific duties and division of responsibilities of each senior administrative officers;** **(3) The authority for the use of the company's funds and assets, the signing of major contracts, and the reporting system to the board of directors;** **(4) Other matters that the board of directors deems necessary.**
Article 117. The general manager and deputy general managers shall not, in exercising their powers, vary the resolutions of Shareholders' general meetings and those of the board of directors or exceed the scope of their authorities.	Article 142. The general manager and deputy general managers shall not, in exercising their powers, vary the resolutions of Shareholders' general meetings and those of the board of directors or exceed the scope of their authorities.
	Article 143. The general manager and deputy general managers may tender their resignations before the expiration of their term of office. The specific procedures and measures for the resignation of the general manager and deputy general managers shall be stipulated in the labor contracts between the general manager, deputy general managers and the Company.
Article 111. The Company shall have a secretary of the board of directors who shall be a senior administrative officer of the Company.	Article 144. The Company shall have a secretary of the board of directors who shall be a senior administrative officer of the Company.

Existing Articles	Revised Articles
Article 112. The secretary of the Company's board of directors shall be a natural person who has the requisite professional knowledge and experience, and shall be appointed by the board of directors. His primary responsibilities are to ensure that: (1) the Company has complete organisational documents and records; (2) the Company prepares and delivers in accordance with law those reports and documents required by competent authorities entitled thereto; (3) the Company's registers of shareholders are properly maintained, and that persons entitled to the Company's records and documents are furnished with such records and documents without delay. (4) the Company has a department of investor relations that is specially responsible for strengthening the communications with the shareholders, especially the public shareholders. The secretary of the board of directors shall be in charge of the department of investor relations.	Article 145. The secretary of the Company's board of directors shall be a natural person who has the requisite professional knowledge and experience, and shall be appointed by the board of directors. His primary responsibilities are to ensure that: (1) **responsible for the preparation of the shareholders' general meeting and the board meeting of the company, as well as the custody of documents, and** the Company has complete organisational documents and records; (2) **handle the Company's information disclosure affairs, and** the Company prepares and delivers in accordance with law those reports and documents required by competent authorities entitled thereto; (3) **responsible for the management of shareholder information of the Company, and** the Company's registers of shareholders are properly maintained, and that persons entitled to the Company's records and documents are furnished with such records and documents without delay. (4) the Company has a department of investor relations that is specially responsible for strengthening the communications with the shareholders, especially the public shareholders. The secretary of the board of directors shall be in charge of the department of investor relations.

Existing Articles	Revised Articles
Article 113. A director or other senior administrative officer of the Company may hold the office of the secretary of the board of directors concurrently. The accountant(s) of the certified public accountants firm appointed by the Company shall not act as the secretary of the board of directors. Provided that where the office of secretary is held concurrently by a director, and an act is required to be done by a director and a secretary separately, the person who holds the office of director and secretary may not perform the act in dual capacity.	Article 146. A director or other senior administrative officer of the Company may hold the office of the secretary of the board of directors concurrently. The accountant(s) of the certified public accountants firm appointed by the Company shall not act as the secretary of the board of directors. Provided that where the office of secretary is held concurrently by a director, and an act is required to be done by a director and a secretary separately, the person who holds the office of director and secretary may not perform the act in dual capacity.
	Article 147. Where senior administrative officers, in performing their duties for the Company, violate laws, administrative regulations, departmental rules, the securities regulatory rules of the Company's stock listing venue, or the provisions of these Articles of Association, and cause losses to the Company, they shall be liable for compensation. **Where senior administrative officers, in performing their duties for the Company, cause harm to others, the Company shall assume liability for compensation; where senior administrative officers act intentionally or with gross negligence, they shall also be liable for compensation.**

Existing Articles	Revised Articles
Article 143. The senior administrative officers of the Company shall perform their duties honestly and faithfully, and protect the maximum interests of the Company and all the shareholders, failing that or violating their fiduciary duties to cause any damage on the interests of the Company and the public shareholders shall hold them legally liable for the compensation. ~~**In addition to any rights and remedies provided by the laws and administrative regulations, where a director, supervisor, general manager, deputy general manager or other senior administrative officer of the Company is in breach of his duties to the Company, the Company has a right to:**~~ ~~**(1) claim damages from the director, supervisor, general manager, deputy general manager or other senior administrative officer in compensation for losses sustained by the Company as a result of such breach;**~~ ~~**(2) rescind any contract or transaction entered into by the Company with the director, supervisor, general manager, deputy general manager or other senior administrative officer or with a third party (where such third party knows or should know that there is such a breach of duties by such director, supervisor, general manager, deputy general manager or other senior administrative officer);**~~ ~~**(3) demand an account of the profits made by the director, supervisor, general manager, deputy general manager or other senior administrative officer in breach of his duties;**~~	Article 148. The senior administrative officers of the Company shall perform their duties honestly and faithfully, and protect the maximum interests of the Company and all the shareholders, failing that or violating their fiduciary duties to cause any damage on the interests of the Company and the public shareholders shall hold them legally liable for the compensation.

Existing Articles	Revised Articles
~~(4) recover any monies received by the director, supervisor, general manager, deputy general manager or other senior administrative officer to the use of the Company, including (without limitation) commissions; and~~ ~~(5) demand payment of the interest earned or which may have been earned by the director, supervisor, general manager, deputy general manager or other senior administrative officer on the monies that should have been paid to the Company.~~	
CHAPTER 7: THE QUALIFICATIONS AND DUTIES OF THE DIRECTORS OF THE COMPANY	
Article 128. A person ~~may~~ not serve as a director~~, supervisor, general manager, deputy general manager and any other senior administrative officer~~ of the Company if any of the following circumstances apply: (1) a person without capacity for civil conduct or with restricted capacity for civil conduct; (2) a person who has committed an offence of corruption, bribery, infringement of property, misappropriation of property or sabotaging the social economic order and has been punished because of committing such offence; or who has been deprived of his political rights, in each case where less than five (5) years have elapsed since the date of the completion of implementation of his punishment; (3) a person who is a former director, factory manager or manager of a company or enterprise which has entered into ~~insolvent~~ liquidation ~~because of mismanagement and is personally liable for the insolvency of such company or enterprise~~, where less than three (3) years have elapsed since the date of the completion of the insolvency and liquidation of the company or enterprise;	Article 149. A person **shall** not serve as a director of the Company if any of the following circumstances apply: (1) a person without capacity for civil conduct or with restricted capacity for civil conduct; (2) a person who has committed an offence of corruption, bribery, infringement of property, misappropriation of property or sabotaging the **socialist** economic order and has been punished because of committing such offence; or who has been deprived of his political rights, in each case where less than five (5) years have elapsed since the date of the completion of implementation of his punishment**, or a person who has been granted probation and is within two years from the expiration of the probation period;** (3) a person who is a former director, factory manager or manager of a company or enterprise which has entered into **bankruptcy and** liquidation, where less than three (3) years have elapsed since the date of the completion of the insolvency and liquidation of the company or enterprise;

Existing Articles	Revised Articles
(4) a person who is a former legal representative of a company or enterprise which had its business licence revoked due to a violation of the law and who incurred personal liability, where less than three (3) years has elapsed since the date of the revocation of the business licence; (5) a person who has a relatively large amount of debts due and outstanding; ~~**(6) a person who is under criminal investigation or prosecution by judicial organs for violation of the criminal law which is not yet concluded;**~~ (7) ~~**a person who is not eligible for enterprise leadership**~~ according to laws and administrative regulations; ~~**(8) a non-natural person;**~~ ~~**(9) a person who is convicted of contravention of provisions of relevant securities regulations by a relevant competent authority, and such conviction involves a finding that he has acted fraudulently or dishonestly, where less than five (5) years has elapsed since the date of the conviction.**~~	(4) a person who is a former legal representative of a company or enterprise which had its business licence revoked **or was ordered to close** due to a violation of the law and who incurred personal liability, where less than three (3) years has elapsed since the date of the revocation of the business licence **or closure order**; (5) a person who has a relatively large amount of debts due and outstanding **and has been listed as a dishonest person by the People's Court;** **(6) a person who is prohibited from entering into the securities market by the CSRC and is still in such prohibition period;** **(7) a person who has been publicly declared by any stock exchange as not suitable to serve as a director or senior management of a listed company, the term of which has not expired;** (8) **other circumstances** as stipulated in laws, administrative regulations **or departmental rules**. **For any election and appointment of a director in contravention of the provisions prescribed by this Article, such election, appointment or employment shall be void and null. Where a director falls into any of the aforesaid circumstances in his/her term of office, the director shall be removed from office.**
~~**Article 129. The validity of an act of a director, general manager, deputy general manager or other senior administrative officer on behalf of the Company is not, vis-a-vis a bona fide third party, affected by any irregularity in his office, election or any defect in his qualification.**~~	

Existing Articles	Revised Articles
~~Article 130. In addition to the obligations imposed by laws, administrative regulations or required by the listing rules of the stock exchange on which shares of the Company are listed, each of the Company's directors, supervisors, general manager, deputy general managers and other senior administrative officers owes a duty to each shareholder, in the exercise of the functions and powers of the Company entrusted to him:~~ ~~(1) not to cause the Company to exceed the scope of business stipulated in its business licence;~~ ~~(2) to act honestly in the best interests of the Company;~~ ~~(3) not to expropriate in any guise the Company's property, including (without limitation) usurpation of opportunities advantageous to the Company;~~ ~~(4) not to expropriate the individual rights of shareholders, including (without limitation) rights to distribution and voting rights, save pursuant to a restructuring of the Company submitted to shareholders for approval in accordance with these articles of association.~~	
~~Article 131. Each of the Company's directors, supervisors, general manager, deputy general managers and other senior administrative officers owes a duty, in the exercise of his powers and discharge of his duties, to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.~~	

Existing Articles	Revised Articles
~~Article 132. Each of the Company's directors, supervisors, general manager, deputy general managers and other senior administrative officers shall exercise his powers or carry on his duties in accordance with the principle of fiduciary; and shall not put himself in a position where his duty and his interest may conflict. This principle includes (without limitation) discharging the following obligations:~~ ~~(1) to act honestly in the best interests of the Company;~~ ~~(2) to exercise powers within the scope of his powers and not to exceed those powers;~~ ~~(3) to exercise the discretion vested in him personally and not to allow himself to act under the control of another and, unless and to the extent permitted by laws, administrative regulations or with the informed consent of shareholders given in general meeting, not to delegate the exercise of his discretion;~~ ~~(4) to treat shareholders of the same class equally and to treat shareholders of different classes fairly;~~ ~~(5) except in accordance with these articles of association or with the informed consent of shareholders given in general meeting, not to enter into any contract, transaction or arrangement with the Company;~~ ~~(6) without the informed consent of shareholders given in general meeting, not to use the Company's property for his own benefit;~~ ~~(7) not to exploit his position to accept bribes or other illegal income or expropriate the Company's property by any means, including (without limitation) opportunities advantageous to the Company;~~	

Existing Articles	Revised Articles
~~(8) without the informed consent of shareholders given in general meeting, not to accept commissions in connection with the Company's transactions;~~ ~~(9) to abide by these articles of association, execute his official duties faithfully and protect the Company's interests, and not to exploit his position and power in the Company to advance his own private interests;~~ ~~(10) not to compete with the Company in any way unless with the informed consent of shareholders given in general meeting;~~ ~~(11) not to misappropriate the Company's funds or lend such funds to others, not to open accounts in his own name or other names for the deposit of the Company's assets and not to provide a guarantee for debts of a shareholder of the Company or other individual(s) with the Company's assets;~~ ~~(12) unless otherwise permitted by informed shareholders in general meeting, to keep in confidence information acquired by him in the course of and during his tenure and not to use the information other than in furtherance of the interests of the Company, save that disclosure of such information to the court or other governmental authorities is permitted if~~ ~~(i) disclosure is made under compulsion of law;~~ ~~(ii) the interests of the public require disclosure;~~ ~~(iii) the interests of the relevant director, supervisor, general manager, deputy general manager or other senior administrative officers require disclosure.~~	

Existing Articles	Revised Articles
~~Article 133. Each director, supervisor, general manager, deputy general manager or other senior administrative officer of the Company shall not cause the following persons or institutions ("associates") to do what he is prohibited from doing:~~ ~~(1) the spouse or minor child of that director, supervisor, general manager, deputy general manager or other senior administrative officer;~~ ~~(2) a person acting in the capacity of trustee of that director, supervisor, general manager, deputy general manager or other senior administrative officer or any person referred to in the preceding sub-paragraph (1);~~ ~~(3) a person acting in the capacity of partner of that director, supervisor, general manager, deputy general manager or other senior administrative officer or any person referred to in sub-paragraphs (1) and (2) of this Article;~~ ~~(4) a company in which that director, supervisor, general manager, deputy general manager or other senior administrative officer, alone or jointly with one or more persons referred to in sub-paragraphs (l), (2) and (3) of this Article and other directors, supervisors, general manager, deputy general managers and other senior administrative officers have a de facto controlling interest;~~ ~~(5) the directors, supervisors, general manager, deputy general managers and other senior administrative officers of the controlled company referred to in the preceding sub-paragraph (4).~~	

Existing Articles	Revised Articles
~~Article 134. The fiduciary duties of the directors, supervisors, general manager, deputy general managers and other senior administrative officers of the Company do not necessarily cease with the termination of their tenure. The duty of confidence in relation to trade secrets of the Company survives the termination of their tenure. Other duties may continue for such period as fairness may require depending on the time lapse between the termination and the act concerned and the circumstances under which the relationships between them and the Company are terminated.~~	
~~Article 135. Subject to Article 53, a director (excluding employee representative director), supervisor, general manager, deputy general manager or other senior administrative officer of the Company may be relieved of liability for specific breaches of his duty by the informed consent of shareholders given at a general meeting.~~	
~~Article 136. Where a director, supervisor, general manager, deputy general manager or other senior administrative officer of the Company is in any way, directly or indirectly, materially interested in a contract, transaction or arrangement or proposed contract, transaction or arrangement with the Company, (other than his contract of service with the Company), he shall declare the nature and extent of his interests to the board of directors at the earliest opportunity, whether or not the contract, transaction or arrangement or proposal therefor is otherwise subject to the approval of the board of directors.~~ ~~A director shall abstain from voting at a board meeting the purpose of which is to approve contracts, transactions or arrangements that such director or any of his or her associates (as defined in the relevant rules governing the listing of securities) has a material interest. Such director shall not be counted in the quorum for the relevant board meeting.~~	

Existing Articles	Revised Articles
~~Unless the interested director, supervisor, general manager, deputy general manager or other senior administrative officer discloses his interests in accordance with this Article and the contract, transaction or arrangement is approved by the board of directors at a meeting in which the interested director, supervisor, general manager, deputy general manager or other senior administrative officer is not counted in the quorum and refrains from voting, a contract, transaction or arrangement in which that director, supervisor, general manager, deputy general manager or other senior administrative officer is materially interested is voidable at the instance of the Company except as against a bona fide party thereto acting without notice of the breach of duty by the interested director, supervisor, general manager, deputy general manager or other senior administrative officer.~~ ~~For the purposes of this Article, a director, supervisor, general manager, deputy general manager or other senior administrative officer of the Company is deemed to be interested in a contract, transaction or arrangement in which an associate of him is interested.~~	
~~Article 137. Where a director, supervisor, general manager, deputy general manager or other senior administrative officer of the Company gives to the board of directors a general notice in writing stating that, by reason of the facts specified in the notice, he is interested in contracts, transactions or arrangements of any description which may subsequently be made by the Company, that notice shall be deemed for the purposes of the preceding Article to be a sufficient declaration of his interests, so far as the content stated in such notice is concerned, provided that such general notice shall have been given before the date on which the question of entering into the relevant contract, transaction or arrangement is first taken into consideration on behalf of the Company.~~	

Existing Articles	Revised Articles
~~Article 138. The Company shall not in any manner pay taxes for or on behalf of a director, supervisor, general manager, deputy general manager or other senior administrative officer.~~	
~~Article 139. The Company shall not directly or indirectly make a loan to or provide any guarantee in connection with the making of a loan to a director, supervisor, general manager, deputy general manager or other senior administrative officer of the Company or of the Company's holding company or any of their respective associates.~~ ~~However, the following transactions are not subject to such prohibition:~~ ~~(1) the provision by the Company of a loan or a guarantee of a loan to a company which is a subsidiary of the Company;~~ ~~(2) the provision by the Company of a loan or a guarantee in connection with the making of a loan or any other funds to any of its directors, supervisors, general manager, deputy general managers and other senior administrative officers to meet expenditure incurred or to be incurred by him for the purposes of the Company or for the purpose of enabling him to perform his duties properly, in accordance with the terms of a service contract approved by the shareholders in general meeting;~~ ~~(3) the Company may make a loan to or provide a guarantee in connection with the making of a loan to any of the relevant directors, supervisors, general manager, deputy general managers and other senior administrative officers or their respective associates in the ordinary course of its business on normal commercial terms, provided that the ordinary course of business of the Company includes the lending of money or the giving of guarantees.~~	

Existing Articles	Revised Articles
~~Article 140. A loan made by the Company in breach of the preceding Article shall be forthwith repayable by the recipient of the loan regardless of the terms of the loan.~~	
~~Article 141. A guarantee for repayment of loan provided by the Company in breach of Article 136 shall not be enforceable against the Company, unless:~~ ~~(1) the guarantee was provided in connection with a loan to an associate of any of the directors, supervisors, general manager, deputy general managers and other senior administrative officers of the Company or of the Company's holding company and at the time the loan was advanced the lender did not know the relevant circumstances; or~~ ~~(2) the collateral provided by the Company has been lawfully disposed of by the lender to a bona fide purchaser.~~	
~~Article 142. For the purposes of the foregoing provisions of this Chapter, a "guarantee" includes an undertaking or property provided to secure the performance of obligations by the obligor.~~	

Existing Articles	Revised Articles
~~Article 143. The senior administrative officers of the Company shall perform their duties honestly and faithfully, and protect the maximum interests of the Company and all the shareholders, failing that or violating their fiduciary duties to cause any damage on the interests of the Company and the public shareholders shall hold them legally liable for the compensation.~~ ~~In addition to any rights and remedies provided by the laws and administrative regulations, where a director, supervisor, general manager, deputy general manager or other senior administrative officer of the Company is in breach of his duties to the Company, the Company has a right to:~~ ~~(1) claim damages from the director, supervisor, general manager, deputy general manager or other senior administrative officer in compensation for losses sustained by the Company as a result of such breach;~~ ~~(2) rescind any contract or transaction entered into by the Company with the director, supervisor, general manager, deputy general manager or other senior administrative officer or with a third party (where such third party knows or should know that there is such a breach of duties by such director, supervisor, general manager, deputy general manager or other senior administrative officer);~~ ~~(3) demand an account of the profits made by the director, supervisor, general manager, deputy general manager or other senior administrative officer in breach of his duties;~~	

Existing Articles	Revised Articles
~~(4) recover any monies received by the director, supervisor, general manager, deputy general manager or other senior administrative officer to the use of the Company, including (without limitation) commissions; and~~ ~~(5) demand payment of the interest earned or which may have been earned by the director, supervisor, general manager, deputy general manager or other senior administrative officer on the monies that should have been paid to the Company.~~	
~~Article 144. The Company shall, with the prior approval of shareholders in general meeting, enter into a contract in writing with a director or supervisor wherein his emoluments are stipulated. The aforesaid emoluments include:~~ ~~(1) emoluments in respect of his service as director, supervisor or senior administrative officer of the Company;~~ ~~(2) emoluments in respect of his service as director, supervisor or senior administrative officer of any subsidiary of the Company;~~ ~~(3) emoluments in respect of the provision of other services in connection with the management of the affairs of the Company and any of its subsidiaries;~~ ~~(4) payment by way of compensation for loss of office, or as consideration for or in connection with his retirement from office.~~ ~~Except under a contract entered into in accordance with the foregoing, no proceedings may be brought by a director or supervisor against the Company for anything due to him in respect of the matters mentioned in this Article.~~	

Existing Articles	Revised Articles
~~**Article 145. The contract concerning the emoluments between the Company and its directors or supervisors should provide that in the event of a takeover of the Company, the Company's directors and supervisors shall, subject to the prior approval of the shareholders in general meeting, have the right to receive compensation or other payment in respect of his loss of office or retirement. A takeover of the Company referred to in this paragraph means any of the following:**~~ ~~**(1) an offer made by any person to the general body of shareholders;**~~ ~~**(2) an offer made by any person with a view to the offeror becoming a "controlling shareholder" within the meaning of Article 54.**~~ ~~**If the relevant director or supervisor does not comply with this Article, any sum so received by him shall belong to those persons who have sold their shares as a result of the said offer made. The expenses incurred in distributing that sum pro rata amongst those persons shall be borne by the relevant director or supervisor and not paid out of that sum.**~~	
CHAPTER 8: THE PARTY COMMITTEE	
Article 146. The Company shall establish the Party Committee. The Party Committee shall be comprised of one secretary and several other members. A deputy secretary of the Party Committee shall be appointed to take charge of the Party building work. Eligible members of the Party Committee are entitled to be admitted to the board of directors of the Company~~**, the supervisory committee,**~~ and the management through legal procedures, and eligible Party members from the board of directors~~**, the supervisory committee,**~~ and the management are entitled to be admitted to the Party Committee in accordance with relevant rules and procedures. Meanwhile, a discipline inspection committee shall be established in accordance with relevant regulations.	Article 150. The Company shall establish the Party Committee. The Party Committee shall be comprised of one secretary and several other members. A deputy secretary of the Party Committee shall be appointed to take charge of the Party building work. Eligible members of the Party Committee are entitled to be admitted to the board of directors of the Company and the management through legal procedures, and eligible Party members from the board of directors and the management are entitled to be admitted to the Party Committee in accordance with relevant rules and procedures. Meanwhile, a discipline inspection committee shall be established in accordance with relevant regulations.

Existing Articles	Revised Articles
Article 147. The Party Committee of the Company shall perform its duties as required by the internal laws and regulations of the Party such as the Constitution of the Party:	Article 151. The Party Committee of the Company shall perform its duties as required by the internal laws and regulations of the Party such as the Constitution of the Party:
(1) to ensure and supervise the Company's implementation of guidelines and policies of the Party and the State, implement major strategic decisions of the Central Committee of the Party and the State Council, as well as the relevant material work arrangement of the Party Committee of the State-owned Assets Supervision and Administration Commission of the State Council and the superior Party organizations.	(1) to ensure and supervise the Company's implementation of guidelines and policies of the Party and the State, implement major strategic decisions of the Central Committee of the Party and the State Council, as well as the relevant material work arrangement of the Party Committee of the State-owned Assets Supervision and Administration Commission of the State Council and the superior Party organizations.
(2) to adhere to the principle of the Party exercising leadership over cadres, the selection of management with the board of directors of the Company, and the exercise of power as regards the right of cadres' appointment by the management in accordance with laws. The Party Committee shall consider and propose opinions and suggestions on the candidates nominated by the board of directors or the general manager, or recommend nominees to the board of directors or the general manager. It shall review the proposed candidates together with the board of directors and propose opinions and suggestions thereon.	(2) to adhere to the principle of the Party exercising leadership over cadres, the selection of management with the board of directors of the Company, and the exercise of power as regards the right of cadres' appointment by the management in accordance with laws. The Party Committee shall consider and propose opinions and suggestions on the candidates nominated by the board of directors or the general manager, or recommend nominees to the board of directors or the general manager. It shall review the proposed candidates together with the board of directors and propose opinions and suggestions thereon.
(3) to study and discuss the material matters regarding the Company's reform and stable development as well as major issues relating to the Company's operation, management and staff's benefits, and propose opinions and suggestions thereon.	(3) to study and discuss the material matters regarding the Company's reform and stable development as well as major issues relating to the Company's operation, management and staff's benefits, and propose opinions and suggestions thereon.

