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# 中國國際航空股份有限公司 AIR CHINA LIMITED

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

(Stock Code: 00753)

# INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

The Board of the Company has approved, among others, the unaudited interim results of the Group for the six months ended 30 June 2025 at a meeting of the Board held on 28 August 2025.

# **INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2025**

The Board presents the unaudited interim results of the Group for the six months ended 30 June 2025 as follows:

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE SIX MONTHS ENDED 30 JUNE 2025-unaudited (Expressed in Renminbi ("RMB"))

		Six months ended 30 June	
	NOTES	2025 RMB'000	2024 RMB'000
Revenue Other income and gains	2 4	80,757,434 2,615,845	79,520,332 3,250,850
	-	83,373,279	82,771,182
Operating expenses			
Jet fuel costs Employee compensation costs		(24,327,485) (17,849,218)	(27,132,269) (16,953,921)
Depreciation and amortisation		(14,837,638)	(14,025,285)
Take-off, landing and depot charges		(10,613,810)	(9,963,482)
Aircraft maintenance, repair and overhaul costs		(7,292,075)	(6,862,447)
Air catering charges		(2,104,979)	(1,973,435)
Aircraft and engine lease expenses		(342,162)	(261,132)
Other lease expenses		(366,175)	(346,900)
Other flight operation expenses		(4,040,914)	(3,263,760)
Selling and marketing expenses		(2,410,378)	(2,275,875)
General and administrative expenses		(797,634)	(780,314)
Impairment loss recognised on non-current assets		(85,154)	
Net impairment loss recognised under expected credit loss model	-	(2,087)	(14,334)
	-	(85,069,709)	(83,853,154)
Loss from operations	5	(1,696,430)	(1,081,972)
Finance income		285,792	245,615
Finance costs	6	(2,890,954)	(3,265,473)
Share of results of associates		1,220,174	1,084,817
Share of results of joint ventures		117,208	91,360
Exchange gain/(losses), net	-	176,308	(360,422)
Loss before taxation		(2,787,902)	(3,286,075)
Income tax credit/(expense)	7	77,797	(252,536)
Loss for the period		(2,710,105)	(3,538,611)
Attributable to:  - Equity shareholders of the Company		(1,804,820)	(2,778,953)
<ul> <li>Non-controlling interests</li> </ul>	-	(905,285)	(759,658)
		(2,710,105)	(3,538,611)
Logg non chone			
Loss per share  – Basic and diluted (RMB)	9	RMB(0.11)	RMB(0.18)

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2025-unaudited (Expressed in RMB)

	Six months end 2025 RMB'000	ded 30 June 2024 <i>RMB'000</i>
Loss for the period	(2,710,105)	(3,538,611)
Other comprehensive income for the period  Items that will not be reclassified to profit or loss:  - Fair value gain/(losses) on investments in equity instruments		
at fair value through other comprehensive income	42,421	(86,078)
<ul> <li>Remeasurement of net defined benefit liability</li> </ul>	9	(5,741)
- Share of other comprehensive income of an associate	(556)	(361)
<ul> <li>Income tax (expense)/credit relating to items that will not be reclassified to profit or loss</li> </ul>	(10,291)	21,519
<ul> <li>Items that may be reclassified subsequently to profit or loss: <ul> <li>Fair value (losses)/gains on investments in debt instruments at fair value through other comprehensive income</li> <li>Share of other comprehensive income of associates and joint ventures</li> <li>Exchange differences on translation of foreign operations</li> <li>Impairment loss recognised on investments in debt instruments at fair value through other comprehensive income</li> <li>Income tax credit/(expense) relating to items that may be reclassified subsequently to profit or loss</li> </ul> </li> </ul>	(10,644) (362,428) (362,807) (235) 2,720	14,619 232,792 137,205 (236) (3,597)
Other comprehensive income for the period, net of tax	(701,811)	310,122
Total comprehensive income for the period	(3,411,916)	(3,228,489)
Attributable to:  - Equity shareholders of the Company - Non-controlling interests	(2,504,603) (907,313)	(2,433,924) (794,565)
	(3,411,916)	(3,228,489)

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2025-unaudited (Expressed in RMB)