Existing Articles	Revised Articles
(4) to assume main responsibility for enforcing the strict discipline of the Party. Take lead in the Company's ideological and political work, the united front work, building of spiritual and corporate culture, as well as the labour union and groups such as the Communist Youth League. It shall play a leading role in the construction of the Party's working style to uphold anti-corruption and integrity and support the discipline inspection committee in fulfilling its supervisory responsibility.	(4) to assume main responsibility for enforcing the strict discipline of the Party. Take lead in the Company's ideological and political work, the united front work, building of spiritual and corporate culture, as well as the labour union and groups such as the Communist Youth League. It shall play a leading role in the construction of the Party's working style to uphold anti-corruption and integrity and support the discipline inspection committee in fulfilling its supervisory responsibility.
CHAPTER 9: FINANCIAL AND ACCOUNTING SYSTEMS, PROFIT DISTRIBUTION AND AUDITING	
	Section 1: Financial and Accounting Systems
Article 148. The Company shall establish its financial and accounting systems ~~**and internal audit system**~~ in accordance with laws, administrative regulations ~~**and PRC accounting standards formulated by the finance regulatory department of the State Council**~~.	Article 152. The Company shall establish its financial and accounting systems in accordance with laws, administrative regulations, **departmental rules and** the provisions of **the relevant state departments.**
	Article 153. The Company shall submit and disclose its annual reports to the CSRC and the stock exchange within four months from the end of each fiscal year, submit and disclose its interim reports to the relevant branch office of the CSRC and the stock exchange within two months from the end of the first half of each fiscal year. Where the securities regulatory authority of the place where the Company's shares are listed stipulates otherwise, such stipulations shall apply. **The above annual and interim reports are prepared in accordance with the requirements of the relevant laws and administrative regulations, the CSRC and stock exchanges.**
Article 155. The Company shall not keep accounts other than those provided by law.	Article 154. The Company shall not keep accounts other than those provided by law. **The Company's funds shall not be deposited in accounts opened in the name of any individual.**

Existing Articles	Revised Articles
	Section 2: Profit Distribution
Article 161. ~~**Dividends shall be distributed in accordance with the proportion of shares held by shareholders.**~~ Unless otherwise resolved by the Shareholders' general meeting, the Company apart from distributing annual dividends, may by its board of directors acting under the power conferred by the Shareholders' general meeting, distribute interim dividends. Unless otherwise stipulated by laws or administrative regulations, the amount of interim dividends distributed shall not exceed 50 per cent of the distributable profits as stated in the interim profits statement of the Company. Article 162. ~~**The Company's profit distribution policy should pay close attention to ensuring a reasonable return of investment to investors, and such profit distribution policy should maintain continuity and stability. The Company shall reasonably distribute dividends according to laws and regulations and requirements of securities regulatory authorities, as well as the Company's own operating performance and financial condition, and shall adopt cash distribution as the prioritised means of distribution to distribute profit.**~~	**Article 155. When distributing the current year's after-tax profits, the Company shall allocate 10% of its profits into its statutory common reserve fund. When the aggregate amount of the statutory common reserve fund has reached 50% or more of its registered capital, further allocations are not required.** **If the Company's statutory common reserve fund is not sufficient to make up for the its losses incurred during the previous year, before allocations are made to the statutory common reserve fund in accordance with the preceding paragraph, the current year's profits shall be used to make up for such losses.** **After the Company has allocated funds from the after-tax profits for the statutory common reserve fund and subject to a resolution adopted at the general meeting of shareholders, it may also allocate funds from the after-tax profits to the discretionary common reserve fund.** **After the Company has made up its losses and made allocations to its statutory common reserve fund from the after-tax profits, it may also make profit distributions in accordance with the proportion of the shares held by each shareholder unless it is stipulated in the Articles of Association that no profit distributions shall be made in accordance with the shareholding proportion.**

Existing Articles	Revised Articles
	The board of directors shall, in accordance with laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed, the Articles of Association, and the Company's operational and development needs, determine the specific proportions for the statutory common reserve fund, discretionary common reserve fund and dividend distribution, and submit its determination to the Shareholders' general meeting for approval. **If the general meeting, in violation of the Company Law, distributes profits to the shareholders, the profits so distributed shall be returned to the Company; in case of losses caused to the Company, shareholders and responsible directors and senior management shall be liable for compensation.** **No profits shall be distributed in respect of the shares held by the Company.** Unless otherwise resolved by the Shareholders' general meeting, the Company apart from distributing annual dividends, may by its board of directors acting under the power conferred by the Shareholders' general meeting, distribute interim dividends. Unless otherwise stipulated by laws or administrative regulations**, departmental rules, securities regulatory rules of the place where the Company's shares are listed**, the amount of interim dividends distributed shall not exceed 50 per cent of the distributable profits as stated in the interim profits statement of the Company.

Existing Articles	Revised Articles
Article 158. The common reserve fund of the Company shall be applied to ~~**the following purposes:**~~ ~~**(1)**~~ making up losses; (2) expansion of the Company's production and operation; (3) transfer or increase of capital. ~~**The capital common reserve fund shall not be used for making up the losses of the Company.**~~ When ~~**the Company converts its common reserve fund into its capital upon a resolution adopted in Shareholders' general meeting, the Company shall either distribute new shares in proportion to the shareholders' number of shares, or increase the par value of each share, provided, however, that when**~~ the statutory common reserve fund is converted to capital, the balance of the statutory common reserve fund may not fall below 25 per cent of the registered capital.	Article 156. The common reserve fund of the Company shall be used to make up the **Company's** losses, to expand the Company's production and operations **or,** through conversion into capital, to **increase the Company's registered capital**. **When the common reserve fund is used to make up for the Company's losses, the discretionary common reserve fund and statutory common reserve fund shall be utilised at first; if still insufficient, the capital common reserve fund may be used according to regulations.** When funds in the statutory common reserve are converted into **increased registered capital**, the funds remaining in such reserve shall not be less than 25% of **the Company's** registered capital **before the conversion**.
Article 162. The Company's profit distribution policy should pay close attention to ensuring a reasonable return of investment to investors, and such profit distribution policy should maintain continuity and stability. The Company shall reasonably distribute dividends according to laws and regulations and requirements of securities regulatory authorities, as well as the Company's own operating performance and financial condition, and shall adopt cash distribution as the prioritised means of distribution to distribute profit.	Article 157. The Company's profit distribution policy should pay close attention to ensuring a reasonable return of investment to investors, and such profit distribution policy should maintain continuity and stability. The Company shall reasonably distribute dividends according to laws and regulations and requirements of securities regulatory authorities, as well as the Company's own operating performance and financial condition, and shall adopt cash distribution as the prioritised means of distribution to distribute profit.

Existing Articles	Revised Articles
Article 162 (A) Profit distribution manner: The Company may distribute dividends by way of cash, shares, a combination of cash and shares or in other reasonable manner in compliance with laws and regulations.	Article 158. Profit distribution manner: The Company may distribute dividends by way of cash, shares, a combination of cash and shares or in other reasonable manner in compliance with laws, **administrative** regulations, **departmental rules and securities regulatory rules of the place where the Company's shares are listed**. **The objective of the Company's cash dividend policy is to distribute dividends in accordance with the specific proportion and requirements of cash dividends stipulated in the Articles of Association.**
Article 162 (B) Procedures for decision-making on profit distribution by the Company: After the end of each accounting year, the board of directors shall carefully study and examine the profit distribution plan. After consideration and approval by the board of directors, the profit distribution plan shall be proposed to the general meeting for voting. Implementation of the profit distribution plan shall be subject to consideration and approval at the general meeting. ~~**The board of directors of the Company shall finish distributing the profit within two months after the general meeting is held.**~~ When considering the profit distribution plan at the general meeting of the Company, the board of directors shall communicate and exchange opinions with shareholders, especially minority shareholders, in a proactive manner, fully consider the opinions and requests from minority shareholders and respond to the issues which are of concern to them on a timely basis.	Article 159. Procedures for decision-making on profit distribution by the Company: After the end of each accounting year, the board of directors shall carefully study and examine the profit distribution plan. After consideration and approval by the board of directors, the profit distribution plan shall be proposed to the general meeting for voting. Implementation of the profit distribution plan shall be subject to consideration and approval at the general meeting. When considering the profit distribution plan at the general meeting of the Company, the board of directors shall communicate and exchange opinions with shareholders, especially minority shareholders, in a proactive manner, fully consider the opinions and requests from minority shareholders and respond to the issues which are of concern to them on a timely basis.

Existing Articles	Revised Articles
Article 162 (C) Amendments to profit distribution policy of the Company: The board of directors of the Company shall carefully study and examine and strictly follow the decision-making procedures in the event that the profit distribution policy needs to be adjusted by reason of any changes in ~~**PRC**~~ laws and regulations and supervision ~~**policies**~~, or significant changes of external operating environment or operating condition of the Company. In the event of amendments to the profit distribution policy of the Company, the board of directors shall consider the revised plan. Such amendments shall be disclosed to the public upon consideration and approval at the general meeting.	Article 160. Amendments to profit distribution policy of the Company: The board of directors of the Company shall carefully study and examine and strictly follow the decision-making procedures in the event that the profit distribution policy needs to be adjusted by reason of any changes in laws, **administrative** regulations, **departmental rules and securities** regulatory **rules of the place where the Company's shares are listed**, or significant changes of external operating environment or operating condition of the Company. In the event of amendments to the profit distribution policy of the Company, the board of directors shall consider the revised plan. Such amendments shall be disclosed to the public upon consideration and approval at the general meeting.
Article 162 (D) Conditions and proportion of distribution of cash dividends by the Company: Proposal and implementation of cash dividends distribution by the Company shall be subject to the following conditions: (1) The Company records a profit for the year, and the audit institution issues an unqualified audited report on the Company's financial statements for that particular year; (2) The distributable profit (i.e. the after-tax profit of the Company after making up for losses, allocation to the statutory common reserve fund and discretionary common reserve fund) realized by the Company for the year is positive in value; (3) The Company has sufficient cash flow, and distribution of cash dividends will not affect the Company's normal operation and sustainable development.	Article 161 Conditions and proportion of distribution of cash dividends by the Company: Proposal and implementation of cash dividends distribution by the Company shall be subject to the following conditions: (1) The Company records a profit for the year, and the audit institution issues an unqualified audited report on the Company's financial statements for that particular year; (2) The distributable profit (i.e. the after-tax profit of the Company after making up for losses, allocation to the statutory common reserve fund and discretionary common reserve fund) realized by the Company for the year is positive in value; (3) The Company has sufficient cash flow, and distribution of cash dividends will not affect the Company's normal operation and sustainable development.

Existing Articles	Revised Articles
Provided that the Company is in good operating condition and has sufficient cash flow to meet the needs for its normal operation and sustainable development, the Company will proactively distribute cash dividends in return to its shareholders, and the accumulated profit distribution made in cash by the Company in the latest three years shall not be less than 30% of the average annual distributable profit attributable to the owners of the parent company in the consolidated statements in the latest three years. In the event that the said payout ratio of cash dividends cannot be met due to special reasons, the board of directors may adjust the payout ratio of dividends according to actual circumstances and state the reasons therefor.	Provided that the Company is in good operating condition and has sufficient cash flow to meet the needs for its normal operation and sustainable development, the Company will proactively distribute cash dividends in return to its shareholders, and the accumulated profit distribution made in cash by the Company in the latest three years shall not be less than 30% of the average annual distributable profit attributable to the owners of the parent company in the consolidated statements in the latest three years. In the event that the said payout ratio of cash dividends cannot be met due to special reasons, the board of directors may adjust the payout ratio of dividends according to actual circumstances and state the reasons therefor.
Article 162 (E) Conditions of profit distribution by way of share dividends by the Company: Provided that reasonable scale of share capital and shareholding structure of the Company are ensured, the Company may consider distributing profits by way of share dividends according to its profitability, cash flow position and business growth for the year.	Article 162. Conditions of profit distribution by way of share dividends by the Company: Provided that reasonable scale of share capital and shareholding structure of the Company are ensured, the Company may consider distributing profits by way of share dividends according to its profitability, cash flow position and business growth for the year.
Article 162 (F) Intervals for profit distribution by the Company: Provided that the conditions of profit distribution are met and the Company's normal operation and sustainable development are ensured, the Company shall generally distribute profit on an annual basis. The board of directors of the Company may also propose interim profit distribution based on the profitability and capital position of the Company. Subject to fulfillment of the cash distribution conditions under the articles of association of the Company, the Company shall implement annual cash distribution once a year in principle.	Article 163. Intervals for profit distribution by the Company: Provided that the conditions of profit distribution are met and the Company's normal operation and sustainable development are ensured, the Company shall generally distribute profit on an annual basis. The board of directors of the Company may also propose interim profit distribution based on the profitability and capital position of the Company. Subject to fulfillment of the cash distribution conditions under the articles of association of the Company, the Company shall implement annual cash distribution once a year in principle.

Existing Articles	Revised Articles
Article 163. Dividends or other payments declared by the Company to be payable to holders of Domestic-Invested Shares shall be declared and calculated in Renminbi, and paid in Renminbi; and those payable to holders of Foreign-Invested Shares shall be declared and calculated in Renminbi, and paid in the local currency at the place where such Foreign-Invested Shares are listed (if there is more than one place of listing, then the principal place of listing as determined by the board of directors). Foreign currency required by the Company for payment of dividends or other sums to holders of Foreign-Invested Shares shall be handled in accordance with the relevant foreign exchange control regulations of the State. If there is no applicable regulation, the applicable exchange rate shall be the average closing rate for the relevant foreign currency announced by the Peoples' Bank of China for the week prior to the announcement of the payment of dividend or other sums.	Article 164. Dividends or other payments declared by the Company to be payable to holders of Domestic-Invested Shares shall be declared and calculated in Renminbi, and paid in Renminbi; and those payable to holders of Foreign-Invested Shares shall be declared and calculated in Renminbi, and paid in the local currency at the place where such Foreign-Invested Shares are listed (if there is more than one place of listing, then the principal place of listing as determined by the board of directors). Foreign currency required by the Company for payment of dividends or other sums to holders of Foreign-Invested Shares shall be handled in accordance with the relevant foreign exchange control regulations of the State. If there is no applicable regulation, the applicable exchange rate shall be the average closing rate for the relevant foreign currency announced by the Peoples' Bank of China for the week prior to the announcement of the payment of dividend or other sums.
	Article 165. After a resolution is made at the general meeting on the profit distribution plan, or after the board of directors of the Company has formulated a specific plan based on the conditions and maximum amount of interim dividends for the following year as considered and approved at the annual general meeting, the distribution of dividends (or shares) shall be completed within two months.
	Section 3: Internal Audit
	Article 166. The Company implements an internal audit system, clarifying the leadership system, responsibility authorities, personnel allocation, funding assurance, audit result application, and accountability of internal audit work. The Company's internal audit system shall be implemented after being approved by the board of directors and disclosed to the public.

Existing Articles	Revised Articles
	Article 167. The internal audit institution of the Company shall supervise and inspect the business activities, risk management, internal control, financial information and other matters of the Company. The internal audit institution shall maintain its independence, be staffed with full-time auditors, and shall not be placed under the leadership of the finance department or co-located with the finance department.
	Article 168. The internal audit institution reports to the board of directors. During the process of supervising and inspecting the Company's business activities, risk management, internal control, and financial information, the internal audit institution shall accept the supervision and guidance of the audit and risk management committee. Where the internal audit institution discovers relevant significant issues or leads, it shall immediately report directly to the audit and risk management committee.
	Article 169. The specific organization and implementation of the Company's internal control evaluation shall be the responsibilities of the internal audit institution. The Company issues an annual internal control evaluation report based on evaluation reports and relevant information issued by the internal audit institution and reviewed by the audit and risk management committee.
	Article 170. When the audit and risk management committee communicates with external audit firms such as accounting firm and national audit institution, the internal audit institution shall actively cooperate with them, providing necessary support and collaboration.
	Article 171. The audit and risk management committee shall participate in the evaluation of the person in charge of internal audit.

Existing Articles	Revised Articles
	Section 4: Appointment of Accountants Firm
Article 166. The Company shall appoint ~~**an independent**~~ firm of accountants which is qualified under the ~~**relevant**~~ regulations ~~**of the State to audit the Company's annual report and review the Company's other financial reports**~~. ~~**The first accountants firm of the Company may be appointed by the inaugural meeting of the Company before the first annual general meeting and the accountants firm so appointed shall hold office until the conclusion of the first annual general meeting.**~~ ~~**If the inaugural meeting fails to exercise its powers under the preceding paragraph, those powers shall be exercised by the board of directors.**~~ ~~**Article 167. The accountants firm appointed by the Company shall hold office from the conclusion of the annual general meeting of shareholders until the conclusion of the next annual general meeting of shareholders.**~~	Article 172. The Company shall appoint a firm of accountants which is qualified under the **requirements of the Securities Law and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited to audit the financial statements, net assets verification and other relevant consultancy services. The term of office of an accountants firm appointed by the Company shall be one year, and the appointment may be renewed**.
Article 172. The Company's appointment of, removal of ~~**and non-reappointment of**~~ an accountants firm shall be resolved upon by shareholders in general meeting~~**. The resolution of the Shareholders' general meeting shall be filed with the securities governing authority of the State Council**~~.	Article 173. The Company's appointment of and removal of an accountants firm shall be resolved upon by shareholders in general meeting. **The board of directors shall not appoint any accountants firm prior to a decision made by the general meeting.**

Existing Articles	Revised Articles
~~Where it is proposed that any resolution be passed at a Shareholders' general meeting concerning the appointment of an accountants firm which is not an incumbent firm to fill a casual vacancy in the office of the accountants firm; re-appointment of a retiring accountants firm which was appointed by the board of directors of the Company to fill a casual vacancy; or removal of the accountants firm before the expiration of its term of office, the following provisions shall apply:~~ ~~(1) A copy of the proposal shall be sent before notice of meeting is given to the shareholders to the firm proposed to be appointed or proposing to leave its post or the firm which has left its post in the relevant fiscal year (leaving includes leaving by removal, resignation and retirement).~~ ~~(2) If the firm leaving its post makes representations in writing and requests the Company to notify such representations to the shareholders, the Company shall (unless the representations are received too late):~~ ~~(i) in any notice of the resolution given to shareholders, state the fact of the representations having been made; and~~ ~~(ii) attach a copy of the representations to the notice and deliver it to the shareholders in the manner stipulated in these Articles.~~ ~~(3) If the firm's representations are not sent in accordance with the preceding sub- paragraph (2), the relevant firm may (in addition to its right to be heard) require that the representations be read out at the meeting.~~	

Existing Articles	Revised Articles
~~(4) An accountants firm which is leaving its post shall be entitled to attend:~~ **~~(i) the Shareholders' general meeting at which its term of office would otherwise have expired;~~** **~~(ii) any Shareholders' general meeting at which it is proposed to fill the vacancy caused by its removal; and~~** **~~(iii) any Shareholders' general meeting convened on its resignation;~~** **~~and to receive all notices of, and other communications relating to, any such meetings, and to speak at any such meeting in relation to matters concerning its role as the former accountants firm of the Company.~~**	
	Article 174. The Company guarantees that the accounting documents, account books, financial and accounting reports and other information related to accounting which is provided to the accountants firm by the Company are true and complete. The Company must neither reject to provide information, nor hide it, nor lie about it.
Article 171. The **~~remuneration~~** of an accountants firm **~~or the manner in which such firm is to be remunerated~~** shall be determined by the shareholders in general meeting.	Article 175. The **audit fee** of an accountants firm shall be determined by the shareholders in general meeting.

Existing Articles	Revised Articles
Article 173. Prior to the removal or the non-renewal of the appointment of the accountants firm, notice of such removal or non-renewal shall be given to the accountants firm ~~**and such firm shall be entitled to make representation at the Shareholders' general meeting**~~. Where the accountants firm resigns its post, it shall make clear to the Shareholders' general meeting whether there has been any impropriety on the part of the Company. ~~**An accountants firm may resign its office by depositing at the Company's legal address a resignation notice which shall become effective on the date of such deposit or on such later date as may be stipulated in such notice and such notice shall include the following:**~~ ~~**(1) a statement to the effect that there are no circumstances connected with its resignation which it considers should be brought to the notice of the shareholders or creditors of the Company;**~~ ~~**(2) a statement of any such circumstances.**~~ ~~**Where a notice is deposited under the preceding subparagraph, the Company shall within fourteen (14) days send a copy of the notice to the relevant governing authority. If the notice contains a statement under the preceding subparagraph (2), a copy of such statement shall be placed at the Company for shareholders' inspection. The Company should also send a copy of such statement by prepaid mail to every holder of Overseas-Listed Foreign-Invested Shares at the address registered in the register of shareholders.**~~ ~~**Where the accountants firm's notice of resignation contains a statement of any circumstance which should be brought to the notice of the shareholders or creditors of the Company, it may require the board of directors to convene a shareholders' extraordinary general meeting for the purpose of receiving an explanation of the circumstances connected with its resignation.**~~	Article 176. Prior to the removal or the non-renewal of the appointment of the accountants firm, **10 days' prior** notice of such removal or non-renewal shall be given to the accountants firm. **The accountants firm shall be entitled to make representations when the resolution regarding the removal of the accountants firm is considered at the Shareholders' general meeting of the Company.** Where the accountants firm proposes to resign, it shall explain to the general meeting whether there has been any impropriety on the part of the Company.

Existing Articles	Revised Articles
CHAPTER 10: NOTICES AND ANNOUNCEMENTS	
	Section 1: Notices
	Article 177. Subject to compliance with laws, administrative regulations, departmental rules and the securities regulatory rules of the place where the Company's shares are listed, the Company's notice is given by the following manners: (I) in person; (II) by mail; (III) by announcement; (IV) making announcement in the Company's website or the websites designated by a stock exchange subject to compliance with laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed and these articles of association; (V) by other means stipulated in these articles of association.
	Article 178. Where a notice is served by way of announcement, after the publication of such announcement, all related persons shall be deemed to have received the relevant notice.

Existing Articles	Revised Articles
	Article 179. If the notice of the Company is delivered by hand, the addressee shall sign (or stamp) on the receipt of service, and the date of signature of the addressee shall be the date of service; if a notice of the Company is sent by mail, the date of service shall be the fifth working day after the date of delivery to the post office; if the notice of the Company is sent by fax, the date of delivery shall be the sending date (as shown in the fax report); if the notice of the Company is sent by mail, the date of the entrance of the email in the mail system designated by the recipient shall be the date of service; if a notice of the Company is sent by way of announcement, the date of publication of the first announcement shall be the date of service.
	Article 180. The meeting and the resolution of the meeting shall not be null and void if the notice of the meeting fails to be delivered to or received by any person entitled to the notice due to accidental omission.
	Section 2: Announcement
	Article 181. The information disclosure website of the Shanghai Stock Exchange (www.sse.com.cn) and the newspapers meeting the requirements of the CSRC are designated by the Company to publish company announcements and other information that needs to be disclosed to domestic shareholders. If an announcement is to be made to Shareholders of H Shares under these Articles of Association, such an announcement shall also be published in accordance with the methods set out in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Existing Articles	Revised Articles
CHAPTER 11: MERGER, DIVISION, CAPITAL INCREASE, CAPITAL REDUCTION, DISSOLUTION AND LIQUIDATION	
	Section 1 Merger, Division, Capital Increase and Capital Reduction
Article 178. The merger of the Company may take the form of either merger by absorption or merger by the establishment of a new company. ~~**In the event of a merger, the merging parties shall execute a merger agreement and prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within 10 days of the date of the Company's resolution to merge and shall publish a notice in a newspaper within 30 days of the date of the Company's resolution to merge. A creditor has the right within 30 days of receiving such notice from the Company or, for creditors who do not receive the notice within 45 days of the date of the public notice, to demand that the Company repay its debts to that creditor or provide a corresponding guarantee for such debt. Where the company fails to repay its debts or provide corresponding guarantees for such debts, it may not be merged.**~~ ~~**At the time of merger, rights in relation to debtors and indebtedness of each of the merged parties shall be assumed by the company which survives the merger or the newly established company.**~~	Article 182. The merger of the Company may take the form of either merger by absorption or merger by the establishment of a new company. **Merger by absorption shall mean the absorption by the Company of other company(ies) in which case the absorbed company(ies) shall be dissolved. Merger by the establishment of a new company shall mean the merger of other companies with the Company to form a new company, in which case the parties to the merger shall be dissolved.** **Where the price paid by the Company for a merger does not exceed ten percent of the Company's net assets, the merger may be effected without a resolution of the Shareholders' general meeting, unless otherwise provided for in these Articles of Association.** **Where the Company mergers pursuant to the aforesaid provision without a resolution of the Shareholders' general meeting, it shall be resolved by the board of directors.**

Existing Articles	Revised Articles
	Article 183. In the event of a merger, the merging parties shall execute a merger agreement and prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within ten days of the date of the Company's merger resolution and shall publish a public notice in a newspaper or on the National Enterprise Credit Information Publicity System within thirty days of the date of the Company's merger resolution. **A creditor has the right, within thirty days upon receipt of the notice, or for those who have not received the notice, within forty-five days from the date of the public announcement, to demand the Company to repay its debts or provide a corresponding guarantee for such debt.** **Upon the merger, rights in relation to debtors and indebtedness of each of the merged parties shall be assumed by the company which survives the merger or the newly established company.**
Article 179. When the Company is divided, its assets shall be split up accordingly. In the event of division of the Company, **~~the parties to such division shall execute a division agreement and~~** prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within **~~10~~** days of the date of the Company's resolution to divide and shall publish a notice in a newspaper within **~~30~~** days of the date of the Company's resolution to divide. **~~The debts before the event of division of the Company shall be jointly and severally liable by the companies after division. However, there is exception if the Company and creditors have otherwise agreed upon the debt repayment in written agreement before the event of division of the Company.~~** **~~Debts of the Company prior to division are assumed by the post-division companies in accordance with the agreements entered into.~~**	Article 184. When the Company is divided, its assets shall be split up accordingly. In the event of division of the Company, a balance sheet and an inventory of assets **shall be prepared**. The Company shall notify its creditors within ten days of the date of the Company's resolution to divide and shall publish a notice in a newspaper **or on the National Enterprise Credit Information Publicity System** within **thirty** days of the date of the Company's resolution to divide.

Existing Articles	Revised Articles
	Article 185. The debts before the event of division of the Company shall be jointly and severally liable by the companies after division. However, there is exception if the Company and creditors have otherwise agreed upon the debt repayment in written agreement before the event of division of the Company.
	Article 186. The Company shall prepare a balance sheet and an inventory of assets when it reduces its registered capital. **The Company shall notify its creditors within ten days from the date of the resolution on the reduction of its registered capital at Shareholders' general meeting and shall publish a public notice in a newspaper or on the National Enterprise Credit Information Publicity System within thirty days. A creditor has the right, within thirty days upon receipt of the notice, or for those who have not received the notice, within forty-five days from the date of the public announcement, to demand the Company to repay its debts or provide a corresponding guarantee for such debt.** **When the Company proposes to reduce its registered capital, it shall correspondingly reduce the amount of capital contribution or shares held by shareholders in proportion to their shareholdings, unless otherwise stipulated by law, administrative regulations, departmental rules, rules of securities regulation of the place where the Company's shares are listed, or these Articles of Association.**

Existing Articles	Revised Articles
	Article 187. Where the Company still incurs losses after making up its losses in accordance with these Articles of Association, it may reduce its registered capital to make up for the losses. If the registered capital is reduced to make up for losses, the Company shall not make distribution to its shareholders, nor exempt the shareholders from their obligation to make capital contribution or calls on share. **The provisions of the Paragraph 2 of Article 186 of these Articles of Association shall not apply to the reduction in the registered capital in accordance with the preceding paragraph. The Company shall publish an announcement in a newspaper or on the National Enterprise Credit Information Publicity System within thirty days from the date of the resolution on the reduction of its registered capital at Shareholders' general meeting.** **After reducing its registered capital in accordance with the provisions of the preceding two paragraphs, the Company shall not distribute profits until the cumulative amount of its statutory common reserve fund and discretionary common reserve fund reaches 50% of its registered capital.** **If the reduction of the registered capital is in violation of the Company Laws and other relevant regulations, shareholders shall return the funds they have received and the reduced capital contribution of the shareholders shall be restored to its original amount; in case of losses caused to the Company, the shareholders and the liable directors and senior management shall be liable for compensation.**

Existing Articles	Revised Articles
	Article 188. Where an increase in registered capital of the Company is made by means of issue of new shares, the shareholders do not have any pre-emptive right unless otherwise stipulated in these Articles of Association or the Shareholders' general meeting resolves that the shareholders shall have pre-emptive right.
	Article 189. When the merger or division of the Company involves changes in registered particulars, such changes shall be registered with the company registration authority in accordance with the law. When the Company dissolves, the Company shall cancel its registration in accordance with the law. When a new company is established, its establishment shall be registered in accordance with the law. **When the Company increases or reduces its registered capital, such changes shall be registered with the company registration authority in accordance with the law.**
	Section 2: Dissolution and Liquidation
Article 181. The Company shall be dissolved ~~**and liquidated upon the occurrence of any of the following events**~~: (1) a resolution for dissolution is passed by shareholders at a general meeting; (2) dissolution is necessary due to a merger or division of the Company; ~~**(3) the Company is legally declared insolvent due to its failure to repay debts due; and**~~ ~~**(4) the Company is ordered to close down because of its violation of laws and administrative regulation.**~~	Article 190. The Company shall be dissolved **for the following reasons**: **(1) the term of operation expires, or any dissolution events as stipulated in these Articles of Association occur;** (2) a resolution for dissolution is passed by shareholders at a general meeting; (3) dissolution is necessary due to a merger or division of the Company; **(4) the business license of the Company is revoked, or the Company is ordered to close down or is dissolved in accordance with laws;**

Existing Articles	Revised Articles
	(5) shareholders holding not less than 10% of the total voting rights of the Company applies to the People's Court for dissolution when the Company experiences severe difficulties in its operations and management and continual operation of the Company will bring significant losses to the interest of shareholders while there are no other ways to resolve the difficulties. **If the Company encounters the grounds for dissolution as stipulated in the preceding paragraph, it shall publicly announce the grounds for dissolution through the National Enterprise Credit Information Publicity System within ten days.**
	Article 191. Where the situation set forth in paragraph (1) and (2) of Article 190 of these Articles of Association occurs, and no property has been distributed to its shareholders, the Company may continue to exist by amending these Articles of Association or resolutions made by the general meeting. **Amendments to these Articles of Association or resolutions made by the general meeting in accordance with preceding paragraph shall be passed by a vote representing more than two-thirds of the voting rights of the shareholders present at the general meeting.**
	Article 192. Should the Company dissolve due to reasons stipulated in the items (1), (2), (4) and (5) of Article 190 of these Articles of Association, it shall be liquidated. The directors, who are the liquidation obligors of the Company, shall set up a liquidation group to carry out liquidation within fifteen days after the occurrence of the dissolution event. The liquidation group shall consist of the directors, unless otherwise provided for in these Articles of Association or another person resolved to be elected at the general meeting. Where the liquidation obligors fail to fulfil their liquidation obligations in a timely manner and cause losses to the Company or creditors, they shall be liable for compensation.

Existing Articles	Revised Articles
Article 185. During the liquidation period, the liquidation group shall exercise the following functions and powers: (1) to sort out the Company's assets and prepare a balance sheet and an inventory of assets respectively; (2) to send notices to creditors or notify them by public notice; (3) to dispose of and liquidate any relevant unfinished business matters of the Company; (4) to pay all outstanding taxes; (5) to settle claims and debts; (6) to ~~**deal with**~~ the assets remaining after the Company's debts have been repaid; (7) to represent the Company in any civil litigation proceedings.	Article 193. During the liquidation period, the liquidation group shall exercise the following functions and powers: (1) to sort out the Company's assets and prepare a balance sheet and an inventory of assets respectively; (2) to send notices to creditors or notify them by public notice; (3) to dispose of and liquidate any relevant unfinished business matters of the Company; (4) to pay all outstanding taxes **and the taxes arising during the liquidation process**; (5) to settle claims and debts; (6) to **distribute** the assets remaining after the Company's debts have been repaid; (7) to represent the Company in any civil litigation proceedings.
	Article 194. The liquidation group shall notify the creditors within 10 days of its establishment, and publish an announcement in newspapers or on the National Enterprise Credit Information Publicity System within 60 days. The creditors shall file their claims to the liquidation group within 30 days of the date on which the notice is received or 45 days of the date of announcement if no notice is received. **Creditors who file claims shall state matters relating to their claims with supporting evidence. The liquidation group shall register the creditor's claims.** **The liquidation group shall not pay off any debts to any creditors during the period of filing of creditor's claims.**

Existing Articles	Revised Articles
Article 186. After sorting out the Company's assets and the preparation of the balance sheet and an inventory of assets, the liquidation group shall formulate a liquidation plan and present it to a Shareholders' general meeting or to ~~**the relevant governing authority**~~ for confirmation. ~~**To the extent that the Company is able to repay its debts, it shall, in the following order, pay: the liquidation expenses, wages of staff and workers, labour insurance fees, outstanding taxes, and the Company's debts.**~~ ~~**The assets of the Company remaining after its debts have been repaid in accordance with the provisions of the preceding paragraph shall be distributed to its shareholders according to the proportion of their shareholdings.**~~ ~~**During the liquidation period, the Company shall not commence any new operational activities.**~~	Article 195. After sorting out the Company's assets and the preparation of the balance sheet and an inventory of assets, the liquidation group shall formulate a liquidation plan and present it to a Shareholders' general meeting or to **the People's Court** for confirmation **The assets of the Company remaining after payment of liquidation expenses, employee wages, social insurance expenses and statutory compensation, outstanding taxes and the Company's debts, shall be distributed to the Shareholders according to the proportion of their shareholdings.** **During the liquidation period, the Company shall subsist but shall not engage in business activities unrelated to liquidation.** **The Company's assets shall not be distributed to shareholders prior to making repayment pursuant to the provisions of the preceding paragraph.**
Article 187. If after putting the Company's assets in order and preparing a balance sheet and an inventory of assets~~**, in connection with the liquidation of the Company resulting from dissolution**~~, the liquidation group discovers that the Company's assets are insufficient to repay the Company's debts in full, the liquidation group shall immediately apply to the People's Court for ~~**a declaration of insolvency**~~. After a Company is declared insolvent by a ruling of the People's Court, the liquidation group shall turn over liquidation matters to the People's Court.	Article 196. If after putting the Company's assets in order and preparing a balance sheet and an inventory of assets, the liquidation group discovers that the Company's assets are insufficient to repay the Company's debts in full, the liquidation group shall immediately apply to the People's Court for **a declaration of insolvency liquidation**. After a Company is declared insolvent by a ruling of the People's Court, the liquidation group shall turn over liquidation matters to **the bankruptcy administrator appointed by** the People's Court.

Existing Articles	Revised Articles
Article 188. Following the completion of liquidation, the liquidation group shall present a report on liquidation ~~and prepare a statement of the receipts and payments during the period of liquidation and financial books and records~~ which shall be ~~audited by Chinese registered accountants and~~ submitted to the Shareholders' general meeting or ~~the relevant governing authority~~ for confirmation. ~~The liquidation group shall also within thirty (30) days after such confirmation,~~ submit ~~the documents referred to in the preceding paragraph~~ to the companies registration authority and apply for cancellation of registration of the Company~~, and publish a public notice relating to the termination of the Company~~.	Article 197. Following the completion of liquidation, the liquidation group shall present a report on liquidation which shall be submitted to the Shareholders' general meeting or **the People's Court** for confirmation **and** submit to the companies registration authority and apply for cancellation of registration of the Company.
	Article 198. The members of the liquidation group shall bear the duties of loyalty and diligence and perform their liquidation duties in accordance with law. **Any member of the liquidation group who neglects to fulfill his/her liquidation duties, thus causing any loss to the Company shall be liable for compensation; and any member of the liquidation group who cause any loss to any creditor due to his/her intentional or gross negligence shall be liable for compensation.**
	Article 199. If the Company is legally declared insolvent, it shall implement insolvency liquidation in accordance with the relevant laws relating to insolvency of an enterprise.

Existing Articles	Revised Articles
CHAPTER 12: AMENDMENTS TO THE ARTICLES OF ASSOCIATION	
Article 189. ~~**The Company may amend its articles of association in accordance with the requirements of laws, administrative regulations and the Company's articles of association.**~~ ~~**In the event that the provisions of the articles of association contravene with the requirements of PRC laws, regulations or regulatory documents, the latter shall prevail.**~~ Article 190. ~~**The amendments to the Company's articles of association involving the contents of the Mandatory Provisions shall become effective upon approvals by the Securities Committee of the State Council and the companies approving department authorized by the State Council.**~~ If there is any change relating to the registered particulars of the Company, application shall be made for registration of the changes in accordance with law.	Article 200. **The Company shall amend the Articles of Association under the following circumstances:** **(I) After the Company Law or relevant laws, administrative regulations, departmental rules or the securities regulatory rules of the place where the Company's shares are listed are amended, the provisions of the Articles of Association conflict with the relevant amended requirements;** **(II) The Company's circumstances change and are inconsistent with the matters recorded in the Articles of Association;** **(III) The Shareholders' general meeting resolves to amend the Articles of Association.** **If the amendment to the Articles of Association passed by a resolution of the Shareholders' general meeting requires approval by the competent authority, it shall be submitted to the competent authority for approval.** If there is any change relating to the registered particulars of the Company, application shall be made for registration of the changes in accordance with law. **The board of directors shall amend the Articles of Association in accordance with the resolution of the Shareholders' general meeting on the amendment to the Articles of Association and the approval opinions of the competent authority.**
	Article 201. If the amendment to the Articles of Association involves information required to be disclosed by laws, administrative regulations, departmental rules or the securities regulatory rules of the place where the Company's shares are listed, it shall be announced in accordance with the requirements.

Existing Articles	Revised Articles
CHAPTER 13: SUPPLEMENTARY	
~~Article 192. Any reference in these articles of association to the publication of public notices in a newspaper shall be interpreted as requiring publication in such newspaper as designated or required in accordance with relevant laws, administrative regulations or rules and, if the relevant notice is required to be given to holder of H Shares, as also requiring the relevant notice to be published in such newspapers as may be required by the term "published in the newspapers" (as defined in the Rules Governing the Listing of Securities on the Stock Exchange).~~ ~~Article 193. In these articles of association, the meaning of an accountants firm is the same as that of "auditors".~~	Article 202. Definitions: (1) Controlling shareholder refers to the shareholder who holds more than 50% of the total share capital of a joint stock limited company; or a shareholder who holds less than 50% of the shares but the voting rights attached to those shares held are sufficient to exert significant influence on the resolutions of the Shareholders' general meeting. (2) De facto controller refers to a natural person, legal person or other organization which, through an investment relationship, agreement or other arrangements, can control the conduct of the Company. (3) Connected relationship refers to the relationship of the controlling shareholders, de facto controller, the Directors and senior management officers of the Company with the enterprise under their direct or indirect control, and any other relationships that may lead to the transfer of interests of the Company. However, enterprises controlled by the state are not connected merely because they are both under control of the state.
	Article 203. The board of directors may formulate by-laws in accordance with the provisions of the Articles of Association, provided that such by-laws shall not be in violation of the Articles of Association. Annexes to these articles of association include rules of procedures of the Shareholders' general meeting and the rules of procedures of the board of directors.

Existing Articles	Revised Articles
	Article 204. These articles of association are written in Chinese. In the event of any discrepancy between the Articles of Association in any other language or of different version and these articles of association, the latest Chinese version of the Articles of Association of the Company registered with the companies registration authority shall prevail.
	Article 205. The expressions of "above", "within" and "below" used in these articles of association shall include the figure itself; and the expressions of "exceed", "beyond", "lower than" and "more than" shall not include the figure itself.
	Article 206. The interpretation of these articles of association shall be vested to the board of directors of the Company.

Note 1: In accordance with the Company Law and the Guidelines for Articles of Association of Listed Companies, all the terms of "Shareholders' general meeting (股東大會)" were amended to "Shareholders' general meeting (股東會)" in the full text of the Chinese version of these articles of association.

Note 2: In accordance with the Company Law and the Guidelines for Articles of Association of Listed Companies, the Company has abolished the establishment of supervisor position and the supervisory committee. The original duties of the supervisory committee have been assumed by the audit and risk management committee.

Note 3: Due to the abolishment of the Mandatory Provisions for the Articles of Association of Companies to be Listed Outside China 《(到境外上市公司章程必備條款》), the original Chapter 9 "Special Procedures for Voting by a Class of Shareholders" and Chapter 24 "Settlement of Disputes" have been deleted from these articles of association.

COMPARISON TABLE OF THE AMENDMENTS TO THE RULES FOR PROCEDURES FOR GENERAL MEETINGS OF CHINA EASTERN AIRLINES CORPORATION LIMITED

Existing Articles	Revised Articles
Article 1 These Rules are formulated in accordance with the relevant requirements under the "Company Law of the People's Republic of China" (hereinafter referred to as the "Company Law"), the "Securities Law of the People' s Republic of China" (hereinafter referred to as the "Securities Law"), the "Guidelines for the Articles of Association of Listed Companies", the "Rules for General Meetings of Listed Companies" issued by the China Securities Regulatory Commission and the "Articles of Association of China Eastern Airlines Corporation Limited (the "Company")" (hereinafter referred to as the "Articles of Association") with an aim to ensure the smoothness of Shareholders' general meeting of the Company, to standardize the organization and activities of the Shareholders' general meeting, improve the efficiency of the Shareholders' general meeting, to protect the legitimate interests of Shareholders and to ensure that the Shareholders' general meeting lawfully exercises its functions and the effectiveness and legitimacy of its procedures and resolutions.	Article 1 These Rules are formulated in accordance with the relevant requirements under the "Company Law of the People's Republic of China" (hereinafter referred to as the "Company Law"), the "Securities Law of the People's Republic of China" (hereinafter referred to as the "Securities Law"), the "Guidelines for the Articles of Association of Listed Companies", the "Rules for General Meetings of Listed Companies" issued by the China Securities Regulatory Commission and the "Articles of Association of China Eastern Airlines Corporation Limited (the "Company")" (hereinafter referred to as the "Articles of Association") with an aim to ensure the smoothness of Shareholders' general meeting of the Company, to standardize the organization and activities of the Shareholders' general meeting, improve the efficiency of the Shareholders' general meeting, to protect the legitimate interests of shareholders and to ensure that the Shareholders' general meeting lawfully exercises its functions and the effectiveness and legitimacy of its procedures and resolutions.
The Company shall hold Shareholders' general meetings strictly in accordance with the laws, administrative regulations, the Articles of Association and these Rules so as to ensure shareholders being able to lawfully exercise their rights. The board of directors of the Company shall duly perform its duties and organize Shareholders' general meetings as scheduled.	The Company shall hold Shareholders' general meetings strictly in accordance with the laws, administrative regulations, **rules and regulations, the securities regulatory rules of the place where the Company's shares are listed,** the Articles of Association and these Rules so as to ensure shareholders being able to lawfully exercise their rights. The board of directors of the Company shall duly perform its duties and organize Shareholders' general meetings as scheduled. **All directors of the Company shall be diligent and responsible so as to ensure that Shareholders' general meeting is held normally and exercise their functions on a legal basis.**

Existing Articles	Revised Articles
Article 2 The Shareholders' general meeting is the organ of authority of the Company and shall exercise its functions and powers in accordance with law:	Article 2 **The Shareholders' general meeting of the Company is formed by all shareholders.** The Shareholders' general meeting is the organ of authority of the Company and shall exercise its functions and powers in accordance with law:
~~**(1) to decide on the Company's operational policies and investment plans;**~~	
(2) to elect and replace directors ~~**(excluding employee representative directors)**~~ and decide on matters relating to the remuneration of directors;	(1) to elect and replace directors **who are not the representatives of employees** and decide on matters relating to the remuneration of directors;
~~**(3) to elect and replace the supervisors who are representatives of shareholders and decide on matters relating to the remuneration of supervisors;**~~	(2) to examine and approve reports of the board of directors;
(4) to examine and approve reports of the board of directors;	(3) to examine and approve the Company's profit distribution plans and plans for making up losses;
~~**(5) to examine and approve reports of the supervisory committee;**~~	(4) to decide on increases or reductions in the Company registered capital;
~~**(6) to examine and approve the Company's proposed annual preliminary and final financial budgets;**~~	(5) **to authorize the Board** to decide on the **issue of** debentures by the Company;
(7) to examine and approve the Company's profit distribution plans and plans for making up losses;	(6) to decide on matters such as merger, division, spin-off, change in company form, dissolution and liquidation of the Company;
(8) to decide on increases or reductions in the Company registered capital;	(7) to decide on the appointment, dismissal and disengagement of the accountants of the Company;
(9) to decide on the ~~**issue of**~~ debentures by the Company;	(8) to amend the Articles of Association;
(10) to decide on matters such as merger, division, spin-off, change in company form, dissolution and liquidation of the Company;	(9) to examine and approve changes in the use of proceeds;
	(10) to examine and approve share incentive plan and employee shareholding scheme of the Company;

Existing Articles	Revised Articles
(11) to decide on the appointment, dismissal and disengagement of the accountants of the Company; (12) to amend the Articles of Association; (13) to examine and approve changes in the use of proceeds; (14) to examine and approve share incentive plan and employee shareholding scheme of the Company; (15) to examine and approve matters relating to the purchase or disposal of material assets by the Company within one (1) year in excess of 30% of the latest audited total assets of the Company; (16) to approve ~~**external**~~ guarantees as stipulated in Articles 3 of these Rules; (17) to approve matters relating to financial assistance as stipulated in Article 4 of these Rules; (18) to examine and approve connected transaction ~~**(excluding provision of guarantees or monetary assets received as donation)**~~ with a transaction value of more than RMB30 million and exceeding 5% of the absolute value of the latest audited net assets of the Company;	(11) to examine and approve matters relating to the purchase or disposal of material assets by the Company within one (1) year in excess of 30% of the latest audited total assets of the Company; (12) to approve external guarantees as stipulated in Articles 3 of these Rules; (13) to approve matters relating to financial assistance as stipulated in Article 4 of these Rules; (14) to examine and approve connected transaction with a transaction value of more than RMB30 million and exceeding 5% of the absolute value of the latest audited net assets of the Company **(where the listing rules of the place where the Company's shares are listed or the articles of association provide otherwise, such provisions shall prevail)**; (15) to examine and approve other matters which require resolutions of the shareholders in a Shareholders' general meeting according to relevant laws, administrative regulations, **departmental regulations**, the **securities regulatory** rules of the place where the Company's shares are listed, and provisions of the articles of association; (16) to deal with matters which the board of directors may be delegated or authorized by the shareholders in a Shareholders' general meeting.

Existing Articles	Revised Articles
(19) to examine and approve other matters which require resolutions of the shareholders in a Shareholders' general meeting according to relevant laws, administrative regulations, the ~~**listing**~~ rules of the place where the Company's shares are listed, and provisions of the articles of association; (20) to deal with matters which the board of directors may be delegated or authorized ~~**to deal with**~~ by the shareholders in a Shareholders' general meeting. A Shareholders' general meeting shall not authorize the board of directors to perform statutory duties that a Shareholders' general meeting is supposed to perform. For the matters which can be exempted from or waived for consideration and disclosure under relevant provisions of laws, administrative regulations, and the ~~**listing**~~ rules of the place(s) where the Company's shares are listed, the Company may be exempted from or apply for a waiver for being exempted from such consideration and disclosure under relevant provisions.	**Subject to resolutions of the Shareholders' general meeting, or resolutions of the board of directors authorized by the Articles of Association or the shareholders in a Shareholders' general meeting, the Company may issue shares or corporate bonds convertible into shares, provided that such issuances shall strictly comply with laws, administrative regulations, and rules of the China Securities Regulatory Commission and the stock exchange.** **Save as otherwise provided by laws, administrative regulations, China Securities Regulatory Commission regulations or stock exchange rules,** the general meeting shall not authorize the board of directors **or other institutions and individuals** to perform statutory duties that the general meeting is supposed to perform **on their behalf**. For the matters which can be exempted from or waived for consideration and disclosure under relevant provisions of laws, administrative regulations, **departmental rules** and the **securities regulatory** rules of the place(s) where the Company's shares are listed, the Company may be exempted from or apply for a waiver for being exempted from such consideration and disclosure under relevant provisions.

Existing Articles	Revised Articles
Article 3 The provision of ~~external~~ guarantee by the Company shall be subject to consideration and approval by the general meeting if: (1) the provision of any guarantee where the total amount of the ~~external~~ guarantee by the Company and its subsidiaries exceeds 50% of the latest audited net assets; (2) the provision of any guarantee where the total amount of the ~~external~~ guarantee by the Company exceeds 30% of the latest audited total assets; (3) any guarantee where the amount of the guarantee by the Company within one year exceeds 30% of the latest audited total assets; (4) the provision of any guarantee to any guaranteed party with a gearing ratio exceeding 70%; (5) the provision of any single guarantee in which the amount exceeds 10% of the latest audited net assets; (6) the provision of guarantees to its shareholders, de facto controllers and their related parties. The above said "guarantee" includes the guarantee to non-wholly owned subsidiaries, etc. For those ~~external~~ guarantees violating relevant laws and regulations, the approval authority and the consideration procedures under the Articles of Association, the Company shall take reasonable and effective measures to release itself from the obligation thereunder or rectify the guarantee in violation to reduce the loss of the Company and protect the interests of the Company and minority shareholders, while looking into the accountability of the relevant personnel.	Article 3 The provision of guarantee by the Company shall be subject to consideration and approval by the general meeting if: (1) the provision of any guarantee where the total amount of the guarantee by the Company and its subsidiaries exceeds 50% of the latest audited net assets; (2) the provision of any guarantee where the total amount of the guarantee by the Company exceeds 30% of the latest audited total assets; (3) any guarantee where the amount of the guarantee by the Company within one year exceeds 30% of the latest audited total assets; (4) the provision of any guarantee to any guaranteed party with a gearing ratio exceeding 70%; (5) the provision of any single guarantee in which the amount exceeds 10% of the latest audited net assets; (6) the provision of guarantees to its shareholders, de facto controllers and their related parties. The above said "guarantee" includes the guarantee to non-wholly owned subsidiaries, etc. For those guarantees violating relevant laws and regulations, the approval authority and the consideration procedures under the Articles of Association, the Company shall take reasonable and effective measures to release itself from the obligation thereunder or rectify the guarantee in violation to reduce the loss of the Company and protect the interests of the Company and minority shareholders, while looking into the accountability of the relevant personnel.

Existing Articles	Revised Articles
Article 4 The following financial assistance (including interest-bearing or non-interest bearing loans, entrusted loans, etc.) provided by the Company are subject to the consideration and approval of the general meeting, if:	Article 4 The following financial assistance (including interest-bearing or non-interest bearing loans, entrusted loans, etc.) provided by the Company are subject to the consideration and approval of the general meeting, if:
(1) a single financial assistance with the amount exceeding 10% of the latest audited net assets of the Company;	(1) a single financial assistance with the amount exceeding 10% of the latest audited net assets of the Company;
(2) the gearing ratio in the latest financial statement of the party receiving such assistance is in excess of 70%;	(2) the gearing ratio in the latest financial statement of the party receiving such assistance is in excess of 70%;
(3) the cumulative amount of financial assistance for the past 12 months exceeding 10 % of the latest audited net assets of the Company.	(3) the cumulative amount of financial assistance for the past 12 months exceeding 10% of the latest audited net assets of the Company.
If the target for assistance is a non-wholly owned subsidiary within the scope of consolidated financial statements of the Company and other shareholders of such non-wholly owned subsidiary are not the Company's controlling shareholder, de facto controller and the related party, the above provisions shall not apply.	**(4) other circumstances prescribed by the laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.** If the target for assistance is a non-wholly owned subsidiary within the scope of consolidated financial statements of the Company and other shareholders of such non-wholly owned subsidiary are not the Company's controlling shareholder, de facto controller and the related party, the above provisions shall not apply.