	NOTES	At 30 June 2025 <i>RMB'000</i>	At 31 December 2024 RMB'000
Non-current assets			
Property, plant and equipment		124,153,264	122,180,871
Right-of-use assets		112,987,896	118,832,142
Investment properties		676,264	693,059
Intangible assets		106,584	106,563
Goodwill		4,095,732	4,095,732
Interests in associates		14,285,989	14,632,923
Interests in joint ventures		2,486,232	2,423,853
Advance payments for aircraft and flight equipment		23,334,608	24,689,737
Deposits for aircraft under leases		532,947	526,004
Equity instruments at fair value through other			
comprehensive income		2,073,694	1,791,273
Debt instruments at fair value through other			
comprehensive income		1,290,262	1,426,851
Deferred tax assets		13,159,241	12,959,766
Other non-current assets	-	606,259	704,196
		299,788,972	305,062,970
Current assets			
Inventories		4,752,910	4,224,992
Accounts receivable	10	4,783,169	3,670,252
Bills receivable		6,402	7,785
Prepayments, deposits and other receivables		5,333,200	5,223,257
Financial assets at fair value through profit or loss		153,221	37,559
Time deposits and restricted deposits		2,591,176	1,428,429
Cash and cash equivalents		25,331,101	21,039,472
Assets held for sale		147,048	94,829
Other current assets	-	4,651,923	4,960,628
	-	47,750,150	40,687,203
Total assets		347,539,122	345,750,173

	NOTES	At 30 June 2025 <i>RMB'000</i>	At 31 December 2024 RMB'000
Current liabilities Air traffic liabilities Accounts payable Dividends payable Other payables and accruals Advance Current taxation Lease liabilities Interest-bearing borrowings Provision for return condition checks Contract liabilities	11	(11,388,539) (19,653,382) (98,000) (15,056,991) (1,264) (42,483) (16,666,649) (60,029,434) (1,716,556) (1,555,806)	(11,098,740) (18,869,784) (98,000) (13,437,502) (36,270) (130,653) (17,464,654) (74,544,705) (758,575) (1,171,172)
Net current liabilities  Total assets loss support liabilities		(126,209,104) (78,458,954)	(137,610,055) (96,922,852)
Non-current liabilities Lease liabilities Interest-bearing borrowings Provision for return condition checks Provision for early retirement benefit obligations Long-term payables Contract liabilities Defined benefit obligations Deferred income Deferred tax liabilities		221,330,018 (53,759,875) (105,722,598) (19,507,071) (354) (720,589) (2,650,359) (178,238) (425,901) (135,036)	208,140,118 (59,134,187) (84,836,960) (19,228,054) (359) (727,741) (2,565,188) (186,700) (406,943) (128,016)
NET ASSETS  CAPITAL AND RESERVES Issued capital Reserves		(183,100,021) 38,229,997 17,448,421 25,175,148	(167,214,148) 40,925,970 17,448,421 27,679,751
Total equity attributable to equity shareholders of the Company Non-controlling interests  TOTAL EQUITY		42,623,569 (4,393,572) 38,229,997	45,128,172 (4,202,202) 40,925,970

#### NOTES TO THE UNAUDITED INTERIM FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2025 (Expressed in RMB)

#### 1. BASIS OF PREPARATION

The interim financial information for the six months ended 30 June 2025 has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with International Accounting Standard ("IAS") 34, *Interim Financial Reporting*, issued by the International Accounting Standards Board. It was authorised for issue on 28 August 2025.

The interim financial information has been prepared in accordance with the same accounting policies adopted in the 2024 annual financial statements. The Group did not have any changes to its accounting policies from those applied in 2024.

This interim financial information contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the 2024 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with IFRS Accounting Standards.

The interim financial information is unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standard of Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the Hong Kong Institute of Certified Public Accountants.

As at 30 June 2025, the Group's current liabilities exceeded its current assets by approximately RMB78,459 million. The liquidity of the Group is primarily dependent on its ability to maintain cash inflows from operations and sufficient financing to meet its financial obligations as and when they fall due. Considering the Company's sources of liquidity and the unutilised bank facilities of RMB180,093 million as at 30 June 2025, the Directors believe that the Group has sufficient sources of financing to enable it to operate, as well as to meet its liabilities as and when they become due, and to support its capital expenditures in the foreseeable future of not less than twelve months from the end of the reporting period. Accordingly, this interim financial information has been prepared on a going concern basis.