Existing Articles	Revised Articles
The Company shall not provide financial assistance to its related parties, unless the financial assistance is provided to a related investee company not controlled by the controlling shareholder or de facto controller of the Company and that other shareholders of the investee company also provide such financial assistance under the same conditions in proportion to their capital contribution. For the provision of financial assistance to such related investee company subject to the above paragraph by the Company, it shall be submitted to the general meeting for consideration. If the financial assistance violates the relevant laws and regulations, the approval authority thereunder the Articles of Association or consideration procedures, the Company shall take reasonable and effective measures to release itself from the obligation thereunder or rectify the assistance in violation to reduce losses suffered by the Company, protect the interests of the Company and minority shareholders and look into the accountability of the relevant personnel.	The Company shall not provide financial assistance to its related parties, unless the financial assistance is provided to a related investee company not controlled by the controlling shareholder or de facto controller of the Company and that other shareholders of the investee company also provide such financial assistance under the same conditions in proportion to their capital contribution. For the provision of financial assistance to such related investee company subject to the above paragraph by the Company, it shall be submitted to the general meeting for consideration. If the financial assistance violates the relevant laws and regulations, the approval authority thereunder the Articles of Association or consideration procedures, the Company shall take reasonable and effective measures to release itself from the obligation thereunder or rectify the assistance in violation to reduce losses suffered by the Company, protect the interests of the Company and minority shareholders and look into the accountability of the relevant personnel.
Chapter 2 General Provisions for Shareholders' General Meetings	Chapter 2 General Provisions for Shareholders' General Meetings
Article 5 Shareholders' general meetings are divided into annual general meetings and extraordinary general meetings. Annual general meetings are held once every year and within six (6) months from the end of the preceding financial year. In case that the Company is unable to hold a Shareholders' general meeting within the aforesaid time frame, it shall report and explain the reasons to the local office of the CSRC in the region where the Company operates and the Shanghai Stock Exchange (hereinafter referred to as the "Stock Exchange"), and make an announcement.	Article 5 Shareholders' general meetings are divided into annual general meetings and extraordinary general meetings. Annual general meetings are held once every year and within six (6) months from the end of the preceding financial year. In case that the Company is unable to hold a Shareholders' general meeting within the aforesaid time frame, it shall report and explain the reasons to the local office of the CSRC in the region where the Company operates and the Shanghai Stock Exchange (hereinafter referred to as the "Stock Exchange"), and make an announcement.

Existing Articles	Revised Articles
Article 6 Under any of the following circumstances, the ~~**board of directors**~~ shall convene an extraordinary general meeting within two months of the date of the occurrence:	Article 6 Under any of the following circumstances, the **Company** shall convene an extraordinary general meeting within two months of the date of the occurrence:
(1) when the number of directors is less than the number of directors required by the Company Law or two thirds of the number of directors specified in the articles of association;	(1) when the number of directors is less than the number of directors required by the Company Law or two thirds of the number of directors specified in the articles of association;
(2) when the unrecovered losses of the Company amount to one third of the total amount of its share capital;	(2) when the unrecovered losses of the Company amount to one third of the total amount of its share capital;
(3) any shareholder(s) individually or jointly holding 10 percent or more (including 10%) of the Company's issued and outstanding shares carrying voting rights request(s) in writing the convening of an extraordinary general meeting;	(3) any shareholder(s) individually or jointly holding 10 percent or more (including 10%) of the Company' s issued and outstanding shares carrying voting rights request(s) in writing the convening of an extraordinary general meeting;
(4) when deemed necessary by the board of directors;	(4) when deemed necessary by the board of directors;
(5) when proposed by ~~**the supervisory committee**~~;	(5) when proposed by **the audit and risk management committee of the board of directors**;
(6) other circumstances subject to the laws, administrative regulations, departmental rules or the Articles of Association.	(6) other circumstances subject to the laws, administrative regulations, departmental rules**, the securities regulatory rules of the place where the Company's shares are listed** or the Articles of Association.
The number of shares held referred to in (3) above shall be calculated on the date when the shareholders put forward a written request.	The number of shares held referred to in (3) above shall be calculated on the date when the shareholders put forward a written request.

Existing Articles	Revised Articles
Article 7 When the Company convenes a Shareholders' general meeting, the board of directors shall engage lawyers ~~**who possess the qualification to engage in securities business**~~ to attend the Shareholders' general meeting and advise on the following issues with announcements made thereon in accordance with the relevant provisions of the ~~**securities regulator y authorities**~~ and stock exchanges: (1) whether the procedures of convening and holding the Shareholders' general meetings are in compliance with laws, administrative regulations, the Articles of Association and these Rules; (2) whether the persons attending the general meeting and the convenor are legally entitled to do so; (3) whether the voting procedures and results are valid; (4) legal opinions for other matters as requested by the Company. The board of directors of the Company may also engage notary public to attend the Shareholders' general meeting.	Article 7 When the Company convenes a Shareholders' general meeting, the board of directors shall engage lawyers to attend the Shareholders' general meeting and advise on the following issues with announcements made thereon in accordance with the relevant provisions of the **securities regulatory rules of the place where the Company's shares are listed** and stock exchanges: (1) whether the procedures of convening and holding the Shareholders' general meetings are in compliance with laws, administrative regulations, the Articles of Association and these Rules; (2) whether the persons attending the general meeting and the convenor are legally entitled to do so; (3) whether the voting procedures and results are valid; (4) legal opinions for other matters as requested by the Company. The board of directors of the Company may also engage notary public to attend the Shareholders' general meeting.

Existing Articles	Revised Articles
Article 8 Shareholders' general meeting is formed by all shareholders of the Company who are legal persons or natural persons holding the shares of the Company. When the Company convenes a Shareholders' general meeting, distributes dividends, commences liquidation or participates in other activities requiring the identification of ~~**equity**~~, the board of director shall decide the record date. The shareholders whose names appear on the register of shareholders ~~**at the close of business**~~ on the record date, shall be shareholders ~~**of the Company**~~. The share register shall be sufficient evidence of the holding of the Company's shares by a shareholder. The Company shall keep a share register in accordance with the evidence provided by the share registrar.	Article 8 Shareholders' general meeting is formed by all shareholders of the Company who are legal persons or natural persons holding the shares of the Company. When the Company convenes a Shareholders' general meeting, distributes dividends, commences liquidation or participates in other activities requiring the **identification of shareholders**, the board of director **or convener of Shareholders' general meeting** shall decide the record date. The shareholders whose names appear on the register of shareholders **after the close of trading** on the record date, shall **enjoy the relevant rights**. The Company shall keep a share register in accordance with the evidence provided by the share registrar. The share register shall be sufficient evidence of the holding of the Company' s shares by a shareholder.
Article 9 Directors, ~~**supervisors,**~~ general manager and other senior management, accountants from the accounting firm engaged by the Company, legal consultant and other persons approved by the board of directors before the meeting are entitled to attend the meeting. The chairman of the meeting can assign the staff to verify, if necessary, the qualification of the shareholders, their proxies or other attendees and such person shall cooperate.	Article 9 Directors, general manager and other senior management, accountants from the accounting firm engaged by the Company, legal consultant and other persons approved by the board of directors before the meeting are entitled to attend the meeting. The chairman of the meeting can assign the staff to verify, if necessary, the qualification of the shareholders, their proxies or other attendees and such person shall cooperate.

Existing Articles	Revised Articles
Chapter 3 Convening of Shareholders' General Meeting	Chapter 3 Convening of Shareholders' General Meeting
Article 10 Shareholders' general meeting shall be convened ~~and~~ chaired by ~~the chairman of the Board of Directors~~. ~~If the chairman is unable to attend the meeting for any reason, the vice-chairman of the Board of Directors shall convene and chair the meeting. If both the chairman and vice-chairman of the Board of Directors are unable to attend the meeting, then the Board of Directors may designate a director to convene and hold the meeting.~~ If no chairman of the meeting has been so designated, shareholders present may elect a personnel to be the chairman of the meeting. If for any reason, the shareholders fail to elect a chairman, then the shareholder (including proxy) present and holding the largest number of shares carrying the right to vote shall be the chairman of the meeting. If a general meeting is convened by ~~supervisory committee~~, the chairman of the ~~supervisory committee~~ shall preside over the meeting. If the chairman of the ~~supervisory committee~~ is unable to discharge the duty or will not discharge the duty, more than one half of the ~~supervisors~~ shall jointly designate a ~~supervisor~~ to preside over the meeting.	Article 10 Shareholders' general meeting shall be convened **by the Board of Directors** and chaired by **the chairman of the Board of Directors**. If the chairman is unable to or fail to perform his duties and responsibilities, the vice-chairman of the Board of Directors shall convene and chair the meeting. If both the chairman and vice-chairman of the Board of Directors are unable to or fail to perform their duties and responsibilities, a director of the Company jointly elected by more than half of the Directors shall convene and chair the meeting on his behalf. If no chairman of the meeting has been so designated, shareholders present may elect a personnel to be the chairman of the meeting. If for any reason, the shareholders fail to elect a chairman, then the shareholder (including proxy) present and holding the largest number of shares carrying the right to vote shall be the chairman of the meeting. If a general meeting is convened by **the audit and risk management committee of the board of directors**, the chairman of the **audit and risk management committee of the board of directors** shall preside over the meeting. If the chairman of the **audit and risk management committee of the board of directors** is unable to discharge the duty or will not discharge the duty, more than one half of the **members of the audit and risk management committee of the board of directors** shall jointly designate a **member** to preside over the meeting.

Existing Articles	Revised Articles
If a general meeting is convened by the shareholders themselves, the convener shall nominate a representative to preside over the meeting. At a general meeting, if the chairman of the meeting contravenes the meeting procedures, making the general meeting impossible to proceed, with consent from more than one half of the attendant shareholders with voting rights, a person may be nominated at the general meeting to serve as the chairman and continue with the meeting.	If a general meeting is convened by the shareholders themselves, the convener shall nominate a representative to preside over the meeting. **If for any reason the convener fails to elect a chairman, the shareholder (including proxy thereof) holding the most voting shares thereat shall preside over the meeting.** At a general meeting, if the chairman of the meeting contravenes the meeting procedures, making the general meeting impossible to proceed, with consent from more than one half of the attendant shareholders with voting rights, a person may be nominated at the general meeting to serve as the chairman and continue with the meeting.
Article 11 ~~**One half or more of the independent directors are entitled to propose to the Board to convene an extraordinary general meeting.**~~ The Board shall, in accordance with laws, administrative regulations and the Articles of Association, inform in writing whether it agrees or disagrees to convene an extraordinary general meeting within ten (10) days upon receipt of the proposal. If the Board agrees to convene the extraordinary general meeting, it shall serve a notice of such meeting within five (5) days after the resolution is made by the Board. If the Board does not agree to hold the extraordinary general meeting, it shall give the reasons and publish an announcement thereof.	Article 11 **Subject to the consent of more than half of all the independent directors, independent directors are entitled to propose to the Board to convene an extraordinary general meeting**. The Board shall, in accordance with laws, administrative regulations, **departmental rules, the securities regulatory rules of the place where the Company's shares are listed** and the Articles of Association, inform in writing whether it agrees or disagrees to convene an extraordinary general meeting within ten (10) days upon receipt of the proposal. If the Board agrees to convene the extraordinary general meeting, it shall serve a notice of such meeting within five (5) days after the resolution is made by the Board. If the Board does not agree to hold the extraordinary general meeting, it shall give the reasons and publish an announcement thereof.

Existing Articles	Revised Articles
Article 12 The ~~supervisory committee~~ has the right to propose an extraordinary general meeting to be convened to the board of directors, and the proposal shall be made to the board of directors in writing. The board of directors shall in accordance with the laws, administrative regulations and the Articles of Association within 10 days of the receipt of the proposal for convening an extraordinary general meeting, provide a written feedback as to whether or not it agrees to convene the proposed meeting. If the board of directors agrees to convene the proposed extraordinary general meeting, it shall within 5 days of making board resolution give a notice of convening the aforesaid meeting. Any alteration to the original proposal within the notice shall be subject to the agreement of the ~~supervisory committee~~. If the board of directors does not agree to convene the proposed extraordinary general meeting or fails to provide a feedback within 10 days of the receipt of the proposal, the board of directors shall be deemed as unable to perform or not performing its duty of convening shareholders' meeting, and the ~~supervisory committee~~ is entitled to convene and preside at the proposed meeting.	Article 12 The **audit and risk management committee of the board of directors** has the right to propose an extraordinary general meeting to be convened to the board of directors, and the proposal shall be made to the board of directors in writing. The board of directors shall in accordance with the laws, administrative regulations**, departmental rules, the securities regulatory rules of the place where the Company's shares are listed** and the Articles of Association within 10 days of the receipt of the proposal for convening an extraordinary general meeting, provide a written feedback as to whether or not it agrees to convene the proposed meeting. If the board of directors agrees to convene the proposed extraordinary general meeting, it shall within 5 days of making board resolution give a notice of convening the aforesaid meeting. Any alteration to the original proposal within the notice shall be subject to the agreement of the **audit and risk management committee of the board of directors**. If the board of directors does not agree to convene the proposed extraordinary general meeting or fails to provide a feedback within 10 days of the receipt of the proposal, the board of directors shall be deemed as unable to perform or not performing its duty of convening shareholders' meeting, and the **audit and risk management committee of the board of directors** is entitled to convene and preside at the proposed meeting.

Existing Articles	Revised Articles
Article 13 Shareholders solely or collectively holding 10% or more of the shares of the Company shall have the right to propose to the board of directors for holding an extraordinary general meeting, and shall put forward the proposal in writing to the board of directors. The board of directors shall, in accordance with the laws, administrative regulations and the Articles of Association, give a written reply on whether to hold the extraordinary general meeting or not within ten (10) days upon receipt of the proposal. If the board of directors does not agree to hold the extraordinary general meeting or fails to give a reply within ten (10) days upon receipt of the proposal, shareholders or collectively holding 10% or more of the shares of the Company shall have the right to propose to ~~**the supervisory committee**~~ for holding the extraordinary general meeting, and shall put forward the request to ~~**the supervisory committee**~~ in writing. If ~~**the supervisory committee**~~ agrees to hold the extraordinary general meeting, it shall serve a notice of such within five (5) days upon receipt of the request. In the event of any change to the original proposal set forth in the notice, the consent of the relevant shareholders shall be obtained.	Article 13 Shareholders solely or collectively holding 10% or more of the shares of the Company shall have the right to propose to the board of directors for holding an extraordinary general meeting, and shall put forward the proposal in writing to the board of directors. The board of directors shall, in accordance with the laws, administrative regulations**, departmental rules, the securities regulatory rules of the place where the Company's shares are listed** and the Articles of Association, give a written reply on whether to hold the extraordinary general meeting or not within ten (10) days upon receipt of the proposal. If the board of directors does not agree to hold the extraordinary general meeting or fails to give a reply within ten (10) days upon receipt of the proposal, shareholders or collectively holding 10% or more of the shares of the Company shall have the right to propose to **the audit and risk management committee of the board of directors** for holding the extraordinary general meeting, and shall put forward the request to **the audit and risk management committee of the board of directors** in writing. If **the audit and risk management committee of the board of directors** agrees to hold the extraordinary general meeting, it shall serve a notice of such within five (5) days upon receipt of the request. In the event of any change to the original proposal set forth in the notice, the consent of the relevant shareholders shall be obtained.

Existing Articles	Revised Articles
If ~~**the supervisory committee**~~ fails to serve a notice of the extraordinary general meeting within the prescribed period, it shall be regarded that ~~**the supervisory committee**~~ will not convene or preside over the meeting, and shareholders solely or collectively holding 10% or more of the shares of the Company for 90 or more consecutive days may hold or preside over the meeting by themselves.	If **the audit and risk management committee of the board of directors** fails to serve a notice of the extraordinary general meeting within the prescribed period, it shall be regarded that **the audit and risk management committee of the board of directors** will not convene or preside over the meeting, and shareholders solely or collectively holding 10% or more of the shares of the Company for 90 or more consecutive days may hold or preside over the meeting by themselves.
Article 14 If ~~**the supervisory committee**~~ or shareholder decides to convene the general meeting on its own, it shall publish the notice for convening the general meeting after giving a notice to the Board of Directors in writing, and reporting to ~~**the local offices of China Securities Regulatory Commission and**~~ the stock exchanges accordingly. The shareholding proportion of the convening shareholders shall not be lower than 10% prior to the announcement of the resolutions of the general meeting. ~~**The supervisory committee**~~ and convening shareholder shall submit relevant evidence to ~~**the local office of China Securities Regulatory Commission at the place where the Company is located and**~~ the stock exchange upon the issuance of the notice of general meeting and the announcement of the resolutions of the general meeting.	Article 14 If **the audit and risk management committee of the board of directors** or shareholder decides to convene the general meeting on its own, it shall publish the notice for convening the general meeting after giving a notice to the Board of Directors in writing, and reporting to the stock exchanges accordingly. The shareholding proportion of the convening shareholders shall not be lower than 10% prior to the announcement of the resolutions of the general meeting. **The audit and risk management committee of the board of directors** and convening shareholder shall submit relevant evidence to the stock exchange upon the issuance of the notice of general meeting and the announcement of the resolutions of the general meeting.

Existing Articles	Revised Articles
Article 15 When a Shareholders' general meeting is convened by ~~**the supervisory committee**~~ or by the shareholders, the board of directors and the secretary to the board of directors shall act in concert therewith. The board of directors will provide the register of shareholders as on the record date. Where the board of directors does not provide a register of members, the convener may apply for obtaining it to the securities registration and clearing institution by providing relevant announcement on convention of a Shareholders' general meeting. The register of members obtained by the convener may not be used for other purposes except convention of a general meeting.	Article 15 When a Shareholders' general meeting is convened by **the audit and risk management committee of the board of directors** or by the shareholders, the board of directors and the secretary to the board of directors shall act in concert therewith. The board of directors will provide the register of shareholders as on the record date. Where the board of directors does not provide a register of members, the convener may apply for obtaining it to the securities registration and clearing institution by providing relevant announcement on convention of a Shareholders' general meeting. The register of members obtained by the convener may not be used for other purposes except convention of a general meeting.
Article 16 Any expenses necessary for holding shareholders' general meetings convened by ~~**the supervisory committee**~~ or shareholders shall be borne by the listed company.	Article 16 Any expenses necessary for holding shareholders' general meetings convened by **the audit and risk management committee of the board of directors** or shareholders shall be borne by the listed company.
Chapter 4 Proposals and Notices for Shareholders' General Meetings	Chapter 4 Proposals and Notices for Shareholders' General Meetings
~~**Article 17 According to the matters stipulated in the Articles of Association that require resolution by a class Shareholders' general meeting, the Company shall convene a class Shareholders' general meeting, and the procedures for the class shareholders' general meeting shall be the same as those for the Shareholders' general meeting.**~~	/
Article 18 The content of the proposal shall fall within the scope of the authority of the shareholders' general meeting, have a clear subject matter and specific resolution matters, and comply with the relevant provisions of laws, administrative regulations and the articles of association.	Article 17 The content of the proposal shall fall within the scope of the authority of the shareholders' general meeting, have a clear subject matter and specific resolution matters, and comply with the relevant provisions of laws, administrative regulations**, departmental rules, the securities regulatory rules of the place where the Company's shares are listed** and the articles of association.

Existing Articles	Revised Articles
Article 19 When the Company convenes a Shareholders' general meeting, the board of directors, ~~**the supervisory committee**~~ and shareholders individually or jointly holding ~~**3**~~% or more of the total shares of the Company are entitled to propose resolutions to the Company. Shareholder(s) either individually or jointly holding **3**% or more of the Company's ~~**issued and outstanding voting**~~ shares may propose extraordinary resolutions and submit the same in writing to the convener ten (10) days prior to the holding of the Shareholders' general meeting. The convener shall, within two (2) days after the receipt of such extraordinary resolutions, issue a supplemental notice of the Shareholders' general meeting, announce the contents of such extraordinary resolutions and submit the same to the Shareholders' general meeting for consideration. ~~**Where rules of stock exchanges in the places where the Company is listed provide otherwise, such provisions shall be complied as well. The time for the proposing Shareholders to propose new extraordinary resolutions shall not be later than such time limit for issuing the supplemental notice to the Shareholders and shall consider and provide the Company with reasonable time to prepare and despatch the supplemental notice.**~~	Article 18 When the Company convenes a Shareholders' general meeting, **the board of directors, the audit and risk management committee of the board of directors** and shareholders individually or jointly holding **1**% or more of the total shares of the Company are entitled to propose resolutions to the Company. Shareholder(s) either individually or jointly holding 1% or more of the Company's shares may propose extraordinary resolutions and submit the same in writing to the convener ten (10) days prior to the holding of the Shareholders' general meeting. **Extraordinary resolutions shall have clear topics and specific resolution matters.** The convener shall, within two (2) days after the receipt of such extraordinary resolutions, issue a supplemental notice of the Shareholders' general meeting, announce the contents of such extraordinary resolutions and submit the same to the Shareholders' general meeting for consideration. **However, extraordinary resolutions that violate laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association, or are not within the authority of the Shareholders' general meeting, shall be excluded.**

Existing Articles	Revised Articles
~~**The aforesaid proposed resolutions shall be reviewed by the Company's board of directors and shall be included in the agenda of such meeting if the matters fall within the scope of terms of reference of the Shareholders' general meeting. The convener shall announce the content of the extraordinary resolutions by issuing a supplemental notice of the general meeting upon receipt of the proposed resolutions as soon as possible. If the board of directors considers that the content of the proposed resolutions do not fall within the scope of terms of reference of the general meeting, explanation and description shall be given at such general meeting, which, together with the content of such proposed resolutions and explanation of the board of directors, shall be published along with the resolutions of the general meeting in announcement after the conclusion of the meeting.**~~ Except as prescribed in the preceding paragraph, the convener, after issuing the notice of the Shareholders' general meeting, shall neither revise the resolutions stated in the notice of the Shareholders' general meeting nor add new resolutions. No voting may take place and no resolutions may be made at the Shareholders' general meeting on proposals which are not set out in the notice of general meeting or do not meet the requirements of Article ~~**23**~~ hereof.	Except as prescribed in the preceding paragraph, the convener, after issuing the notice of the Shareholders' general meeting, shall neither revise the resolutions stated in the notice of the Shareholders' general meeting nor add new resolutions. No voting may take place and no resolutions may be made at the Shareholders' general meeting on proposals which are not set out in the notice of general meeting or do not meet the requirements of **Article 17** hereof.

Existing Articles	Revised Articles
Article 20 When the Company convenes an annual general meeting, written notice of the meeting shall be given to Shareholders who are entitled to attend this general meeting at least twenty (20) days before the date of the meeting. When the Company convenes an extraordinary general meeting, written notice of the meeting shall be given to Shareholders who are entitled to attend this general meeting at least fifteen (15) days before the date of the meeting. Holders of A shares shall be notified by announcement, and holders of H shares shall be notified in writing or in other forms stipulated in the articles of association of the Company. ~~**The notice of a class meeting shall only be given the shareholders who have the right to vote at the meeting.**~~ Where laws, administrative regulations, departmental rules and the authorities in charge of the securities or stock exchanges in the places where the Company's shares are listed provide otherwise, such provisions shall prevail.	Article 19 When the Company convenes an annual general meeting, written notice of the meeting shall be given to Shareholders who are entitled to attend this general meeting at least twenty (20) days before the date of the meeting. When the Company convenes an extraordinary general meeting, written notice of the meeting shall be given to Shareholders who are entitled to attend this general meeting at least fifteen (15) days before the date of the meeting. Holders of A shares shall be notified by announcement, and holders of H shares shall be notified in writing or in other forms stipulated in the articles of association of the Company. Where laws, administrative regulations, departmental rules and the authorities in charge of the securities or stock exchanges in the places where the Company's shares are listed provide otherwise, such provisions shall prevail.
Article 21 The notice and supplementary notice of the Shareholders' general meeting shall fully disclose the content of all proposals, as well as the information or explanations necessary for shareholders to make a reasonable judgment on the matters to be discussed. Where the matters to be discussed require the independent directors to express their opinions, the opinions of the independent directors and the reasons therefor shall be disclosed simultaneously when the notice or supplementary notice of the Shareholders' general meeting is issued.	Article 20 The notice and supplementary notice of the Shareholders' general meeting shall fully disclose the content of all proposals, as well as the information or explanations necessary for shareholders to make a reasonable judgment on the matters to be discussed. Where the matters to be discussed require the independent directors to express their opinions, the opinions of the independent directors and the reasons therefor shall be disclosed simultaneously when the notice or supplementary notice of the Shareholders' general meeting is issued.

Existing Articles	Revised Articles
Article 22 The list of candidates for directors ~~(excluding employee representative directors) and supervisors~~ shall be proposed to the shareholders' general meeting for voting. In the event that matters involving the election of directors ~~(excluding employee representative directors) and supervisors~~ are to be considered at the shareholders' general meeting, the notice of such shareholders' general meeting shall fully disclose the detailed information of the candidates for such directors ~~(excluding employee representative directors) and supervisors~~, which shall at least include the following: (1) personal background including education background, work experience and part-time jobs; (2) whether there is any connected relationship with the Company or its controlling shareholders and de facto controller; (3) Amount of shareholdings held in the Company; (4) whether or not they have been penalized by the CSRC and other relevant authorities and stock exchange. Apart from directors ~~(excluding employee representative directors) and supervisors~~ elected through the cumulative voting system, each candidate of director ~~(excluding employee representative directors) o r supervisor~~ shall be individually proposed.	Article 21 The list of candidates for directors shall be proposed to the shareholders' general meeting for voting. In the event that matters involving the election of directors are to be considered at the shareholders' general meeting, the notice of such shareholders' general meeting shall fully disclose the detailed information of the candidates for such directors, which shall at least include the following: (1) personal background including education background, work experience and part-time jobs; (2) whether there is any connected relationship with the Company or its controlling shareholders and de facto controller; (3) Amount of shareholdings held in the Company; (4) whether or not they have been penalized by the CSRC and other relevant authorities and stock exchange. Apart from directors elected through the cumulative voting system, each candidate of director shall be individually proposed.

Existing Articles	Revised Articles
Article 23 A proposal for consideration at a Shareholders' general meeting shall meet the following requirements: (1) its content does not contravene any laws or regulations or these articles of association, and falls within the scope of the permissible matters for consideration at the Share holders' general meeting; (2) there is definite topic(s) and specific matter(s) for resolution; (3) It shall be submitted or delivered to the board of directors in writing, and the board of directors shall decide whether to include it in the agenda of the Shareholders' general meeting.	Article 22 A proposal for consideration at a Shareholders' general meeting shall meet the following requirements: (1) its content does not contravene any laws, **administrative** regulations**, departmental rules, the securities regulatory rules of the place where the Company's shares are listed,** or these articles of association, and falls within the scope of the permissible matters for consideration at the Shareholders' general meeting; (2) there is definite topic(s) and specific matter(s) for resolution; (3) It shall be submitted or delivered to the board of directors in writing, and the board of directors shall decide whether to include it in the agenda of the Shareholders' general meeting.
Article 24 The board of directors of the Company shall examine the motions to the Shareholders' general meeting in the best interest of the Company and its shareholders in accordance with the provisions of these Rules.	Article 23 The board of directors of the Company shall examine the motions to the Shareholders' general meeting in the best interest of the Company and its shareholders in accordance with the provisions of these Rules.

Existing Articles	Revised Articles
Article 25 The board of directors shall review temporary proposals for the annual Shareholders' general meeting described in these Rules based on the following principles: (1) Relevance. The board of directors shall review the Shareholder's proposal and submit it to the Shareholders' general meeting for discussion if the issues involved in the shareholder's proposal are directly related to the Company and do not exceed the terms of reference of the Shareholders' general meeting as stipulated by laws, regulations and these articles of association. Matters which fail to meet the above criteria shall not be submitted for discussion at the Shareholders' general meeting. The board of directors shall give explanations and reasons at the Shareholders' general meeting if it decides not to propose the motions raised by shareholders for voting at Shareholders' general meeting. It shall also publish the content of the motions and the explanations of the board of directors together with resolutions of the Shareholders' general meeting following the conclusion of the Shareholders' general meeting; (2) Procedural issues. The Board of Directors may decide on procedural issues concerning motions proposed by shareholders. If a proposal is to be split or voted on together with other proposals, the original proposer's consent must be obtained. In the event of any objection to the change by the proposer, the chairman of the Shareholders' general meeting may present the procedural issue to the Shareholders' general meeting for decision and discussions shall be conducted in accordance with the procedures determined by the Shareholders' general meeting.	Article 24 The board of directors shall review temporary proposals for the annual Shareholders' general meeting described in these Rules based on the following principles: (1) Relevance. The board of directors shall review the Shareholder' s proposal and submit it to the Shareholders' general meeting for discussion if the issues involved in the shareholder's proposal are directly related to the Company and do not exceed the terms of reference of the Shareholders' general meeting as stipulated by laws, regulations and these articles of association. Matters which fail to meet the above criteria shall not be submitted for discussion at the Shareholders' general meeting. The board of directors shall give explanations and reasons at the Shareholders' general meeting if it decides not to propose the motions raised by shareholders for voting at Shareholders' general meeting. It shall also publish the content of the motions and the explanations of the board of directors together with resolutions of the Shareholders' general meeting following the conclusion of the Shareholders' general meeting; (2) Procedural issues. The board of directors may decide on procedural issues concerning motions proposed by shareholders. If a proposal is to be split or voted on together with other proposals, the original proposer's consent must be obtained. In the event of any objection to the change by the proposer, the chairman of the Shareholders' general meeting may present the procedural issue to the Shareholders' general meeting for decision and discussions shall be conducted in accordance with the procedures determined by the Shareholders' general meeting.

Existing Articles	Revised Articles
Article 26 Where the board of directors proposes to change the use of raised funds, it shall specify in the notice of the Shareholders' general meeting the reasons for the change, an overview of the new project, and its impact on the Company's future.	Article 25 Where the board of directors proposes to change the use of raised funds, it shall specify in the notice of the Shareholders' general meeting the reasons for the change, an overview of the new project, and its impact on the Company's future.
Article 27 Any motion relating to public offers of shares requiring **~~approval from~~** the China Securities Regulatory Commission shall be put forward as a special motion.	Article 26 Any motion relating to public offers of shares requiring **registration or approval** from the China Securities Regulatory Commission shall be put forward as a special motion.
Article 28 After the Board of Directors reviews and approves the annual report, it shall make a resolution on the profit distribution plan and submit it as a proposal to the Shareholders' general meeting. When the Board of Directors proposes a plan to convert capital reserves into share capital, it must explain the reasons for the increase in detail and disclose it in an announcement. When announcing a share distribution or capital reserve conversion plan, the Board of Directors should disclose the earnings per share and net assets per share before and after the distribution or conversion, as well as the impact on the Company's future development.	Article 27 After the Board of Directors reviews and approves the annual report, it shall make a resolution on the profit distribution plan and submit it as a proposal to the Shareholders' general meeting. When the Board of Directors proposes a plan to convert capital reserves into share capital, it must explain the reasons for the increase in detail and disclose it in an announcement. When announcing a share distribution or capital reserve conversion plan, the Board of Directors should disclose the earnings per share and net assets per share before and after the distribution or conversion, as well as the impact on the Company's future development.

Existing Articles	Revised Articles
Article 29 The ~~audit~~ committee of the Board of Directors shall be responsible for matters relating to the appointment, dismissal, non-renewal and related fees of the accounting firm, and shall make recommendations to the Board of Directors, and submit proposals to the Shareholders' general meeting through the Board of Directors, which shall be voted on and approved by the Shareholders' general meeting. In the event that the Board of Directors proposes to dismiss or not to re-appoint the accountants, prior notice shall be given to the accountants concerned and the Board of Directors shall explain the reasons thereof to the Shareholders' general meeting. The relevant accountants shall be entitled to give their opinions in the Shareholders' general meeting. In the event that the Board of Directors dismisses the accountants due to proper reasons during time not having a Shareholders' general meeting, it may appoint other accountants as a temporary replacement provided that such appointment shall be ratified and approved in the coming Shareholders' general meeting. In the event that the registered accountant resigns, the Board of Directors shall state the reasons for such resignation in the coming Shareholders' general meeting. The resigned registered accountant is liable to address the Shareholders' general meeting whether the Company has acted improperly or not in writing or assigning a representative to attend the Shareholders' general meeting.	Article 28 The **audit and risk management** committee of the Board of Directors shall be responsible for matters relating to the appointment, dismissal, non-renewal and related fees of the accounting firm, and shall make recommendations to the Board of Directors, and submit proposals to the Shareholders' general meeting through the Board of Directors, which shall be voted on and approved by the Shareholders' general meeting. In the event that the Board of Directors proposes to dismiss or not to re-appoint the accountants, prior notice shall be given to the accountants concerned and the Board of Directors shall explain the reasons thereof to the Shareholders' general meeting. The relevant accountants shall be entitled to give their opinions in the Shareholders' general meeting. In the event that the Board of Directors dismisses the accountants due to proper reasons during time not having a Shareholders' general meeting, it may appoint other accountants as a temporary replacement provided that such appointment shall be ratified and approved in the coming Shareholders' general meeting. In the event that the registered accountant resigns, the Board of Directors shall state the reasons for such resignation in the coming Shareholders' general meeting. The resigned registered accountant is liable to address the Shareholders' general meeting whether the Company has acted improperly or not in writing or assigning a representative to attend the Shareholders' general meeting.

Existing Articles	Revised Articles
Article 30 After issue of notice of Shareholders' general meeting by the Company about election of Directors (excluding employees' representative director) ~~and Supervisors~~, shareholders holding individually or in aggregate more than ~~3~~% of the voting shares of the Company may propose nominees of Directors (excluding employees' representative director) ~~and Supervisors~~ before the Shareholders' general meeting for review by the Board of Directors in accordance with the procedures for amending the proposals for the Shareholders' general meeting before submission to Shareholders' general meeting for examination.	Article 29 After issue of notice of Shareholders' general meeting by the Company about election of Directors (excluding employees' representative director), shareholders holding individually or in aggregate more than **1**% of the voting shares of the Company may propose nominees of Directors (excluding employees' representative director) before the Shareholders' general meeting for review by the Board of Directors in accordance with the procedures for amending the proposals for the Shareholders' general meeting before submission to Shareholders' general meeting for examination.
Article 31 A The notice of the Shareholders' general meeting shall include the following contents: ~~**(1) it shall be made in writing;**~~ ~~**(2) it shall specify the venue, date time for the meeting;**~~ ~~**(3) it shall state the matters to be discussed at the meeting;**~~ ~~**(4) it shall provide such information and explanations as are necessary for the Shareholders to make an informed decision on the proposals put before them. This principle shall include (but not limited to), where a proposal is made by the Company for merger, repurchase of shares, restructure of share capital, or reorganisation of the Company in any other way, the specific terms of the proposed conditions and contract, if any, and its cause and effect shall be conscientiously explained;**~~	Article 30 The notice of the Shareholders' general meeting shall include the following contents: **(1) the time, place and duration of the meeting;** **(2) state the matters and proposals to be considered at the meeting;** **(3) contain a conspicuous statement that all ordinary shareholders are entitled to attend the Shareholders' general meeting and may appoint one or more proxies to attend and vote on their behalf and a proxy need not be a shareholder of the Company;** **(4) it shall specify the record date of equity of the shareholders entitled to attend the Shareholders' general meeting;**

Existing Articles	Revised Articles
~~(5) it shall contain a disclosure of the nature and extent, if any, of the material interests if any director, supervisor, general manager, deputy general manager and other senior administrative officers are materially interested in the matters for discussion. If the effects of the matters for discussion on them in their respective capacity as shareholders are different from the effects on the effects of other shareholders of the same class, the difference shall be set out;~~ ~~(6) it shall contain the full text of any special resolution proposed to be passed at the meeting;~~ ~~(7) it shall contain conspicuously a statement that a shareholder entitled to attend and vote is entitled to appoint one or more proxies to attend and vote for and on his behalf and that a proxy need not be a shareholder;~~ ~~(8) it shall specify the time and~~ venue for serving the proxy forms for the meeting; ~~(9) it shall specify the record date of equity of the shareholders entitled to attend the Shareholders' general meeting;~~ ~~(10) it shall specify the name and telephone number of the standing contact person of the meeting;~~ ~~(11) it shall specify the voting time and procedure of the Internet or any other means.~~	(5) it shall specify the name and telephone number of the standing contact person of the meeting; (6) it shall specify the voting time and procedure of the Internet or any other means. The period between the record date and the date for the meeting shall not be more than seven business days. No changes shall be made once the record date is confirmed.

Existing Articles	Revised Articles
Article 32 Once the Board has issued a notice to convene a General Meeting, the General Meeting shall not be postponed or canceled ~~**without any grounds**~~. If the Company must postpone or cancel the General Meeting due to special reasons, an announcement shall be issued at least 2 working days before the original date of the General Meeting~~**. In this announcement, the Board shall**~~ provide the reasons therefor. No postponement of the General Meeting shall alter the date of record of the shareholders who are entitled to the General Meeting as mentioned in the original notice.	Article 31 Once the Board has issued a notice to convene a General Meeting, the General Meeting shall not be postponed or canceled **without justifiable reasons, and the proposals set out in the notice shall not be cancelled**. If the Company must postpone or cancel the General Meeting due to special reasons, an announcement shall be issued at least 2 working days before the original date of the General Meeting **to** provide the reasons therefor. No postponement of the General Meeting shall alter the date of record of the shareholders who are entitled to the General Meeting as mentioned in the original notice.
Chapter 5 Holding of Shareholders' General Meeting	Chapter 5 Holding of Shareholders' General Meeting
Article 33 The board of directors shall state in the notice to convene a Shareholders' general meeting the matters to be discussed at the meeting, and adequately disclose the content of all the proposals. If it is necessary to modify the matters covered in the resolution of the previous general meeting, the content of the proposal shall be completed and shall not include only the content of modification. Those listed under "other matters" but without details specified cannot be deemed as proposals and shall not be voted on and resolved at the general meeting.	Article 32 The board of directors shall state in the notice to convene a Shareholders' general meeting matters to be discussed at the meeting, and adequately disclose the content of all the proposals. If it is necessary to modify the matters covered in the resolution of the previous general meeting, the content of the proposal shall be completed and shall not include only the content of modification. Those listed under "other matters" but without details specified cannot be deemed as proposals and shall not be voted on and resolved at the general meeting.
Article 34 The Shareholders' general meetings shall be convened by means of physical meetings, online voting or other methods. Where the laws, administrative regulations and the Articles of Association stipulate that the voting matters shall adopt the online voting method, the Company must adopt the online voting method.	Article 33 The Shareholders' general meetings shall be convened by means of physical meetings, online voting or other methods. Where the laws, administrative regulations ~~**and**~~**, departmental rules, the securities regulatory rules of the place where the Company's shares are listed or** the Articles of Association stipulate that the voting matters shall adopt the online voting method, the Company must adopt the online voting method.

Existing Articles	Revised Articles
Article 35 In case the Company holds a Shareholders' general meeting and online voting is made available to the domestic shareholders, the time and procedures for online voting and the matters to be considered and approved shall be specified in the notice of general meeting. The commencing time of voting online or through other means of any Shareholders' general meeting shall not be earlier than 3:00 p.m. on the date preceding the convening of physical meeting and shall not be later than 9:30 a.m. on the convening date of physical meeting. Its conclusion time shall not be earlier than 3:00 p.m. on the conclusion date of physical meeting. If the Shareholders' general meeting implements online voting, all shareholders registered on the record date shall have the right to exercise their voting rights through online voting. However, the same share shall only be exercised once by the ways of on-site voting, online voting or other means of voting as specified. In the case of repeated voting for the same share, only the first vote is valid.	Article 34 In case the Company holds a Shareholders' general meeting and online voting is made available to the domestic shareholders, the time and procedures for online voting and the matters to be considered and approved shall be specified in the notice of general meeting. The commencing time of voting online or through other means of any Shareholders' general meeting shall not be earlier than 3:00 p.m. on the date preceding the convening of physical meeting and shall not be later than 9:30 a.m. on the convening date of physical meeting. Its conclusion time shall not be earlier than 3:00 p.m. on the conclusion date of physical meeting. If the Shareholders' general meeting implements online voting, all shareholders registered on the record date shall have the right to exercise their voting rights through online voting. However, the **voting right of** the same share shall only be exercised once by the ways of on-site voting, online voting or other means of voting as specified. In the case of repeated voting for the same share, only the first vote is valid.
Article 36 Under the premise of ensuring the legality, effectiveness and conditions of the Shareholders' general meeting, the Company shall, through various means and channels, including providing modern information technology means such as an online voting platform for domestic shareholders, expand the proportion of public shareholders participating in the Shareholders' general meeting.	Article 35 Under the premise of ensuring the legality, effectiveness and conditions of the Shareholders' general meeting, the Company shall, through various means and channels, including providing modern information technology means such as an online voting platform for domestic shareholders, expand the proportion of public shareholders participating in the Shareholders' general meeting.

Existing Articles	Revised Articles
Article 37 Shareholders may attend a Shareholders' general meeting in person or appoint a proxy to attend and vote on their behalf. Where a shareholder appoints a proxy to attend and vote, the appointment shall be made in writing. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorized in writing, or if the appointer is a legal entity, either under seal or under the hand of ~~**a director**~~ or attorney duly authorized.	Article 36 Shareholders may attend a Shareholders' general meeting in person or appoint a proxy to attend and vote on their behalf. Where a shareholder appoints a proxy to attend and vote, the appointment shall be made in writing. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorized in writing, or if the appointer is a legal entity, either under seal or under the hand of **its legal representative** or attorney duly authorized.
Article 38 When convening a Shareholders' general meeting, the Company shall have the board of directors determine a certain day as the record date of equity. All shareholders or their agents registered on the record date of equity shall be entitled to attend the Shareholders' general meeting, and the Company and the convener shall not refuse for any reason.	Article 37 When convening a Shareholders' general meeting, the Company shall have the board of directors determine a certain day as the record date of equity. All shareholders or their agents registered on the record date of equity shall be entitled to attend the Shareholders' general meeting, and the Company and the convener shall not refuse for any reason.
Article 39 ~~**A shareholder shall attend a Shareholders' general meeting with his/her stock account card, identity card or other valid certificates or proof that can show his/her identity. A proxy shall also provide the instrument of proxy of the shareholder and a valid personal identity document.**~~ ~~**If a corporate shareholder designates its legal representative to attend a meeting, the legal representative shall present his/her identity certificate and a notarized copy of the resolution or written power of attorney issued by the board of directors or other authority of the corporate shareholder designating the legal representative. Where a proxy of the legal representative attends the meeting, the proxy shall present his/her identity card, written power of attorney issued by the legal representative of the corporate shareholder in accordance with the laws, and a shareholding certificate.**~~	Article 38 **Individual shareholder attending the meeting in person shall present his/her personal identity card or other valid certificates or proof or stock account card that can show his/her identity. If a proxy is appointed to attend the meeting, the proxy shall present his/her personal identity card and the written power of attorney from the shareholder.** **Corporate Shareholder shall be represented by its legal representative or proxy appointed by the legal representative. Legal representative attending the meeting shall present his/her personal identity card or valid documents that can prove his/her identity as the legal representative. If a proxy is appointed to attend the meeting, the proxy shall present his/her personal identity card and the written power of attorney issued by the legal representative of the corporate shareholder in accordance with the laws.**

Existing Articles	Revised Articles
Article 40 The proxy form issued by shareholders to authorize other persons to attend the general meeting on their behalf shall clearly state the following: ~~**(1) The name of the proxy;**~~ ~~**(2) Whether the proxy has the right to vote;**~~ ~~**(3) Instructions to vote for, against or abstain from voting respectively on each motion of consideration listed on the agenda of the general meeting;**~~ ~~**(4) Whether there are voting rights on the temporary motions to be included in the agenda of general meeting, and if so, specific instructions on which voting rights shall be exercised;**~~ (5) The signing date and the period of validity of the proxy form; (6) The signature or seal of the appointing shareholder, if the appointing shareholder is a legal person, the seal of the legal person shall be affixed. Shareholders of the company or their proxies who vote at the General Meeting shall explicitly take one of the following stances when a proposal is put forward for voting: for, against or abstain. According to the requirement of relevant rules, the nominal holders of shares shall exercise their voting rights according to the different voting comments to the same resolution from the actual holders.	Article 39 The proxy form issued by shareholders to authorize other persons to attend the general meeting on their behalf shall clearly state the following: **(1) Name of the principal, and the class and number of shares held in the Company;** **(2) Name of the proxy;** **(3) Shareholders' specific indication, including indications of consent, objection or abstention concerning each proposal on the agenda of the Shareholders' general meeting;** (4) The signing date and the period of validity of the proxy form; (5) The signature or seal of the appointing shareholder, if the appointing shareholder is a legal person, the seal of the legal person shall be affixed. Shareholders of the company or their proxies who vote at the General Meeting shall explicitly take one of the following stances when a proposal is put forward for voting: for, against or abstain. According to the requirement of relevant rules, the nominal holders of shares shall exercise their voting rights according to the different voting comments to the same resolution from the actual holders.

Existing Articles	Revised Articles
~~**Article 41 The instrument for appointing a voting proxy and, if such instrument is signed by a person under a power of attorney or other authority on behalf of the appointer, a notarially certified copy of that power of attorney or other authority, shall be deposited at the premises of the Company or at such other place as is specified for that purpose in the notice convening the meeting, not less than twenty-four hours before the time for holding the meeting or the time appointed for the passing of the resolution.**~~ ~~**If the appointer is a legal person, its legal representative or such person as is authorised by resolution of its Board of Directors or other governing body may attend at any meeting of shareholders of the Company as a representative of the appointer.**~~	/
Article 42 The board of directors ~~**and supervisory committee**~~ of the Company shall take all necessary measures to ensure the solemnity and proper order of the general meeting. The Company may refuse the admission of any persons (other than the shareholders (and their proxies) attending the general meeting, directors, ~~**supervisors,**~~ secretary to the board of directors, senior management, lawyers retained by the Company and invitees of the Company) to the venue of the general meeting. The Company shall take measures to prevent the occurrence of any interruption to order of the general meeting, disturbance and nuisance, and any conduct infringing the legitimate rights of the shareholders. The Company shall also report the same to the relevant government authorities for investigation.	Article 40 The board of directors **and the audit and risk management committee of the board of directors** of the Company shall take all necessary measures to ensure the solemnity and proper order of the general meeting. The Company may refuse the admission of any persons (other than the shareholders (and their proxies) attending the general meeting, directors secretary to the board of directors, senior management, lawyers retained by the Company and invitees of the Company) to the venue of the general meeting. The Company shall take measures to prevent the occurrence of any interruption to order of the general meeting, disturbance and nuisance, and any conduct infringing the legitimate rights of the shareholders. The Company shall also report the same to the relevant government authorities for investigation.

Existing Articles	Revised Articles
Article 43 A registration record for attendants at the meeting shall be compiled by the Company. The registration record shall contain the names of attendants (or names of organizations), identity card numbers, residential addresses, the number of shares held or representing the voting rights and names (or name of organizations) of the proxies, etc.	Article 41 A registration record for attendants at the meeting shall be compiled by the Company. The registration record shall contain the names of attendants (or names of organizations), identity card numbers, residential addresses, the number of shares held or representing the voting rights and names (or name of organizations) of the proxies, etc.
Article 44 The convener and the lawyers engaged by the Company shall jointly verify the validity of the shareholders' qualifications based on the register of members provided by the securities registration and clearing authorities, and shall register the names of the shareholders as well as the number of their voting shares. The registration for a meeting shall end before the chairman of the meeting announces the number of shareholders and proxies attending the meeting in person and the total number of their voting shares held.	Article 42 The convener and the lawyers engaged by the Company shall jointly verify the validity of the shareholders' qualifications based on the register of members provided by the securities registration and clearing authorities, and shall register the names of the shareholders as well as the number of their voting shares. The registration for a meeting shall end before the chairman of the meeting announces the number of shareholders and proxies attending the meeting in person and the total number of their voting shares held.
Article 45 ~~**When holding a general meeting, all the directors, supervisors and secretaries to the board of directors of the Company shall attend. Managers and other senior managements shall be present at the meeting.**~~	Article 43 **If the Shareholders' general meeting requests the attendance of directors and senior management, the directors and senior management shall attend the meeting and accept the enquiry of shareholders.**
~~**Article 46 The general meeting shall be presided over by the chairman of the board of directors. Where the chairman of the board of directors is unable to discharge the duty or will not discharge the duty, the meeting shall be presided over by the vice chairman of the board. Where the vice chairman of the board is unable to discharge the duty or will not discharge the duty, more than one half of the directors shall jointly designate a director to preside over the meeting.**~~	/

Existing Articles	Revised Articles
~~If a general meeting is convened by supervisory committee, the chairman of the supervisory committee shall preside over the meeting. If the chairman of the supervisory committee is unable to discharge the duty or will not discharge the duty, more than one half of the supervisors shall jointly designate a supervisor to preside over the meeting.~~ ~~If a general meeting is convened by the shareholders themselves, the convener shall nominate a representative to preside over the meeting.~~ ~~At a general meeting, if the chairman of the meeting contravenes the meeting procedures, making the general meeting impossible to proceed, with consent from more than one half of the attendant shareholders with voting rights, a person may be nominated at the general meeting to serve as the chairman and continue with the meeting.~~	
Article 47 Chairman shall order the following persons to leave the meeting: (1) Persons not qualified to attend; (2) Persons making trouble; (3) Persons not dressed properly; (4) Persons carrying dangerous materials or bringing animals. Those who disobey the order shall be taken out with force by staff of the place of meeting. It can ask for public security's assistance if necessary.	Article 44 Chairman shall order the following persons to leave the meeting: (1) Persons not qualified to attend; (2) Persons making trouble; (3) Persons not dressed properly; (4) Persons carrying dangerous materials or bringing animals. Those who disobey the order shall be taken out with force by staff of the place of meeting. It can ask for public security's assistance if necessary.
Article 48 Resolutions shall be considered and voted in the order listed on the notice of the meeting. Relevant resolutions could be discussed jointly if necessary.	Article 45 Resolutions shall be considered and voted in the order listed on the notice of the meeting. Relevant resolutions could be discussed jointly if necessary.