#### 2. REVENUE

#### Disaggregation of revenue

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Revenue from contracts with customers		
Airline operations		
Passenger	73,196,376	73,137,116
Cargo and mail	3,577,468	3,328,452
Others	921,734	859,569
	77,695,578	77,325,137
Other operations		
Aircraft engineering income	2,825,795	2,023,821
Others	61,703	57,751
	2,887,498	2,081,572
<b>Sub-total</b>	80,583,076	79,406,709
Rental income (included in revenue of airline operations segment)	174,358	113,623
70. 4 L	00 555 424	70.520.222
Total revenue	80,757,434	79,520,332

#### 3. SEGMENT INFORMATION

The Group's businesses are structured and managed, according to the nature of its operations and the services it provides. The Group has the following reportable operating segments:

- (a) the "airline operations" segment which mainly comprises the provision of air passenger and air cargo services; and
- (b) the "other operations" segment which comprises the provision of aircraft engineering and other airline-related services.

Inter-segment sales and transfers are transacted with reference to the then prevailing market prices.

The Company's chief operating decision maker monitors the results, assets and liabilities of the Group based on the financial results prepared in accordance with the Accounting Standards for Business Enterprises issued by the Ministry of Finance of the PRC ("CASs"). As such, the segment information is presented in accordance with CAS with reconciliation to financial information presented in IFRS Accounting Standards.

# For the six months ended 30 June 2025

	Airline operations <i>RMB'000</i>	Other operations <i>RMB'000</i>	Elimination <i>RMB'000</i>	Total <i>RMB'000</i>
Revenue Sales to external customers Inter-segment sales	77,869,936 106,983	2,887,498 4,426,862	(4,533,845)	80,757,434
Segment revenue under CASs and IFRS Accounting Standards	77,976,919	7,314,360	(4,533,845)	80,757,434
Segment results before taxation (Loss)/profit before taxation for reportable segments under CASs	(3,185,233)	388,330	7,862	(2,789,041)
Effect of differences between IFRS Accounting Standards and CASs				1,139
Loss before taxation for the period under IFRS Accounting Standards				(2,787,902)
For the six months ended 30 June 2024				
	Airline operations <i>RMB</i> '000	Other operations <i>RMB'000</i>	Elimination RMB'000	Total <i>RMB'000</i>
Revenue Sales to external customers Inter-segment sales	77,438,760 106,388	2,081,572 4,343,972	(4,450,360)	79,520,332
Segment revenue under CASs and IFRS Accounting Standards	77,545,148	6,425,544	(4,450,360)	79,520,332
Segment results before taxation (Loss)/profit before taxation for reportable segments under CASs	(3,715,694)	502,625	(77,722)	(3,290,791)
Effect of differences between IFRS Accounting Standards and CASs				4,716
Loss before taxation for the period under IFRS Accounting Standards				(3,286,075)

# As at 30 June 2025/31 December 2024

	Airline operations <i>RMB'000</i>	Other operations <i>RMB'000</i>	Elimination RMB'000	Total RMB'000
Segment assets Segment assets as at 30 June 2025 under CASs	334,218,916	29,253,558	(15,914,966)	347,557,508
Effect of differences between IFRS Accounting Standards and CASs				(18,386)
Total assets as at 30 June 2025 under IFRS Accounting Standards				347,539,122
Segment assets as at 31 December 2024 under CASs	335,387,462	35,068,041	(24,686,091)	345,769,412
Effect of differences between IFRS Accounting Standards and CASs				(19,239)
Total assets as at 31 December 2024 under IFRS Accounting Standards				345,750,173
Segment liabilities				
Segment liabilities under CASs and IFRS Accounting Standards				
As at 30 June 2025	304,360,027	20,338,559	(15,389,461)	309,309,125
As at 31 December 2024	301,829,477	27,135,795	(24,141,069)	304,824,203

#### **Geographical information**

The following tables present the Group's consolidated revenue to external customers by geographical location for the six months ended 30 June 2025 and 2024:

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Chinese Mainland	56,277,430	57,960,673
Hong Kong SAR, Macau SAR and Taiwan, China	2,539,842	2,484,032
International	21,940,162	19,075,627
	80,757,434	79,520,332

In determining the Group's geographical information, revenue is based on the origin and destination of each flight. Assets, which principally consist of aircraft and ground equipment, supporting the Group's worldwide transportation network, are mainly registered/located in Chinese Mainland. According to the business demand, the Group flexibly allocates aircraft to match the need of the route network. An analysis of the assets of the Group by geographical distribution has therefore not been presented.