Existing Articles	Revised Articles
Article 49 The chairman of the meeting or its assigned staff shall make explanation or distribute documents, if necessary, for each resolution.	Article 46 The chairman of the meeting or its assigned staff shall make explanation or distribute documents, if necessary, for each resolution.
Article 50 ~~**Supervisory committee**~~ shall give opinion on the resolution considered at the shareholders' general meeting if it thinks it is necessary and submit a separate report thereon.	Article 4 7 **The audit and risk management committee of the board of directors** shall give opinion on the resolution considered at the shareholders' general meeting if it thinks it is necessary and submit a separate report thereon.
Article 51 At an annual general meeting, the board of directors ~~**and the supervisory committee**~~ shall report to the meeting on their work over the past year. Independent directors shall also present reports on their work at the meeting.	Article 48 At an annual general meeting, the board of directors shall report to the meeting on their work over the past year. Independent directors shall also present reports on their work at the meeting.
Article 52 Except for trade secret of the Company and issues which are not discloseable at Shareholders' general meetings as provided by laws, regulations~~**, or securities rules**~~, directors~~**, supervisors**~~ and senior management officers shall reply or give explanation and description to the inquiries and suggestions raised by the shareholders at the Shareholders' general meeting. When a motion relating to a connected transaction is to be considered at a Shareholders' general meeting, the connected shareholders (including their proxies) shall abstain from voting, and their voting shares shall not be counted toward the total number of voting shares represented by the shareholders attending the Shareholders' general meeting. The listed company has no voting right for the shares it holds, and such part of shares shall be excluded from the total number of voting shares represented by the shareholders attending the Shareholders' general meeting.	Article 49 Except for trade secret of the Company and issues which are not discloseable at Shareholders' general meetings as provided by laws, **administrative** regulations, **rules and regulations,** or **the** securities **regulatory** rules **of the place where the Company's shares are listed,** directors and senior management officers shall reply or give explanation and description to the inquiries and suggestions raised by the shareholders at the Shareholders' general meeting. When a motion relating to a connected transaction is to be considered at a Shareholders' general meeting, the connected shareholders (including their proxies) shall abstain from voting, and their voting shares shall not be counted toward the total number of voting shares represented by the shareholders attending the Shareholders' general meeting. The listed company has no voting right for the shares it holds, and such part of shares shall be excluded from the total number of voting shares represented by the shareholders attending the Shareholders' general meeting.

Existing Articles	Revised Articles
Chapter 6 Voting and Resolutions of the Shareholders' General Meeting	Chapter 6 Voting and Resolutions of the Shareholders' General Meeting
Article 53 Shareholders (including the proxies) may exercise their voting rights in accordance with the number of their voting shares and each share shall have one vote. When material matters affecting the interests of minority shareholders are considered at the Shareholders' general meeting, the votes of minority shareholders shall be counted separately. The results of separate vote counting shall be disclosed publicly in a timely manner. Where a shareholder purchases shares of the Company with voting rights in violation of the provisions of paragraphs 1 and 2 of Article 63 of the Securities Law, the voting rights of the shares exceeding the prescribed proportion shall not be exercised within 36 months after the purchase, nor shall such shares be included in the total number of voting shares held by shareholders present at the meeting. The board of directors, independent directors, shareholders holding more than 1% of the shares with voting rights or investor protection institutions established in accordance with laws, administrative regulations or the provisions of the CSRC may publicly solicit shareholders' voting rights. The solicitation of shareholders' voting rights shall fully disclose the specific voting intention and other information to the solicited persons. The solicitation of shareholders' voting rights based on remuneration or disguised remuneration is prohibited. Except for statutory conditions, the Company shall not propose a minimum percentage of shareholding for the solicitation of voting rights.	Article 50 Shareholders (including the proxies) may exercise their voting rights in accordance with the number of their voting shares and each share shall have one vote. When material matters affecting the interests of minority shareholders are considered at the Shareholders' general meeting, the votes of minority shareholders shall be counted separately. The results of separate vote counting shall be disclosed publicly in a timely manner. Where a shareholder purchases shares of the Company with voting rights in violation of the provisions of paragraphs 1 and 2 of Article 63 of the Securities Law, the voting rights of the shares exceeding the prescribed proportion shall not be exercised within 36 months after the purchase, nor shall such shares be included in the total number of voting shares held by shareholders present at the meeting. The board of directors, independent directors, shareholders holding more than 1% of the shares with voting rights or investor protection institutions established in accordance with laws, administrative regulations or the provisions of the CSRC may publicly solicit shareholders' voting rights. The solicitation of shareholders' voting rights shall fully disclose the specific voting intention and other information to the solicited persons. The solicitation of shareholders' voting rights based on remuneration or disguised remuneration is prohibited. Except for statutory conditions, the Company shall not propose a minimum percentage of shareholding for the solicitation of voting rights.

Existing Articles	Revised Articles
Article 54 Resolutions of Shareholders' general meetings shall be divided into ordinary resolutions and special resolutions.	Article 51 Resolutions of Shareholders' general meetings shall be divided into ordinary resolutions and special resolutions.
To adopt an ordinary resolution, votes representing a majority of the voting rights represented by the shareholders (including proxies) present at the meeting must be exercised in favour of the resolution in order for it to be passed.	To adopt an ordinary resolution, votes representing a majority of the voting rights represented by the shareholders (including proxies) present at the meeting must be exercised in favour of the resolution in order for it to be passed.
To adopt a special resolution, votes representing more than two-thirds of the voting rights represented by the shareholders (including proxies) present at the meeting must be exercised in favour of the resolution in order for it to be passed.	To adopt a special resolution, votes representing more than two-thirds of the voting rights represented by the shareholders (including proxies) present at the meeting must be exercised in favour of the resolution in order for it to be passed.
Shareholders (including proxies) attending the meetings shall explicitly take one of the following stances when a proposal is put forward for voting: for, against or abstain, except that the securities registration and clearing institution, as the nominal holder of shares under the Mainland-Hong Kong Stock Connect, makes a declaration according to the intentions of the actual holders. Blank, wrong, illegible or uncast votes shall be deemed as the voters' waiver of their voting rights, and the voting results representing the shares held by them shall be counted as "abstain".	Shareholders (including proxies) attending the meetings shall explicitly take one of the following stances when a proposal is put forward for voting: for, against or abstain, except that the securities registration and clearing institution, as the nominal holder of shares under the Mainland-Hong Kong Stock Connect, makes a declaration according to the intentions of the actual holders. Blank, wrong, illegible or uncast votes shall be deemed as the voters' waiver of their voting rights, and the voting results representing the shares held by them shall be counted as "abstain".
When any proxy of any shareholders shall abstain from voting or be limited to vote in favor of or against any designated resolution, any votes made by such proxy in contravention of the aforesaid regulation or limitation shall not be counted in the total number of voting shares.	When any proxy of any shareholders shall abstain from voting or be limited to vote in favor of or against any designated resolution, any votes made by such proxy in contravention of the aforesaid regulation or limitation shall not be counted in the total number of voting shares.

Existing Articles	Revised Articles
Article 55 The following matters shall be resolved by an ordinary resolution at a general meeting: (1) work report~~s~~ of the Board of Directors ~~**and the supervisory committee**~~; (2) plans formulated by the Board of Directors for distribution of profits and for making up losses; (3) removal of the members of the Board of Directors ~~**and members of the supervisory committee**~~, their remuneration and method of payment; (4) ~~**annual preliminary and final budget, balance sheet, profit and loss account and other financial statements of the Company;**~~ (5) matters other than those specified by laws, administrative regulations ~~**or the Articles of Association**~~ to be resolved by special resolutions.	Article 52 The following matters shall be resolved by an ordinary resolution at a general meeting: (1) work report~~s~~ of the Board of Directors; (2) plans formulated by the Board of Directors for distribution of profits and for making up losses; (3) removal of the members of the Board of Directors, their remuneration and method of payment; (4) matters other than those specified by laws, administrative regulations, **departmental rules, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association** to be resolved by special resolutions.
Article 56 The following matters shall be resolved by a special resolution at a general meeting: (1) the increase or reduction in share capital ~~**and the issue of shares of any class, warrants and other similar securities**~~; (2) ~~**the issue of debentures of the Company;**~~ (3) the division, spin-off, merger, dissolution and liquidation of the Company; (4) amendments to the Company's Articles of Association; (5) share incentive schemes;	Article 53 The following matters shall be resolved by a special resolution at a general meeting: (1) the increase or reduction in share capital (2) the division, spin-off, merger, dissolution and liquidation of the Company; (3) amendments to the Articles of Association; (4) share incentive schemes; (5) acquisition or disposal of major assets or provision of guarantee by the Company within one year with the amount exceeding 30% of the latest audited total assets of the Company;

Existing Articles	Revised Articles
(6) acquisition or disposal of major assets or provision of guarantee by the Company within one year with the amount exceeding 30% of the latest audited total assets of the Company; (7) any other matters considered by the General meeting, resolved by way of an ordinary resolution, to be of a nature which may have a material impact on the Company and should be adopted by a special resolution.	(6) any other matters **as provided by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed and** considered by the General meeting, resolved by way of an ordinary resolution, to be of a nature which may have a material impact on the Company and should be adopted by a special resolution.
Article 57 Directors **~~(excluding employee representative directors)~~** will be elected at General meetings through cumulative voting. When directors are elected through cumulative voting at General meetings, the number of total votes that a shareholder can exercise is the product of the number of shares held by such shareholder, and the number **~~of directors~~** to be elected. A shareholder can give all his or her votes to one **~~director~~** candidate or divide his or her votes among several **~~director~~** candidates. Directors are elected at the General meetings based on the number of votes the **~~director~~** candidates receive. Shareholders attending the general meeting shall have the same number of votes as the number of Directors **~~or Supervisors~~** to be elected under each proposal group for each share held in the proposal subject to the cumulative voting. A shareholder can give all his or her votes to one candidate or divide his or her votes among several candidates. Shareholders shall vote up to a limit of the number of votes in each resolution group. In the event that the number of votes cast by the shareholder exceeds the number of the votes he/she holds, or the shareholder casts votes in a number exceeding the number of candidates in the competitive election, the vote on such resolution shall be deemed invalid.	Article 54 **When a voting is made on the election of two or more Directors** at General meetings**,** cumulative voting **shall be adopted**. When directors are elected through cumulative voting at General meetings, the number of total votes that a shareholder can exercise is the product of the number of shares held by such shareholder, and the number to be elected. A shareholder can give all his or her votes to one **candidate** or divide his or her votes among several **candidates**. Directors are elected at the General meetings based on the number of votes the **candidates** receive. Shareholders attending the general meeting shall have the same number of votes as the number of Directors to be elected under each proposal group for each share held in the proposal subject to the cumulative voting. A shareholder can give all his or her votes to one candidate or divide his or her votes among several candidates. Shareholders shall vote up to a limit of the number of votes in each resolution group. In the event that the number of votes cast by the shareholder exceeds the number of the votes he/she holds, or the shareholder casts votes in a number exceeding the number of candidates in the competitive election, the vote on such resolution shall be deemed invalid.

Existing Articles	Revised Articles
Shareholders with multiple shareholder accounts may vote online through any one of their accounts. The number of votes they are entitled to is calculated on the basis of the total shares of the same class under all of their shareholder accounts.	Shareholders with multiple shareholder accounts may vote online through any one of their accounts. The number of votes they are entitled to is calculated on the basis of the total shares of the same class under all of their shareholder accounts.
Article 58 Save and except for the cumulative voting system, the General Meeting shall vote on each of the proposed resolutions set out in the agenda, and such voting shall not in any event be suspended or cancelled. Should there be more than one resolution on the same issue in the ~~**Annual**~~ General Meeting, voting shall be done according to the time sequence of the resolutions proposed.	Article 55 Save and except for the cumulative voting system, the General Meeting shall vote on each of the proposed resolutions set out in the agenda, and such voting shall not in any event be suspended or cancelled. Should there be more than one resolution on the same issue in the General Meeting, voting shall be done according to the time sequence of the resolutions proposed.
Article 59 ~~**Voting at the Shareholders' general meeting shall be taken by the following ways:**~~ ~~**(1) by ballot;**~~ ~~**(2) show of hands for matters not currently required to be voted by ballot;**~~ ~~**Voting is made by unconditional ballot, that is, no additional conditions are attached to voting.**~~	Article 56 **Voting at the Shareholders' general meeting shall be taken by disclosed ballot.**

Existing Articles	Revised Articles
~~**Article 60 Unless a poll is demanded before or after any vote by show of hands at any Shareholders' general meeting by following parties, a resolution shall be passed on a show of hands other than those are required to be decided by a poll as provided in these Rules:**~~ ~~**(1) the chairman of the meeting;**~~ ~~**(2) at least two shareholders entitled to vote present in person or by proxy;**~~ ~~**(3) by one or more shareholders present in person or by proxy and representing 10% or more of all shares carrying the rights to vote at the meeting.**~~ ~~**The demand for a poll may be withdrawn by the person who makes such a demand.**~~	
Article 61 Where online voting is provided at the General meeting of the Company concurrently, the number of votes by shareholders or their proxies through online voting system of the General meeting shall be taken into the total number of votes of the General meeting together with the number of votes on site of the meeting and by other means as specified. The voting right of the same share shall only be exercised once by the ways of on-site voting, online voting or other means of voting. In the case of repeated voting for the same share, only the first vote is valid.	Article 57 Where online voting is provided at the General meeting of the Company concurrently, the number of votes by shareholders or their proxies through online voting system of the General meeting shall be taken into the total number of votes of the General meeting together with the number of votes on site of the meeting and by other means as specified. The voting right of the same share shall only be exercised once by the ways of on-site voting, online voting or other means of voting. In the case of repeated voting for the same share, only the first vote is valid.
Article 62 When a resolution on connected transactions is voted on at the Shareholders' general meeting, any connected shareholders shall abstain from voting. The number of voting shares represented by such shareholders shall be excluded from the total number of voting shares held by shareholders present at the meeting.	Article 58 When a resolution on connected transactions is voted on at the Shareholders' general meeting, any connected shareholders shall abstain from voting. The number of voting shares represented by such shareholders shall be excluded from the total number of voting shares held by shareholders present at the meeting.

Existing Articles	Revised Articles
Article 63 Before a resolution is voted, ~~at least~~ two representatives of the Shareholders ~~and a supervisor~~ shall be elected to participate in vote counting and scrutinising. Where a shareholder is related to the matter to be considered, the relevant Shareholders and their proxies shall not participate in the vote counting and scrutinising. When the shareholders are voting on the motions, lawyers, shareholder representatives and ~~supervisor~~ representatives shall count and scrutinize the votes jointly.	Article 59 Before a resolution is voted, two representatives of the Shareholders shall be elected to participate in vote counting and scrutinising. Where a shareholder is related to the matter to be considered, the relevant Shareholders and their proxies shall not participate in the vote counting and scrutinising. When the shareholders are voting on the motions, lawyers, shareholder representatives and representatives **of the audit and risk management committee of the board of directors member** shall count and scrutinize the votes jointly**, and shall announce the voting results on the spot. The voting results of resolution s shall be recorded in the minutes**.
Article 64 The on-site general meeting shall not end earlier than the online meeting or meeting delivered through other means. The chairman of the meeting shall announce the voting status and voting result for each proposal and announce whether a resolution is passed according to the voting result. Before the voting result is officially announced, the Company, counter, scrutineer, substantial shareholders, network services provider and other related parties involved in the on-site general meeting, online meeting or meeting delivered through other means shall keep in confidential the voting result.	Article 60 The on-site general meeting shall not end earlier than the online meeting or meeting delivered through other means. The chairman of the meeting shall announce the voting status and voting result for each proposal and announce whether a resolution is passed according to the voting result. Before the voting result is officially announced, the Company, counter, scrutineer, substantial shareholders, network services provider and other related parties involved in the on-site general meeting, online meeting or meeting delivered through other means shall keep in confidential the voting result.

Existing Articles	Revised Articles
Article 65 The board secretary shall be responsible for preparing minutes of Shareholders' general meetings, which shall contain:	Article 61 The board secretary shall be responsible for preparing minutes of Shareholders' general meetings, which shall contain:
(1) the time, venue, agendas of the meeting, and the name of the convener;	(1) the time, venue, agendas of the meeting, and the name of the convener;
(2) the name of the chairman of the meeting, the directors~~, supervisors~~ Secretary to the Board of Directors, general manager and other senior administrative officers attending the meeting;	(2) the name of the chairman of the meeting, the directors, Secretary to the Board of Directors, general manager and other senior administrative officers attending the meeting;
(3) the number of shareholders and proxies attending the meeting, the total number of their voting shares and their respective proportions to the total number of shares of the Company;	(3) the number of shareholders and proxies attending the meeting, the total number of their voting shares and their respective proportions to the total number of shares of the Company;
~~(4) the name of the chairperson and the procedure of the meeting;~~	**(4) the process of deliberation of each proposal, the main points of speeches and the voting results;**
~~(5) the process of deliberation of each proposal, the main points of speeches for each motion~~	**(5) the inquiries or suggestions of the shareholders and the corresponding replies or explanations;**
~~(6) the voting results of each proposal;~~	**(6) the names of legal counsel, vote counters, and supervisors;**
~~(7) the inquiries or suggestions of the shareholders and the corresponding replies or explanations given by the Board or the supervisory committee;~~	**(7) other contents which, shall be contained in the minutes of the meeting as prescribed by the Articles of Association**
~~(8) the names of legal counsel, vote counters, and supervisors;~~	
~~(9) other contents which, shall be contained in the minutes of the meeting as considered by the Shareholders' general meetings or prescribed by these Articles of Association.~~	

Existing Articles	Revised Articles
Article 66 The Directors~~, supervisors~~ and Secretary to the Board who attended the meeting, the convener or his/her representative and the chairman of the meeting shall sign the minutes ~~and shall ensure that the meeting minutes are true, accurate and complete~~. The meeting minutes, signature book of the shareholders present in person, the instruments of appointment of proxies and valid information on votes cast online or by other means shall be kept as records of the Company by the Secretary to the Board for a period of not less than 10 years.	Article 62 **The convener shall ensure that the meeting minutes are true, accurate and complete.** The Directors and Secretary to the Board who attended the meeting, the convener or his/her representative and the chairman of the meeting shall sign the minutes. The meeting minutes, signature book of the shareholders present in person, the instruments of appointment of proxies and valid information on votes cast online or by other means shall be kept as records of the Company by the Secretary to the Board for a period of not less than 10 years.
Article 67 The board secretary shall lodge the resolutions of Shareholders' general meeting and relevant documents with the stock exchanges within specified time frame and make relevant announcements on the designed newspaper for information disclosure in a timely manner as required by the stock exchange and disclose other disclosable information.	Article 63 The board secretary shall lodge the resolutions of Shareholders' general meeting and relevant documents with the stock exchanges within specified time frame and make relevant announcements on the designed newspaper for information disclosure in a timely manner as required by the stock exchange and disclose other disclosable information.
Chapter 7 Enforcement of the Resolutions of Shareholders' General Meeting	Chapter 7 Enforcement of the Resolutions of Shareholders' General Meeting
Article 68 The resolutions of the General Meeting shall be announced in a timely manner, and the announcement shall indicate the number of shareholders and proxies that attended the meeting, the total number of voting shares and its proportion to the total share carrying voting rights of the Company, and the voting method, voting results of each resolution and details of each resolution passed.	Article 64 The resolutions of the General Meeting shall be announced in a timely manner, and the announcement shall indicate the number of shareholders and proxies that attended the meeting, the total number of voting shares and its proportion to the total share carrying voting rights of the Company, and the voting method, voting results of each resolution and details of each resolution passed.
Article 69 Where a resolution has not been adopted or the resolution of any previous general meeting has been modified in the current general meeting, a special explanation shall be made in the announcement on the resolutions of the general meeting.	Article 65 Where a resolution has not been adopted or the resolution of any previous general meeting has been modified in the current general meeting, a special explanation shall be made in the announcement on the resolutions of the general meeting.

Existing Articles	Revised Articles
Article 70 If the proposal with respect to election of directors ~~(excluding employee representative directors) or supervisors~~ is approved at the shareholders' general meeting, the terms of office of the new director or supervisor is subject to the provisions of the Articles of Association.	Article 66 If the proposal with respect to election of directors is approved at the shareholders' general meeting, the terms of office of the new director is subject to the provisions of the Articles of Association.
Article 71 When the general meeting has passed proposals regarding cash distribution, bonus issue or conversion of capital common reserve into capital, the specific proposals will be implemented within two months after being considered and approved by the general meeting.	Article 67 When the general meeting has passed proposals regarding cash distribution, bonus issue or conversion of capital common reserve into capital, the specific proposals will be implemented within two months after being considered and approved by the general meeting.
Article 72 Any resolution of the Shareholders' general meeting of the Company that is inconsistent with the laws or administrative regulations shall be invalid. Where any of the procedures for convening a Shareholders' general meeting or the means of voting is inconsistent with the laws, administrative regulations or the Company's Articles of Association, or the content of any resolution is inconsistent with the Company' s Articles of Association, shareholders may request the people's court to cancel such resolution within sixty days from the date on which the resolution is made.	Article 68 Any resolution of the Shareholders' general meeting of the Company that is inconsistent with the laws or administrative regulations shall be invalid. Where any of the procedures for convening a Shareholders' general meeting or the means of voting is inconsistent with the laws, administrative regulations or the Company's Articles of Association, or the content of any resolution is inconsistent with the Company's Articles of Association, shareholders may request the people's court to cancel such resolution within sixty days from the date on which the resolution is made.
Article 73 These rules shall be implemented as an appendix to the Company's Articles of Association from the date of approval by the resolution of the shareholders' general meeting. From the date of implementation, they shall become a binding document regulating the shareholders' general meeting, shareholders, directors~~, supervisors,~~ and other participants.	Article 69 These rules shall be implemented as an appendix to the Company's Articles of Association from the date of approval by the resolution of the shareholders' general meeting. From the date of implementation, they shall become a binding document regulating the shareholders' general meeting, shareholders, directors and other participants.

Existing Articles	Revised Articles
Article 74 The general meeting authorizes the board of directors to compile a list of decision-making matters at the general meeting in accordance with the relevant provisions of the Company's Articles of Association and these rules ~~**of procedure**~~, and with reference to the relevant requirements of the ~~**listing**~~ regulatory rules of the place where the Company's shares are listed.	Article 70 The general meeting authorizes the board of directors to compile a list of decision-making matters at the general meeting in accordance with the relevant provisions of the Company's Articles of Association and these rules, and with reference to the relevant requirements of the **securities** regulatory rules of the place where the Company's shares are listed.
Article 75 These rules shall be interpreted by the Company's Board of Directors.	Article 71 These rules shall be interpreted by the Company's Board of Directors.
Article 76 For matters not covered herein, the relevant provisions of the Company Law, the Securities Law, the Company's Articles of Association, or applicable laws and administrative regulations ~~**of the securities regulatory authorities**~~ shall apply.	Article 72 For matters not covered herein, the relevant provisions of the Company Law, the Securities Law, the Company's Articles of Association, or applicable laws and administrative regulations, **departmental regulations and the securities regulatory rules of the place where the Company's shares are listed** shall apply.

Note 1: In accordance with the provisions of the Company Law and the Guidelines for the Articles of Association of Listed Companies, the term "Shareholders' general meeting" in these Rules has been uniformly adjusted to "Shareholders' general meeting".

Note 2: Pursuant to the Company Law and the Guidelines for the Articles of Association of Listed Companies, the company has abolished the establishment of supervisors and the board of supervisors. The original duties of the board of supervisors shall be assumed by the audit and risk management committee.

Comparison Table of Amendments to Rules for Meetings of the Board of Directors of China Eastern Airlines Co., Ltd.