There was no individual customer that contributed 10% or more of the Group's revenue for both periods presented.

#### 4. OTHER INCOME AND GAINS

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Co-operation routes income and subsidy income	2,407,102	2,232,415
Gains on disposal of property, plant and equipment		
and right-of-use assets	22,327	775,226
Loss on disposal of assets held for sale	_	(7,907)
Dividend income	13,131	5,935
Others	173,285	245,181
	2,615,845	3,250,850

## 5. LOSS FROM OPERATIONS

The Group's loss from operations is arrived at after charging:

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Depreciation of property, plant and equipment	7,072,151	6,505,225
Depreciation of right-of-use assets	7,748,718	7,503,289
Depreciation of investment properties	16,767	16,767
Amortisation of intangible assets	2	4

## 6. FINANCE COSTS

	Six months ended 30 June		
	2025	2024	
	RMB'000	RMB'000	
Interest on interest-bearing borrowings	1,951,327	2,215,565	
Interest on lease liabilities	1,114,236	1,192,838	
Imputed interest expenses on defined benefit obligations	5,147	2,628	
	3,070,710	3,411,031	
Less: Interest capitalised	(179,756)	(145,558)	
	2,890,954	3,265,473	

The interest capitalisation rates during the period ranged from 1.95% to 2.80% (six months ended 30 June 2024: 2.40% to 4.45%) per annum relating to the costs of related borrowings during the period.

# 7. INCOME TAX (CREDIT)/EXPENSE

	Six months ended 30 June		
	2025	2024	
	RMB'000	RMB'000	
Current income tax:			
<ul> <li>Chinese Mainland</li> </ul>	120,343	201,017	
<ul> <li>Other tax jurisdictions</li> </ul>	895	887	
Under provision in respect of prior years	1,525	431	
Deferred tax	(200,560)	50,201	
	(77,797)	252,536	

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, except for certain branches and subsidiaries of the Group which are taxed at a preferential rate of 15%, all group companies located in Chinese Mainland are subject to an income tax rate of 25% (six months ended 30 June 2024: 25%). Subsidiaries in Hong Kong SAR, China are taxed at profits tax rate of 16.5%, and subsidiaries in Macau SAR. China are taxed at profits tax rate of 12%, for both periods.

#### 8. DIVIDENDS

In accordance with the Company's articles of association, the profit after tax of the Company for the purpose of dividend distribution is based on the lesser of (i) the profit determined in accordance with CASs; and (ii) the profit determined in accordance with IFRSs.

#### (a) Dividends payable to equity shareholders attributable to the interim period

No interim dividend has been declared by the Directors for the six months ended 30 June 2025 (six months ended 30 June 2024: Nil).

# (b) Dividends payable to equity shareholders attributable to the previous financial year, approved during the current interim period

No dividend has been declared by the Directors for the financial year of 2024 during the six months ended 30 June 2025 (six months ended 30 June 2024: Nil).

#### 9. LOSS PER SHARE

The calculation of the basic loss per share is based on the loss attributable to ordinary equity shareholders of the Company of RMB1,805 million (six months ended 30 June 2024: RMB2,779 million) and the weighted average number of 16,658,566,736 (six months ended 30 June 2024: 15,723,985,056) ordinary shares in issue during the period, as adjusted to reflect the effect of reciprocal shareholding with Cathay Pacific Airways Limited ("Cathay Pacific").

The Group had no potential ordinary shares in issue during both periods. The basic loss per share is the same as the diluted loss per share.