Existing Articles	Revised Articles
Article 2 Basic obligations of directors All directors of the Company shall perform the obligations faithfully and diligently according to law, administrative regulations and provisions of articles of association.	Article 2 Basic obligations of directors All directors of the Company shall perform the obligations faithfully and diligently according to law, administrative regulations, **departmental rules, regulatory rules of the securities in the places where the Company's shares are listed** and provisions of articles of association.
Article 3 The composition of the Board of directors The Board of directors shall consist of seven (7) to thirteen (13) directors. The number of external directors shall be more than one- half of the Board of directors with not less than one-third of the Board of directors being independent directors and at least one of them shall be an accounting professional. The Board of directors shall have one Chairman and one Vice-chairman. The Company established a system of independent directorship. Independent directors of the Company shall exercise special function and power according to law, administrative regulations and provisions of articles of association. The Board of directors shall have one employee representative director who shall be elected or removed by employee representative meeting. ~~**Employee representative director shall fulfil special responsibility according to the law, administrative regulations and provisions of the Articles of Association.**~~	Article 3 The composition of the Board of directors The Board of directors shall consist of seven (7) to thirteen (13) directors. The number of external directors shall be more than one- half of the Board of directors with not less than one-third of the Board of directors being independent directors and at least one of them shall be an accounting professional. The Board of directors shall have one Chairman and one Vice-chairman. The Company established a system of independent directorship. Independent directors of the Company shall exercise special function and power according to law, administrative regulations, **departmental rules, regulatory rules of the securities in the places where the Company's shares are listed,** provisions of articles of association **and Work Procedures of Independent Directors of China Eastern Airlines Co., Ltd.**. The Board of directors shall have one employee representative director who shall be elected or removed by employee representative meeting.

Existing Articles	Revised Articles
The total number of directors being senior management of the Company or as employee representatives shall be ~~**below**~~ half of the total number of directors of the Company.	The total number of directors being senior management of the Company or as employee representatives shall be **no more than** half of the total number of directors of the Company.
Directors shall serve a term of 3 years. A director may serve consecutive terms if reelected upon the expiration of his or her term.	Directors shall serve a term of 3 years. A director may serve consecutive terms if reelected upon the expiration of his or her term.
Article 4 Exercise of authority by the Board of Directors	Article 4 Exercise of authority by the Board of Directors
The Board of directors shall exercise the authority within the scope of the Company Law, the Articles of Association and the rules:	The Board of directors shall exercise the authority within the scope of the Company Law, the Articles of Association and the rules:
(1) to be responsible for the convening of the Shareholders' general meeting and to report on its work to the Shareholders' general meeting;	(1) to be responsible for the convening of the Shareholders' general meeting and to report on its work to the Shareholders' general meeting;
(2) to implement the resolutions of the Shareholders' general meetings;	(2) to implement the resolutions of the Shareholders' general meetings;
(3) to decide on the Company's business plans and investment plans;	(3) to decide on the Company's business plans and investment plans;
(4) to formulate the Company' s annual preliminary and final financial budgets;	(4) to formulate the Company' s annual preliminary and final financial budgets;
(5) to formulate the Company' s profit distribution plan and plan for making up losses;	(5) to formulate the Company' s profit distribution plan and plan for making up losses;
(6) to formulate proposals for increases or reductions in the Company's registered capital and the issue and listing of bonds and other securities;	(6) to formulate proposals for increases or reductions in the Company's registered capital and the issue and listing of bonds and other securities;
(7) to draw up plans for the significant acquisitions, acquisitions of the shares of the Company, or the merger, division, spin-off, dissolution and alteration of the form of the Company;	(7) to draw up plans for the significant acquisitions, acquisitions of the shares of the Company, or the merger, division, spin-off, dissolution and alteration of the form of the Company;

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(8) to approve the ~~external~~ guarantees other than those subject to Article ~~58~~;	(8) to approve the guarantees other than those subject to Article **44**;
(9) to approve the financial assistance other than those subject to Article ~~59~~;	(9) to approve the financial assistance other than those subject to Article **45**;
(10) to examine and approve the connected transaction representing less than 5% of the absolute value of the latest audited net assets of the Company ~~(except for the provision of guarantees by the Company and the receipt of endowment in cash assets)~~;	(10) to examine and approve the connected transaction representing less than 5% of the absolute value of the latest audited net assets of the Company (**Where the listing rules of the places where the Company's shares are listed or the Articles of Association provide otherwise, such provisions shall prevail**);
(11) other external investment, asset acquisition or disposal, assets pledge, entrusted wealth management, external donations, etc. other than those required examination and approval at the general meeting of the Company in accordance with the applicable laws and regulations in the place where the Company is listed and/or relevant regulatory authorities;	(11) other external investment, asset acquisition or disposal, assets pledge, entrusted wealth management, external donations, etc. other than those required examination and approval at the general meeting of the Company in accordance with the applicable laws and regulations in the place where the Company is listed and/or relevant regulatory authorities;
(12) to decide on the establishment of the Company's internal management structure;	(12) to decide on the establishment of the Company's internal management structure;
(13) pursuant to the chairman's nominations to decide to appoint or dismiss the Company's general manager, to appoint or dismiss the secretary of the board of directors and determine their remuneration, etc. and pursuant to the general manager's nominations to decide to appoint or dismiss the deputy general manager, the financial controller, the general counsel legal adviser and other senior administrative officers of the Company and decide on their remuneration, etc.;	(13) pursuant to the chairman's nominations to decide to appoint or dismiss the Company's general manager, to appoint or dismiss the secretary of the board of directors and determine their remuneration, etc. and pursuant to the general manager's nominations to decide to appoint or dismiss the deputy general manager, the financial controller, the general counsel legal adviser and other senior administrative officers of the Company and decide on their remuneration, etc.;
(14) to formulate the board of directors' authorized management system;	(14) to formulate the board of directors' authorized management system;
(15) to establish the Company' s basic management system;	(15) to establish the Company' s basic management system;

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(16) to formulate proposals for any amendments of the Company's articles of association;	(16) to formulate proposals for any amendments of the Company's articles of association;
(17) to manage the disclosure of information of the Company;	(17) to manage the disclosure of information of the Company;
(18) to propose at the general meeting to engage or replace the accounting firm performing the audit for the Company;	(18) to propose at the general meeting to engage or replace the accounting firm performing the audit for the Company;
(19) to listen to the reporting on the works of the general manager of the Company and to perform checking on the works of the general manager;	(19) to listen to the reporting on the works of the general manager of the Company and to perform checking on the works of the general manager;
(20) to exercise any other powers conferred by the Shareholders' general meetings.	(20) to exercise any other powers stipulated in **laws, administrative regulations, departmental rules, rules of securities regulation of the place(s) where the Company's shares are listed** and conferred by the Shareholders' general meetings.
Except the board of directors' resolutions in respect of the matters specified in sub- paragraphs (6), (7), (8), (9), (16) of this Article which shall be passed by more than two-thirds of all the directors, the board of directors' resolutions in respect of all other matters may be passed by more than one half of all the directors.	Except the board of directors' resolutions in respect of the matters specified in sub- paragraphs (6), (7), (8), (9), (16) of this Article which shall be passed by more than two-thirds of all the directors, the board of directors' resolutions in respect of all other matters may be passed by more than one half of all the directors.
~~**The directors shall act as authorized by the general meetings and the Articles of Association, and shall not make any resolution beyond authority.**~~	**The board of directors may resolve on the issuance of corporate bonds under the authorization of the shareholders' general meetings.**
Prior to making decisions on material **issues** of the Company, the board of directors shall first seek advice from the Party Committee of the Company in advance.	Prior to making decisions on material **business management matters** of the Company, the board of directors shall first seek advice from the Party Committee of the Company in advance.

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For the matters which can be exempted from or waived for consideration and disclosure under relevant provisions of laws, administrative regulations, and the ~~**listing**~~ rules of the place(s) where the Company's shares are listed, the Company may be exempted from or apply for a waiver for being exempted from such consideration and disclosure under relevant provisions.	For the matters which can be exempted from or waived for consideration and disclosure under relevant provisions of laws, administrative regulations, **departmental rules,** and the rules of **securities regulation of** the place(s) where the Company's shares are listed, the Company may be exempted from or apply for a waiver for being exempted from such consideration and disclosure under relevant provisions.
Article 5. For those external investment, asset acquisition or disposal, assets pledge, ~~**external**~~ guarantee, entrusted wealth management, connected transactions, external donations, etc. within the decision-making authority of the board of directors, the board of directors shall strictly conduct review and examination, perform corresponding decision-making procedures and obligation of information disclosure; for those major investments, review and examination shall be organized with relevant experts and professionals, and approval is needed upon reporting to the general meeting.	Article 5. For those external investment, asset acquisition or disposal, assets pledge, guarantee, entrusted wealth management, connected transactions, external donations, etc. within the decision-making authority of the board of directors, the board of directors shall strictly conduct review and examination, perform corresponding decision-making procedures and obligation of information disclosure; for those major investments, review and examination shall be organized with relevant experts and professionals, and approval is needed upon reporting to the general meeting.

Existing Articles	Revised Articles
~~Article 6. Approval Authority for Major Transactions~~ ~~The board of directors shall not, without the prior approval of shareholders in a general meeting, dispose or agree to dispose of any fixed assets of the Company where the aggregate of the amount or value of the consideration for the proposed disposition, and the amount or value of the consideration for any such disposition of any fixed assets of the Company that has been completed in the period of four (4) months immediately preceding the proposed disposition, exceeds 33 per cent of the value of the Company's fixed assets as shown in the last balance sheet placed before the shareholders in general meeting.~~ ~~For the purposes of this Article, disposition includes an act involving the transfer of an interest in assets but does not include the provision of fixed asset by way of security. The validity of a disposition by the Company shall not be affected by the breach of the first paragraph of this Article.~~	/

Existing Articles	Revised Articles
Article 7. Powers and Duties of the Chairman	Article 6. Powers and Duties of the Chairman
The Chairman of the board of directors shall exercise the following powers:	The Chairman of the board of directors shall exercise the following powers:
(1) to preside over Shareholders' general meetings and to convene and preside over meetings of the board of directors;	(1) to preside over Shareholders' general meetings and to convene and preside over meetings of the board of directors;
(2) to check on the implementation of resolutions of the board of directors;	(2) to **supervise and** check on the implementation **and execution** of resolutions of the board of directors;
(3) to sign the securities certificates issued by the Company;	(3) to sign the securities certificates issued by the Company;
(4) to sign the significant documents of the board of directors and other documents required to be signed by the legal representative of the Company, and to exercise the powers of the legal representative of the Company;	(4) to sign the significant documents of the board of directors and other documents required to be signed by the legal representative of the Company, and to exercise the powers of the legal representative of the Company;
(5) where there is emergency of force majeure such as serious natural disasters, to exercise the special right of disposal of the Company in accordance with the laws and for the interest of the Company, and report to the board of directors or Shareholders' general meeting afterwards;	(5) where there is emergency of force majeure such as serious natural disasters, to exercise the special right of disposal of the Company in accordance with the laws and for the interest of the Company, and report to the board of directors or Shareholders' general meeting afterwards;
(6) to exercise other powers conferred by the board of directors.	(6) to exercise other powers conferred by the board of directors.

Existing Articles	Revised Articles
Article 11 Extraordinary Meeting In case of any urgent matters, the Chairman may convene an extraordinary meeting of the board of directors; upon the proposal of more than half of the directors, an extraordinary meeting of the board of directors must be convened; upon requisition by more than one third of the directors or by the general manager, an extraordinary meeting of the board of directors may be held. The board of directors shall convene an extraordinary meeting under any of the following circumstances: (1) upon the proposal of shareholders representing more than one-tenth of the voting rights; (2) upon the proposal of the ~~**supervisory committee**~~; (3) upon the proposal of more than half of the independent directors; (4) when required by the securities regulatory authority; (5) under other circumstances stipulated in the Company's articles of association.	Article 10 Extraordinary Meeting In case of any urgent matters, the Chairman may convene an extraordinary meeting of the board of directors; upon the proposal of more than half of the directors, an extraordinary meeting of the board of directors must be convened; upon requisition by more than one third of the directors or by the general manager, an extraordinary meeting of the board of directors may be held. The board of directors shall convene an extraordinary meeting under any of the following circumstances: (1) upon the proposal of shareholders representing more than one-tenth of the voting rights; (2) upon the proposal of the **audit and risk management committee of the board of directors**; (3) upon the proposal of more than half of the independent directors; (4) when required by the securities regulatory authority; (5) under other circumstances stipulated in the Company's articles of association.
Article 14 Notice of Meetings Meetings and extraordinary meetings of the board of directors shall be notified in the following ways: (1) No notice of directors' regular meeting shall be required, if the time and place of regular meetings of the board of directors have been fixed by the board of directors in advance.	Article 13 Notice of Meetings Meetings and extraordinary meetings of the board of directors shall be notified in the following ways: (1) No notice of directors' regular meeting shall be required, if the time and place of regular meetings of the board of directors have been fixed by the board of directors in advance.

Existing Articles	Revised Articles
(2) Notice of the time and place of a meeting of the board of directors for which the time and place have not otherwise been set in advance by the board of directors shall be notified in advance by the Chairman through the secretary to the board of directors to each of the directors ~~**and the chairman of the supervisory committee**~~ by telex, telegram, facsimile, express delivery, registered mail or personal delivery. For regular meetings, the notice of meeting shall be sent not less than 14 days before such meeting; for provisional meetings, the notice of meeting shall be sent not less than 5 days before such meeting; for provisional meetings of the board of directors to be convened as soon as possible for emergency, the notice of meeting may be sent by telephone or other verbal means at any time, provided that the convener shall make explanation at the meeting.	(2) Notice of the time and place of a meeting of the board of directors for which the time and place have not otherwise been set in advance by the board of directors shall be notified in advance by the Chairman through the secretary to the board of directors to each of the directors by telex, telegram, facsimile, express delivery, registered mail or personal delivery **or other forms of notice as stipulated in these Articles of Association**. For regular meetings, the notice of meeting shall be sent not less than 14 days before such meeting; for provisional meetings, the notice of meeting shall be sent not less than 5 days before such meeting; for provisional meetings of the board of directors to be convened as soon as possible for emergency, the notice of meeting may be sent by telephone or other verbal means at any time, provided that the convener shall make explanation at the meeting.
(3) The requirement of sending notices of meetings to directors in advance in accordance with this article may be waived with the consents from all of directors; moreover, where directors have attended the meetings, the notices of meetings shall be deemed to be received by directors in due course where no dissents due to failure of receiving the notices of meetings in due course have been raised before and upon the attendance of directors.	(3) The requirement of sending notices of meetings to directors in advance in accordance with this article may be waived with the consents from all of directors; moreover, where directors have attended the meetings, the notices of meetings shall be deemed to be received by directors in due course where no dissents due to failure of receiving the notices of meetings in due course have been raised before and upon the attendance of directors.
(4) Notice shall be in Chinese and, where necessary, in English also and shall include an agenda of the meeting.	(4) Notice shall be in Chinese and, where necessary, in English also and shall include an agenda of the meeting.

Existing Articles	Revised Articles
Article 15 Contents of meeting notices Written meeting notices shall include at least the following contents: ~~**(1) Time and place of the meeting;**~~ ~~**(2) Form of the meeting;**~~ (3) Matters to be considered (meeting proposals); ~~**(4) The convener and chairman of the meeting, persons submitting proposals at extraordinary meetings and the written proposals;**~~ (5) Meeting information needed for voting by Directors; (6) Requirements with regard to meeting attendance by Directors in person or through authorization of other Directors; (7) Contact person for the meeting and his/her contact details.	Article 14 Contents of meeting notices Written meeting notices shall include at least the following contents: **(1) Time and place of the meeting;** **(2) Timeframe for holding the meeting;** **(3) Date of dispatch of notices;** (4) Matters to be considered (meeting proposals); (5) Meeting information needed for voting by Directors; (6) Requirements with regard to meeting attendance by Directors in person or through authorization of other Directors; (7) Contact person for the meeting and his/her contact details.
Article 17 Convening of meetings The meeting of the Board of Directors shall be held only if more than half of directors are present. If the relevant directors refuse or neglect to attend meetings and meetings cannot meet the quorum required for the convening the meeting, the Chairman and the secretary to the Board shall promptly report to the regulatory authorities. The leadership team of the Company, including the ~~**supervisors,**~~ general manager and other senior management, may attend the meeting of the Board of Directors. If deemed necessary by the presider of the meeting, he/she shall notify other relevant person to attend the meeting of the Board of Directors.	Article 16 Convening of meetings The meeting of the Board of Directors shall be held only if more than half of directors are present. If the relevant directors refuse or neglect to attend meetings and meetings cannot meet the quorum required for the convening the meeting, the Chairman and the secretary to the Board shall promptly report to the regulatory authorities. The leadership team of the Company, including the general manager and other senior management, may attend the meeting of the Board of Directors. If deemed necessary by the presider of the meeting, he/she shall notify other relevant person to attend the meeting of the Board of Directors.

Existing Articles	Revised Articles
Article 18 Attending in person and attending by proxy The directors, in principle, shall attend the meeting of the Board of Directors in person. Attendance in person includes attendance in person on site or by correspondence. In the event that a director attends less than two-thirds of the meetings of the Board of Directors of the current year in person within a year, ~~**the Supervisory Committee of**~~ the Company shall review the fulfillment of his/her duties, and make a resolution on and announce whether he/she is diligent and responsible. Any director who cannot attend the meeting due to some reasons shall review the meeting materials in advance and form his/her definite opinions and authorize any other director to attend with a power of attorney. Directors shall not make or accept the appointment or carte blanche without any voting intention on the resolutions, or any appointment that are not well-defined. The liability of a director relating to his/her voting on resolutions cannot be waived by attending the meeting by a proxy. The power of attorney shall specify: (1) The names of the appointor and proxy; (2) Brief comments of the appointor on each resolution; (3) The appointor's scope of authority and instructions on voting on the resolutions; (4) Signature of the appointor and date, etc.	Article 17 Attending in person and attending by proxy The directors, in principle, shall attend the meeting of the Board of Directors in person. Attendance in person includes attendance in person on site or by correspondence. In the event that a director attends less than two-thirds of the meetings of the Board of Directors of the current year in person within a year, **the Audit and Risk Management Committee of the Board of Directors of** the Company shall review the fulfillment of his/her duties, and make a resolution on and announce whether he/she is diligent and responsible. Any director who cannot attend the meeting due to some reasons shall review the meeting materials in advance and form his/her definite opinions and authorize any other director to attend with a power of attorney. Directors shall not make or accept the appointment or carte blanche without any voting intention on the resolutions, or any appointment that are not well-defined. The liability of a director relating to his/her voting on resolutions cannot be waived by attending the meeting by a proxy. The power of attorney shall specify: (1) The names of the appointor and proxy; (2) Brief comments of the appointor on each resolution; (3) The appointor's scope of authority and instructions on voting on the resolutions; **(4) The validity period of the power of attorney;** (5) Signature of the appointor and date, etc.

Existing Articles	Revised Articles
The proxy shall present the written power of attorney to the presider of the meeting and state the entrusted attendance in the meeting registration book. Where a director fails to attend the meeting of the Board of Directors and has not appointed a proxy to attend the meeting on his/her behalf, he/she shall be deemed to have waived his rights to vote at the meeting.	The proxy shall present the written power of attorney to the presider of the meeting and state the entrusted attendance in the meeting registration book. Where a director fails to attend the meeting of the Board of Directors and has not appointed a proxy to attend the meeting on his/her behalf, he/she shall be deemed to have waived his rights to vote at the meeting.
Article 21 Deliberation procedures of the meeting The presider of the meeting shall seek clear opinions on each proposal from the participating Directors on the Board meeting. For proposals that are required ~~**to be approved in advance**~~ by the independent directors in accordance with the relevant provisions, the presider of the meeting shall, prior to the discussion of such proposals, designate one independent director to read out the written ~~approval~~ opinion issued by the independent directors. When any Director hinders the normal proceeding of the meeting or affects other Directors to speak, the presider of the meeting shall promptly stop him/her. Unless with the unanimous consent of all participating Directors, the proposals not included in the meeting notice shall not be put to a vote in the Board meeting. The Directors who are authorized by other Directors to attend the meeting shall not vote on the proposals not included in the meeting notice on behalf of the trustors.	Article 20 Deliberation procedures of the meeting The presider of the meeting shall seek clear opinions on each proposal from the participating Directors on the Board meeting. For proposals that require the independent directors **to express their opinions** in accordance with the relevant provisions, the presider of the meeting shall, prior to the discussion of such proposals, designate one independent director to read out the written opinion issued by the independent directors. When any Director hinders the normal proceeding of the meeting or affects other Directors to speak, the presider of the meeting shall promptly stop him/her. Unless with the unanimous consent of all participating Directors, the proposals not included in the meeting notice shall not be put to a vote in the Board meeting. The Directors who are authorized by other Directors to attend the meeting shall not vote on the proposals not included in the meeting notice on behalf of the trustors.

Existing Articles	Revised Articles
Article 23 Voting on meetings After each proposal has been fully discussed, the presider shall timely request the participating directors to vote on it. A resolution of the board of directors shall be decided on a show of hands. ~~**"One person, one vote" is performed for the vote on meetings. Where the number of votes cast for and against a resolution are equal, the Chairman of the board of directors shall have a casting vote.**~~ A director may cast an affirmative, a negative or an abstention vote. Each attending director shall indicate his/her intention by choosing one of the above. The presider of the meeting shall request each director who fails to choose any of the above or has chosen two or more of the above to vote again. Any director who refuses to choose any of the above shall be regarded as having abstained from voting. Any director who leaves the meeting and does not return and has not voted by choosing any of the above shall be regarded as having abstained from voting.	Article 22 Voting on meetings After each proposal has been fully discussed, the presider shall timely request the participating directors to vote on it. A resolution of the board of directors shall be decided on a show of hands. A director may cast an affirmative, a negative or an abstention vote. Each attending director shall indicate his/her intention by choosing one of the above. The presider of the meeting shall request each director who fails to choose any of the above or has chosen two or more of the above to vote again. Any director who refuses to choose any of the above shall be regarded as having abstained from voting. Any director who leaves the meeting and does not return and has not voted by choosing any of the above shall be regarded as having abstained from voting.

Existing Articles	Revised Articles
Article 24 Statistics of Voting Results After voting of the attending directors, the securities affairs representative and board office clerk shall responsively collect ballots cast by the directors, which ballots shall be counted under supervision of ~~**a supervisor or**~~ an independent director. Where the meeting is held onsite, the host shall announce the statistic result onsite; in other circumstances, the host shall require the secretary of the board to announce the voting result within a workday after the prescribed voting deadline. The ballots cast by directors after the host announces the voting result or after the prescribed voting deadline shall not be counted.	Article 23 Statistics of Voting Results After voting of the attending directors, the securities affairs representative and board office clerk shall responsively collect ballots cast by the directors, which ballots shall be counted under supervision of an independent director. Where the meeting is held onsite, the host shall announce the statistic result onsite; in other circumstances, the host shall require the secretary of the board to announce the voting result within a workday after the prescribed voting deadline. The ballots cast by directors after the host announces the voting result or after the prescribed voting deadline shall not be counted.
Article 25 Formation of the Resolution Except the situations specified in the Rules, the consent of more than half of the directors is required for the Board to pass a proposal and form the relevant resolutions. Where any provision of the laws, administrative regulations or the Articles of Association of the Company stipulates that the consent of even more directors is necessary for the Board to form the resolutions, the relevant provision shall prevail. In case of any discrepancy on the contents or meanings of different resolutions, the resolution formed later shall prevail.	Article 24 Formation of the Resolution Except the situations specified in the Rules, the consent of more than half of the directors is required for the Board to pass a proposal and form the relevant resolutions. Where any provision of the laws, administrative regulations, **departmental regulations, securities regulatory rules of the place where the Company's shares are listed** or the Articles of Association of the Company stipulates that the consent of even more directors is necessary for the Board to form the resolutions, the relevant provision shall prevail. In case of any discrepancy on the contents or meanings of different resolutions, the resolution formed later shall prevail.

Existing Articles	Revised Articles
Article 26 Avoiding a Vote The directors shall avoid voting on the relevant proposal in the following circumstances: (1) When the Listing Rules stipulates the directors should avoid voting; (2) When the directors deem necessary to avoid voting and can put forward sufficient reasons; (3) When the Articles of Association specifies the directors should avoid voting due to their relationship with the enterprise involved by the meeting proposal. Where the directors are necessary to avoid voting, the relevant Board meeting can be convened provided that more than half of non- affiliated directors can attend the meeting and the resolution can be formed upon the consent of more than half of non-affiliated directors. Where the number of the participating non- affiliated directors is less than three, the relevant proposal shall be submitted to the shareholders' general meeting for deliberation other than be put to a vote.	Article 25 Avoiding a Vote The directors shall avoid voting on the relevant proposal in the following circumstances: (1) When the Listing Rules stipulates the directors should avoid voting; (2) When the directors deem necessary to avoid voting and can put forward sufficient reasons; (3) When the Articles of Association specifies the directors should avoid voting due to their relationship with the enterprise involved by the meeting proposal. Where the directors are necessary to avoid voting, the relevant Board meeting can be convened provided that more than half of non- affiliated directors can attend the meeting and the resolution can be formed upon the consent of more than half of non-affiliated directors. Where the number of the participating non- affiliated directors is less than three, the relevant proposal shall be submitted to the shareholders' general meeting for deliberation other than be put to a vote.
Article 27 Not Exceeding One's Legitimate Authority The Board shall act in strict accordance with the authorization of the shareholders' general meeting and the Articles of Association of the Company, and shall not form a resolution by means of exceeding given authority.	Article 27 Not Exceeding One's Legitimate Authority The Board shall act in strict accordance with the authorization of the shareholders' general meeting and the Articles of Association of the Company, and shall not form a resolution by means of exceeding given authority.