## 10. ACCOUNTS RECEIVABLE

The ageing analysis of the accounts receivable as at the end of the reporting period, based on the transaction date, net of allowance for expected credit losses, was as follows:

	At 30 June 2025	At 31 December 2024
	RMB'000	RMB'000
Within 30 days 31 to 60 days 61 to 90 days Over 90 days	3,640,790 499,885 76,653 565,841	2,963,962 147,934 139,120 419,236
	4,783,169	3,670,252

## 11. ACCOUNTS PAYABLE

The ageing analysis of the accounts payable, based on the transaction date, as at the end of the reporting period was as follows:

	At 30 June	At 31 December
	2025	2024
	RMB'000	RMB'000
Within 30 days	8,148,551	8,354,764
31 to 60 days	2,286,119	2,009,755
61 to 90 days	4,623,235	4,806,725
Over 90 days	4,595,477	3,698,540
	19,653,382	18,869,784

The following is the operating data summary of the Company, Shenzhen Airlines (including Kunming Airlines), Shandong Airlines, Beijing Airlines, Dalian Airlines, Air China Inner Mongolia and Air Macau.

	January to June 2025	January to June 2024	Increase/ (decrease)
Capacity			
ASK (million)	177,576.14	171,790.89	3.37%
International	51,445.77	44,082.60	16.70%
Mainland China	121,132.50	122,675.40	(1.26%)
Hong Kong SAR, Macau SAR and Taiwan, China	4,997.87	5,032.90	(0.70%)
AFTK (million)	6,425.74	6,122.03	4.96%
International	3,055.74	2,577.25	18.57%
Mainland China	3,246.51	3,409.83	(4.79%)
Hong Kong SAR, Macau SAR and Taiwan, China	123.50	134.96	(8.49%)
ATK (million)	22,428.25	21,606.69	3.80%
Traffic			
RPK (million)	143,336.58	136,213.57	5.23%
International	39,337.74	33,625.02	16.99%
Mainland China	100,349.17	98,966.23	1.40%
Hong Kong SAR, Macau SAR and Taiwan, China	3,649.66	3,622.31	0.75%
RFTK (million)	2,408.59	2,237.13	7.66%
International	1,560.66	1,409.88	10.69%
Mainland China	817.46	795.51	2.76%
Hong Kong SAR, Macau SAR and Taiwan, China	30.47	31.74	(4.01%)
Passengers carried (thousand)	77,114.33	74,959.47	2.87%
International	8,939.31	7,535.97	18.62%
Mainland China	65,835.77	65,161.14	1.04%
Hong Kong SAR, Macau SAR and Taiwan, China	2,339.26	2,262.37	3.40%
Cargo and mail carried (tonnes)	735,334.14	701,598.29	4.81%
Kilometres flown (million)	922.72	896.88	2.88%
Block hours (thousand)	1,465.36	1,438.31	1.88%
Number of flights	504,285	498,613	1.14%
International	56,194	47,201	19.05%
Mainland China	430,131	434,608	(1.03%)
Hong Kong SAR, Macau SAR and Taiwan, China	17,960	16,804	6.88%
RTK (million)	15,050.36	14,229.30	5.77%

	January to June 2025	January to June 2024	Increase/ (decrease)
Load factor			
Passenger load factor (RPK/ASK)	80.72%	79.29%	1.43 pp
International	76.46%	76.28%	0.19 pp
Mainland China	82.84%	80.67%	2.17 pp
Hong Kong SAR, Macau SAR and Taiwan, China	73.02%	71.97%	1.05 pp
Cargo and mail load factor (RFTK/AFTK)	37.48%	36.54%	0.94 pp
International	51.07%	54.70%	(3.63 pp)
Mainland China	25.18%	23.33%	1.85 pp
Hong Kong SAR, Macau SAR and Taiwan, China	24.67%	23.52%	1.15 pp
Overall load factor (RTK/ATK)	67.10%	65.86%	1.25 pp
Utilisation			
Daily utilisation of aircraft			
(block hours per day per aircraft)	8.76	8.79	(0.03 hours)
Yield			
Yield per RPK (RMB)	0.5107	0.5369	(4.88%)
International	0.4889	0.4927	(0.77%)
Mainland China	0.5134	0.5475	(6.23%)
Hong Kong SAR, Macau SAR and Taiwan, China	0.6683	0.6578	1.60%
Yield per RFTK (RMB)	1.4853	1.4878	(0.17%)
International	1.7344	1.7792	(2.52%)
Mainland China	0.9419	0.9035	4.25%
Hong Kong SAR, Macau SAR and Taiwan, China	3.3024	3.1906	3.50%
Unit cost			
Operating expenses per ASK (RMB)	0.4791	0.4881	(1.84%)
Operating expenses per ATK (RMB)	3.7930	3.8809	(2.26%)

# **F** DEVELOPMENT OF FLEET

During the first half of 2025, the Group introduced a total of nine aircraft, including one A320 series aircraft, five B737 series aircraft, one C919 aircraft and two C909 aircraft, and phased out a total of five aircraft, including one A330 series aircraft, three A320 series aircraft and one business jet. As at the end of the Reporting Period, the Group had a total of 934 aircraft with an average age of 10.28 years, of which the Company operated a fleet of 510 aircraft in total, with an average age of 9.92 years. During the Reporting Period, the Company introduced eight aircraft and phased out two aircraft.