Existing Articles	Revised Articles
Article 28 Authorization matters of the Board When the Board considers and approves authorization matters, directors shall make prudent judgements on the scope, validity, rationality and risks of authorization and pay close attention to whether the scope of authorization exceeds those stipulated in the Articles of Association, the Rules for Procedures for General Meetings and Rules for the Meeting of the Board of Directors and whether the authorization matters involves material risk. The directors shall continuously monitor the execution of the authorization matters.	Article 28 Authorization matters of the Board When the Board considers and approves authorization matters, directors shall make prudent judgements on the scope, validity, rationality and risks of authorization and pay close attention to whether the scope of authorization exceeds those stipulated in the Articles of Association, the Rules for Procedures for General Meetings and Rules for the Meeting of the Board of Directors and whether the authorization matters involves material risk. The directors shall continuously monitor the execution of the authorization matters.
Article 29 Special provisions on distribution of profits Where a resolution on the distribution of profits of the Company is to be made at the board meeting based on the authorization of the shareholders' general meeting, the certified public accountant may be first notified of the proposed distribution plan to be submitted to the Board for consideration and required to produce a draft audit report accordingly (all financial data other than those related to distribution determined). After the Board has made a resolution on distribution, it shall require the certified public accountant to issue a formal audit report, based on which the Board shall then make a resolution on other relevant matters of the periodic report.	Article 29 Special provisions on distribution of profits Where a resolution on the distribution of profits of the Company is to be made at the board meeting based on the authorization of the shareholders' general meeting, the certified public accountant may be first notified of the proposed distribution plan to be submitted to the Board for consideration and required to produce a draft audit report accordingly (all financial data other than those related to distribution determined). After the Board has made a resolution on distribution, it shall require the certified public accountant to issue a formal audit report, based on which the Board shall then make a resolution on other relevant matters of the periodic report.

Existing Articles	Revised Articles
Article 30 Special requirements relating to regular reports	Article 29 Special requirements relating to regular reports
When the Board considers and approves the regular reports, the directors shall read the entire text diligently and focus on whether the contents is real, accurate and complete or contain any material misstatement, omission or any unusual circumstance on the main financial auditing information; and pay attention to whether the report of the Board of directors comprehensively analyzed the financial condition and operating results of the Company and fully disclosed material matters and uncertainties that may impact the Company.	When the Board considers and approves the regular reports, the directors shall read the entire text diligently and focus on whether the contents is real, accurate and complete or contain any material misstatement, omission or any unusual circumstance on the main financial auditing information; and pay attention to whether the report of the Board of directors comprehensively analyzed the financial condition and operating results of the Company and fully disclosed material matters and uncertainties that may impact the Company.
Directors shall comply with the laws and sign the written confirmation of opinion on the regular reports, and shall not authorize others to sign or refuse to sign on the grounds of having objection to the contents of regular reports or disagreement with the auditor.	Directors shall comply with the laws and sign the written confirmation of opinion on the regular reports, and shall not authorize others to sign or refuse to sign on the grounds of having objection to the contents of regular reports or disagreement with the auditor.
Where the director cannot warrant the truthfulness, accuracy and completeness of the contents of the regular reports or has disagreement, he/she shall express the opinion on the written confirmation of opinion and specify the reasons, and the Board of Directors **~~and the Supervisory Committee~~** of the Company shall make an announcement and explain the matters involved and the impact on the Company.	Where the director cannot warrant the truthfulness, accuracy and completeness of the contents of the regular reports or has disagreement, he/she shall express the opinion on the written confirmation of opinion and specify the reasons, and the Board of Directors of the Company shall make an announcement and explain the matters involved and the impact on the Company.

Existing Articles	Revised Articles
Article 32 Suspension of voting ~~**The presider of the meeting shall require the subject matter to be postponed for voting at the meeting**~~ if more than half of the Directors present at the meeting or more than two Directors consider the proposal to be indefinite and unspecific, or where an informed judgement cannot be made due to other reasons including ~~**inadequate meeting materials**~~. The Directors who suggest suspending the voting shall put forward specific requirements necessary for the resubmission of a proposal.	Article 31 Suspension of voting **Relevant Directors may propose in writing to the Board to postpone the convening of the meeting or postpone the consideration of such matter** if more than half of the Directors present at the meeting or more than two Directors consider the proposal to be indefinite and unspecific, or where an informed judgement cannot be made due to other reasons including **that the meeting materials are incomplete, insufficiently justified or not provided in a timely manner, and the Board shall accept such request**. The Directors who suggest suspending the voting shall put forward specific requirements necessary for the resubmission of a proposal.
Article 34 Minutes of meeting The secretary of the board of directors shall arrange the staff of the office of the board of directors to earnestly prepare the minutes of the meetings of the board of directors. The minutes of meeting shall include the followings: ~~**(1) the number of sessions, time, venue of the meeting and the form in which it is convened;**~~ ~~**(2) the delivery of the notice on the meeting;**~~ ~~**(3) the convener and the presider of the meeting;**~~ (4) the directors' attending in person and attending by proxy; ~~**(5) explanations on the meeting procedures and convening;**~~	Article 33 Minutes of meeting The secretary of the board of directors shall arrange the staff of the office of the board of directors to earnestly prepare the minutes of the meetings of the board of directors. The minutes of meeting shall include the followings: **(1) the date and venue of the meeting and the name of the convener;** (2) the directors' attending in person and attending by proxy; **(3) the meeting agenda**; **(4) the gist of directors' speaking;** **(5) the voting method and results of each matter for resolution (the number of affirmative, negative and abstaining votes shall be specifically indicated in the voting results);**

Existing Articles	Revised Articles
~~**(6) proposals considered at the meeting, the gist of every director's speaking and main opinions in respect of relevant matters and voting intents for the proposals;**~~ ~~**(7) the voting method and results of each proposal (the number of affirmative, negative and abstaining votes shall be specifically indicated);**~~ (8) such other matters which the attending directors consider necessary to record.	(6) such other matters which the attending directors consider necessary to record.
Article 41 Supplementary Provisions The general meeting authorizes the Board of Directors to compile the list of decision-making matters at the general meeting and the list of decision-making matters of the general manager authorized by the Board of Directors in accordance with the relevant provisions of the Articles of Association of the Company and the Rules ~~**of Procedure**~~ of the Board of Directors with reference to the relevant requirements of the ~~**listing**~~ regulatory rules of the place where the Company's shares are listed. The terms "more than" used in the Rules shall include the number itself, and the term "less than", "exceeding", "below" shall not include the number itself.	Article 40 Supplementary Provisions The general meeting authorizes the Board of Directors to compile the list of decision- making matters at the general meeting and the list of decision-making matters of the general manager authorized by the Board of Directors in accordance with the relevant provisions of the Articles of Association of the Company and the Rules of the Board of Directors with reference to the relevant requirements of the **securities** regulatory rules of the place where the Company's shares are listed. The terms "more than" used in the Rules shall include the number itself, and the term "less than", "exceeding", "below" shall not include the number itself.

Existing Articles	Revised Articles
The Rules and amendments thereto are attached as an appendix to the Articles of Association, and shall be formulated by the Board of Directors and shall come into effect upon approval at the general meeting. Any matter not covered herein shall be dealt with in accordance with the provisions of relevant laws, regulations and the Articles of Association; in case of any conflict between the Rules and the provisions of relevant laws and administrative regulations, it shall be dealt with in accordance with the provisions of relevant laws and administrative regulations and the Rules shall be amended and presented to the general meeting for consideration and approval in a timely manner. The Rules are subject to the interpretation by the Board of Directors.	The Rules and amendments thereto are attached as an appendix to the Articles of Association, and shall be formulated by the Board of Directors and shall come into effect upon approval at the general meeting. Any matter not covered herein shall be dealt with in accordance with the provisions of relevant laws, **administrative** regulations, **departmental rules, the securities regulatory rules of the place where the Company's shares are listed** and the Articles of Association; in case of any conflict between the Rules and laws, administrative regulations, **departmental rules**, **the securities regulatory rules of the place where the Company's shares are listed,** it shall be dealt with in accordance with the provisions of laws, administrative regulations, **departmental rules, the securities regulatory rules of the place where the Company's shares are listed**, and the Rules shall be amended and presented to the general meeting for consideration and approval in a timely manner.

Note 1: Pursuant to the Company Law and the Guidelines on the Articles of Association of Listed Companies and other regulations, the "shareholders' general meeting (股東大會)" shall be amended to the "shareholders' general meeting (股東會)".

Note 2: Pursuant to the Company Law and the Guidelines on the Articles of Association of Listed Companies and other regulations, the Company has abolished the establishment of supervisors and the Supervisory Committee, and the relevant responsibilities of the former Supervisory Committee shall be exercised by the Audit and Risk Management Committee.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Hong Kong Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

DISCLOSURE OF INTERESTS

Directors, supervisors, chief executive and senior management of the Company

As at the Latest Practicable Date, none of the Directors, the Company's supervisors, chief executives or members of senior management of the Company had any interest or short position in the shares, underlying shares and/or debentures (as the case may be) of the Company and/or any of its associated corporations (within the meaning of Part XV of the SFO) which was required to be: (i) notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interest and short position which he/she was taken or deemed to have under such provisions of the SFO); or (ii) entered in the register of interests required to be kept by the Company pursuant to section 352 of the SFO; or (iii) notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Hong Kong Listing Rules (which for this purpose shall be deemed to apply to the supervisors of the Company to the same extent as it applies to the Directors).

As at the Latest Practicable Date, Wang Zhiqing (a Director and the chairman), Mr. Liu Tiexiang (a Director, the vice chairman and president), Mr. Cheng Guowei (a Director), Mr. Jie Xiaoqing (an employee representative Director) are employees of CEA Holding, which is a company having an interest in the Company's shares required to be disclosed to the Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO.

EXPERT STATEMENT

The qualifications of the expert who has given the opinion or advice in this circular with the inclusion of its letters, reports, and/or opinions dated 31 July 2025 or statements and references to its name and logo in the form and context in which they are included are as follows:

Name	Qualification
Opus Capital	Type 6 (advising on corporate finance) regulated activity under the SFO

The above-mentioned expert has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter in the form and context in which it is included.

To the best of the Directors' knowledge, the above-mentioned expert is a third party independent from the Company and its connected persons. As at the Latest Practicable Date, the above-mentioned expert did not have any direct or indirect interest in any assets which have been, since 31 December 2024 (being the date to which the latest published audited accounts of the Group were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

As at the Latest Practicable Date, the above-mentioned expert was neither beneficially interested in the share capital of any member of the Group nor had any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

JOINT COMPANY SECRETARIES

Mr. Li Ganbin successively graduated from Gannan Normal University, East China Normal University and Fudan University, holding a doctoral degree in Economics and the title of political work specialist.

Mr. Ngai Wai Fung obtained a bachelor's degree (Honours) in Law from University of Wolverhampton in the United Kingdom, a master's degree in Business Administration from Andrews University in the United States, a master's degree in Corporate Finance from Hong Kong Polytechnic University and a doctoral degree in Economics majoring in Finance from Shanghai University of Finance and Economics. Mr. Ngai is a fellow of the Hong Kong Chartered Governance Institute, a fellow of the Chartered Governance Institute in the United Kingdom, a member of the Hong Kong Institute of Certified Public Accountants, a fellow of Association of Chartered Certified Accountants in the United Kingdom and a member of the Chartered Institute of Arbitrators.

SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors or supervisors of the Company had any existing or proposed service contract with any member of the Group which is not expiring or terminable within one year without payment of any compensation (other than statutory compensation).

COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors or, so far as is known to them, any of their respective close associates (as defined in the Hong Kong Listing Rules) was interested in any business (apart from the Group's business) which competes or is likely to compete, either directly or indirectly, with the Group's business (as would be required to be disclosed under Rule 8.10 of the Hong Kong Listing Rules if each of them were a controlling shareholder).

LITIGATION

As at the Latest Practicable Date, the Directors were not aware of any litigation or claim of material importance pending or threatened against any member of the Group.

INTERESTS IN THE GROUP'S ASSETS OR CONTRACTS OR ARRANGEMENTS SIGNIFICANT TO THE GROUP

As at the Latest Practicable Date, none of the Directors or supervisors of the Company had any direct or indirect interest in any assets which have been, since 31 December 2024 (being the date to which the latest published audited accounts of the Group were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

As at the Latest Practicable Date, none of the Directors or supervisors of the Company was materially interested in any contract or arrangement, subsisting at the Latest Practicable Date, which is significant in relation to the business of the Group.

MATERIAL CONTRACT

- The agreement entered into on 28 September 2023 by the Company (as purchaser) with COMAC (as seller) regarding the purchase of 100 new C919 series aircraft. For details, please refer to the announcement of the Company dated 28 September 2023 and the circular of the Company dated 30 November 2023.

Save as disclosed above, no material contract (not being a contract entered into in the ordinary course of business) has been entered into by any member of the Group within the two years immediately preceding the issue of this circular.

MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors confirmed that there is no material adverse change in the financial or trading position of the Group since 31 December 2024, being the date to which the latest audited consolidated financial statements of the Group were made up.

DOCUMENTS ON DISPLAY

Copies of the following documents will be published (i) on the website of the Company at https://www.ceair.com and (ii) the website of the Hong Kong Stock Exchange at www.hkexnews.com.hk for a period of 14 days from the date of this circular:

(1) the letter of advice issued by the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders dated 31 July 2025, the full text of which is set out on pages 99 to 156 of this circular;

(2) the written consent of the Independent Financial Adviser referred to in this Appendix;

(3) the letter from the Independent Board Committee to the Independent Shareholders dated 31 July 2025, the full text of which is set out on pages 97 to 98 of this circular;

(4) the Financial Services Agreement;

(5) the Aircraft and Engines Lease and Related Services Agreement;

(6) the Catering and Aircraft On-board Supplies Support Agreement;

(7) the Exclusive Operation Agreement;

(8) the Aviation Complementary Services Agreement;

(9) the Property Leasing and Construction and Management Agency Agreement;

(10) the Freight Logistics Services Agreement;

(11) the Aviation Airborne Communication Agreement; and

(12) the Commercial Factoring Services Agreement.

THREE-YEAR FINANCIAL INFORMATION OF THE GROUP

The Company is required to set out in this circular the information for the last three financial years with respect to the profits and losses, financial record, and position, set out as a comparative table and the latest published audited balance sheet together with the notes on the annual accounts for the last financial year for the Group.

The audited consolidated financial statements of the Group for each of the three years ended 31 December 2024, 2023 and 2022 together with the accompanying notes to the financial statements, can be found on pages 93 to 216 of the annual report of the Company for the year ended 31 December 2024, pages 105 to 232 of the annual report of the Company for the year ended 31 December 2023 and pages 105 to 220 of the annual report of the Company for the year ended 31 December 2022, respectively. Please also see below the hyperlinks to the said reports:

https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0425/2025042503323.pdf

https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0425/2024042503311.pdf

https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0428/2023042803689.pdf

INDEBTEDNESS OF THE GROUP

Indebtedness

As at the close of business on 31 May 2025, being the latest practicable date for the purpose of this indebtedness statement, the Group had the following liabilities:

Borrowings and lease liabilities

The Group had total outstanding indebtedness of approximately RMB181,157 million as at 31 May 2025. The table below sets forth the Group's total outstanding indebtedness as at 31 May 2025:

	Notes	**Total** *RMB million*
Borrowings		
– secured bank loans	*(1)*	18,204
– unsecured bank loans		71,416
– guaranteed bonds	*(2)*	4,211
– unsecured bonds		7,039
– unsecured short-term debentures		4,013
Lease Liabilities	*(3)*	76,274
Total		**181,157**

Notes

(1) The Group's bank borrowings with an aggregate amount of approximately RMB18,204 million were secured by mortgages over certain of the Group's assets. The pledged assets included aircraft with an aggregate net carrying amount of approximately RMB22,743 million as at 31 May 2025.

(2) The Group's bonds with an aggregate amount of approximately RMB1,531 million were guaranteed by CEA holding and RMB2,680 million were guaranteed by a standby letter of credit issued by Industrial and Commercial Bank of China Limited Shanghai Municipal as at 31 May 2025.

(3) The Group's lease liabilities with an aggregate amount of approximately RMB41,374 million were secured by mortgages over certain of the Group's aircraft. The pledged aircraft had an aggregate net book value of approximately RMB67,862 million as at 31 May 2025.

Contingent liabilities

As at 31 May 2025, the Group had no significant contingent liabilities.

Except as disclosed above and apart from intra-group liabilities, on 31 May 2025, the Group did not have any debt securities issued and outstanding, or authorized or otherwise created but unissued, term loans, debentures, any other borrowings or indebtedness in the nature of borrowing of the Group including bank overdrafts and liabilities under acceptances (other than normal trade bills) or acceptance credits, recognized lease obligations or hire purchase commitments, mortgages and charges, contingent liabilities or guarantees.

SUFFICIENCY OF WORKING CAPITAL

Taking into account the expected completion of the Proposed Finance Lease and the financial resources available to the Group, including the internally generated funds and the available banking facilities, the Directors are of the opinion that the Group has sufficient working capital for its present requirements, that is for at least the next 12 months from the date of this circular, in the absence of any unforeseeable circumstances.

TRADING AND FINANCIAL PROSPECTS

The global economy experienced stable and slow growth, under which major central banks started their interest rate cut cycles and fiscal policies remained relatively loose. At the same time, residents' relatively strong spending power in major economies and passengers' increasing willingness and ability to travel led to a continuous growth in the global demand for air passenger transportation. The steady growth in China's economy, coupled with various national policies implemented to boost domestic demand and consumption and expand high-level opening-up, vigorously promoted the full recovery of China's civil aviation industry and contributed to a record high in China's air passengers transported, which exceeded 700 million for the first time in 2024. At the same time, affected by factors such as structural changes in supply and demand, and fluctuations in oil prices and exchange rate, the operating pressure on airlines in China remained huge.

In the second half of 2025, the Group will adhere to the general tone of seeking progress while maintaining stability, focus on stabilising safety and improving efficiency, concentrate on service and brand building, promoting reform and fulfilling responsibilities.

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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)

NOTICE OF 2025 SECOND EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 2025 second extraordinary general meeting (the "**EGM**") of China Eastern Airlines Corporation Limited (the "**Company**") will be held at Eastern Air Hotel, No. 99 Konggang Third Road, Changning District, Shanghai, the People's Republic of China (the "**PRC**") (中國上海市長寧區空港三路99號東航大酒店) at 2:00 p.m. on Wednesday, 27 August 2025, or any adjournment thereof, for the purpose of considering, and if thought fit, passing, with or without modifications, the following resolutions.

1. Special Resolution: "**THAT**, to consider and approve the Resolution on Amendments to the Articles of Association. Details of the above resolution are set out in the announcement and circular of the Company published on the website of the Hong Kong Stock Exchange on 1 July 2025 and 31 July 2025."

2. Special Resolution: "**THAT**, to consider and approve the Resolution on Amendments to the Rules for Procedures for General Meetings. Details of the above resolution are set out in the announcement and circular of the Company published on the website of the Hong Kong Stock Exchange on 1 July 2025 and 31 July 2025."

3. Special Resolution: "**THAT**, to consider and approve the Resolution on Amendments to the Rules for Meetings of the Board of Directors. Details of the above resolution are set out in the announcement and circular of the Company published on the website of the Hong Kong Stock Exchange on 1 July 2025 and 31 July 2025."

4. Special Resolution: "**THAT**, to consider and approve the Resolution on Cancellation of the Supervisory Committee of the Company and Abolishment of the Rules for Meetings of the Supervisory Committee. Details of the above resolution are set out in the announcement and circular of the Company published on the website of the Hong Kong Stock Exchange on 1 July 2025 and 31 July 2025."

5. Ordinary Resolution: "**THAT**, to consider and approve the Resolution Regarding Adjustment to the Daily Connected Transactions on Aircraft and Engines of the Company for 2025. Details of the above resolution are set out in the announcement and circular of the Company published on the website of the Hong Kong Stock Exchange on 4 July 2025 and 31 July 2025."

6.00 Ordinary Resolution: "**THAT**, to consider and approve the Resolution Regarding the Daily Connected Transactions of the Company for 2026–2028 (each part of this resolution shall be decided by voting in sequence):

6.01. Resolution Regarding Daily Connected Transactions on Financial Services of the Company

6.02. Resolution Regarding Daily Connected Transactions on Commercial Factoring Services of the Company

6.03. Resolution Regarding Daily Connected Transactions on Aircraft and Engines Lease and Related Services of the Company

6.04. Resolution Regarding Daily Connected Transactions on Catering, Aircraft On-board Supplies Support and Related Services of the Company

6.05. Resolution Regarding Daily Connected Transactions on Aviation Complementary Services of the Company

6.06. Resolution Regarding Daily Connected Transactions on Property Leasing and Construction and Management Agency Services of the Company

6.07. Resolution Regarding Daily Connected Transactions on Freight Logistics-related Support Services of the Company

6.08. Resolution Regarding the Annual Caps of the Daily Connected Transactions on Exclusive Operation Service for Passenger Aircraft Cargo Business of the Company for 2026–2028

6.09. Resolution Regarding Daily Connected Transactions on Aviation Internet Services of the Company

Details of the above resolutions are set out in the announcement and circular of the Company published on the website of the Hong Kong Stock Exchange on 4 July 2025 and 31 July 2025."

By order of the Board
CHINA EASTERN AIRLINES CORPORATION LIMITED
Li Ganbin
Joint Company Secretary
Shanghai, the People's Republic of China
31 July 2025

As at the date of this notice, the directors of the Company include Wang Zhiqing (Chairman), Liu Tiexiang (Vice Chairman, President), Cheng Guowei (Director), Sun Zheng (Independent non-executive Director), Lu Xiongwen (Independent non-executive Director), Luo Qun (Independent non-executive Director), Fung Wing Yee Sabrina (Independent non-executive Director), Zheng Hongfeng (Independent non-executive Director) and Jie Xiaoqing (Employee Representative Director).

Notes:

1. Persons entitled to attend the EGM

Persons who hold H shares of the Company and are registered as holders of the H shares on the register of members maintained by Computershare Hong Kong Investor Services Limited at the close of business on Thursday, 21 August 2025 will be entitled to attend the EGM upon completion of the necessary registration procedures. Notice will be made to the holders of the A shares of the Company separately.

2. Registration procedures for attending the EGM

(1) Holders of the H shares of the Company shall deliver their written replies for attending the EGM, copies of transfers or copies of their share certificates or copies of receipts of share transfers, together with copies of their identity cards or other documents of identity, to the Board Office of China Eastern Airlines Corporation Limited located at 5/F, Block A2, Northern District, CEA Building, 36 Hongxiang 3rd Road, Minhang District, Shanghai, the PRC (postal code: 201100) (please indicate the detailed address on the letter for the Company to reply) between Friday, 22 August 2025 to Tuesday, 26 August 2025 (by post or by facsimile (fax no: +86 21 62686116)). If proxies are appointed by shareholders to attend the EGM, they shall, in addition to the aforementioned documents, deliver the proxy forms and copies of their identity cards or other documents of identity to the above place of business of the Company.

(2) Shareholders can deliver the necessary documents for registration to the Company in the following manner: by post or by facsimile.

3. Appointing proxies

(1) Shareholders who have the right to attend and vote at the EGM are entitled to appoint in writing one or more proxies (whether a member of the Company or not) to attend and vote at the meeting on their behalf.

(2) The instrument appointing a proxy must be duly authorised in writing by the appointor or his/her attorney. If that instrument is signed by an attorney of the appointor, the power of attorney authorising that attorney to sign (or other documents of authorisation) must be notarially certified. For the holders of the H shares of the Company, the notarially certified power of attorney or other documents of authorisation and proxy forms must be delivered to Computershare Hong Kong Investor Services Limited, the Company's H share registrar, not less than 24 hours before the time scheduled for the holding of the EGM in order for such documents to be considered valid.

(3) If more than one proxy has been appointed by any shareholder of the Company, such proxies shall not vote at the same time.

4. Other matters

Shareholders or their proxies attending the EGM shall be responsible for their own travel and accommodation expenses.

5. Closure of books

The H share register of members of the Company will be closed from Friday, 22 August 2025 to Wednesday, 27 August 2025, both days inclusive, during which period no transfer of the H shares of the Company will be effected. Where applicable, holders of the H shares of the Company intending to attend the EGM are therefore required to lodge their respective instrument(s) of transfer and the relevant share certificate(s) to Computershare Hong Kong Investor Services Limited, the Company's H share registrar, by 4:30 p.m. on Thursday, 21 August 2025.

The address and contact details of Computershare Hong Kong Investor Services Limited are as follows:

Computershare Hong Kong Investor Services Limited
Rooms 1712–1716, 17th Floor, Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong
Telephone: +852 2862 8555
Fax: +852 2865 0990

6. Abstention from voting

China Eastern Air Holding Company Limited, CES Finance Holding Co., Limited and CES Global Holdings (Hong Kong) Limited are required to abstain from voting on the resolutions set out in this notice in respect of the shares of the Company held by them.