Details of the fleet of the Group are set out in the table below:

		30 June 2025				
			<b>Finance</b>	<b>Operating</b>	Average	
	Sub-total	Self-owned	leases	leases	age (year)	
Airbus	430	196	115	119	10.14	
A320	347	165	90	92	10.35	
A330	53	21	5	27	12.18	
A350	30	10	20	_	4.13	
Boeing	462	191	97	174	11.11	
B737	410	156	88	166	11.08	
B747	10	8	2	_	15.97	
B777	28	17	5	6	11.21	
B787	14	10	2	2	8.36	
COMAC	39	27	12	_	2.02	
C909	35	23	12	_	2.19	
C919	4	4	_	_	0.52	
<b>Business jets</b>	3	1		2	9.31	
Total	934	415	224	295	10.28	

	Intro	<b>Introduction Plan</b>			<b>Phase-out Plan</b>		
	2025	2026	2027	2025	2026	2027	
Airbus	22	27	24	13	13	3	
A320	22	27	24	9	13	3	
A330	_	_	_	4	_	_	
Boeing	13	2	21	5	1	1	
B737	13	_	12	4	1	1	
B747	_	_	_	1	_	_	
B787	_	2	9	_	_	_	
COMAC	12	10	10	_	_	_	
C909	2	_	_	_	_	_	
C919	10	10	10				
Total	<u>47</u>	39	55	18	14	4	

Note: Please refer to the actual operation for the introduction and phase-out of the Group's fleet in the future.

# **F** BUSINESS OVERVIEW

# **Safe Operations**

Comprehensively implementing the holistic approach to national security, the Group reinforced safety accountability with resolute political commitment, unwaveringly upholding the principle of "safety first". The annual key safety tasks were rigorously advanced, with the Group's leadership team conducting safety supervision and field research at seven subsidiaries and branches. Steady progress was made in the three-year action plan for fundamental improvement in workplace safety. This included formulating implementation plans for safety production, comprehensively strengthening process management, and continuously enhancing safety operation systems across key areas such as safety management, flight training, operational management, aircraft maintenance, risk identification and hidden hazard identification and mitigation, dangerous goods air transportation, aviation security as well as fire and construction safety. Focusing on complex operational environments and critical production processes, the Group applied to "human error, equipment failure, environmental factors and deficiencies management (人、機、環、管)" framework to rigorously enforce risk controls. During the Reporting Period, the Group achieved 1.465 million safe flight hours while successfully executing multiple charter flights and special missions including repatriation of overseas cultural relics, earthquake relief and rescue in Myanmar and Tibet and emergency evacuations from Iran, all demonstrating the Group's strong political accountability and commitment to social responsibilities.

### **Operational Performance**

The Group made solid strides in enhancing quality and efficiency, steadfastly anchoring its efforts to achieve the annual business objectives. The Group adhered to implementing the "Four Maximizations" production organization principle to increase the scale of effective input. The hub network strategy was further advanced, with continuous optimization of the flight route network and meticulous development of domestic express routes to strengthen competitive edges. The Group steadily pushed forward the launch of new international routes and resumption of suspended ones, prioritizing market expansion along the "Belt and Road" initiative. The Group continuously enhanced its product marketing and innovation capabilities. Product design was continually refined to cater to passengers' differentiated needs, with innovative upgrades to distinctive tailored offerings such as the "Phoenix Junior Program (新生旅客計劃)", the "Silver Age Plan (活力銀齡計劃)" and the "Student Zone (學生專區)". The Group also deepened customer orientation by implementing a dedicated client manager system, elevating the experience of core customer groups and bolstering the Company's reputation. The Group continued to reinforce synergistic development to extend the breadth and depth of the route network, and conducted joint thematic marketing initiatives to sharpen the core competitiveness. Cost control was advanced, with focused efforts on unlocking potential savings and enhancing overall profitability. The Group continuously strengthened the financial coordination, enhanced debt risk management, improved capital utilization efficiency while ensuring fund security to reduce financial costs.

# **Service Quality**

Guided by the "people-centered" development philosophy and anchored to the goal of building a world-class aviation transportation group, the Group made steady progress in its annual priority tasks of creating "Four First-class (四個一流)" services. By continuously advancing the development of the service quality management system, enhancing service standards, deepening product and service innovation and focusing on driving digital upgrades across the entire service process, the Group promoted its high-quality development through service excellence.

Adhering to a problem-oriented approach, the Group revised its key service standards such as service compensation policies, optimized satisfaction survey analysis and established coordinated ticketing policy and payment monitoring mechanisms to precisely improve passenger experiences. Branded service products were further developed, including the launch of the new "Zichen (紫宸)" premium lounge in Urumqi and the addition of "Hangzhou-Chengdu" express route and "Chongqing-Shenzhen" city express route, enriching the express route portfolio. To enhance passenger convenience, the Group enriched in-app payment methods and introduced multiple features such as passport chip scanning and cross-airline special service bookings, extended intercity air-rail intermodal service coverage to 73 cities and expanded domestic through-check-in flight services to 21 locations. The Group accelerated the development and rollout of service system platforms, with the officially full operation of an end-to-end passenger notification system. In-flight meal reservation service was extended to all domestic flights, providing superior service to passengers. Intelligent customer service provides passengers with inquiry and response services including flight status queries and pre-flight instructions. The passenger service compensation system, service knowledge database and other service production support systems have been upgraded, further enhancing digital capabilities in both service and management.

### **Digital Transformation**

The Group accelerated the digital and intelligent transformation across all business domains. In terms of safety operations, the global ground flight support platform achieved full coverage across all branches, enabling flight monitoring visualization, intelligent shift scheduling and mobile operations for frontline staff, significantly enhancing ground support capabilities. Supported by the intelligent route engineer platform, engineers were empowered to formulate fault response plans, enhance maintenance efficiency, and boost safety management capabilities through technological innovation. In terms of marketing and services, all business model phase II projects were launched, delivering enhanced precision marketing and diversified product management, enabling rapid and flexible configuration of air tickets and products and expanded sales channels. The Group actively promoted artificial intelligence (AI) adoption, developing key applications including intelligent customer service and smart maintenance. In-flight meal reservation services achieved full coverage across all domestic flights, with intelligent customer service providing passengers with smart voice-enabled O&A support. The centralized departure control business attained complete implementation at all Air China's flight destinations. Service production support systems, including the passenger service compensation systems, service knowledge database and others, underwent upgrades and iterations. The Group also established a comprehensive AI+ platform to enable centralized and intensive sharing of AI resources across the organization, providing foundational support for the implementation of AI applications throughout all operational domains.

#### **Brand Value**

Aligned with the goal of building a "world-renowned brand" as part of its world-class enterprise development strategy, the Group continuously strengthened its integrated online-offline and air-ground synergistic three-dimensional communication system, focusing on creating a globally leading brand. Participating in the 20th Western China International Fair, under the theme "Harnessing Western Momentum for Global Connections (乘西部之風 赴世界之約)", the Group showcased its role as the national flag carrier in serving national strategies and empowering regional economies with solid results. The Group actively carried out its overseas brand promotion, accelerating the establishment of a brand management and international communication framework. At the 2025 Brand Global Communication Conference (2025品牌全球傳播力大會), Air China ranked 26th on the "2025 China Brands Global Influence Index (2025中國品牌全球傳播力總榜)", as the only airline included in the ranking. According to the evaluation released by World Brand Lab, Air China ranked 25th in the "China's Top 500 Most Valuable Brands" for 2025 with a brand value of RMB275.576 billion, maintaining its leading position in China's aviation service industry.

# MANAGEMENT DISCUSSION AND ANALYSIS ON FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

The following discussion and analysis are based on the Group's interim condensed consolidated financial statements and notes thereto which were prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting*, as well as the applicable disclosure requirements under Appendix D2 to the Listing Rules and are designed to assist the readers in further understanding the information provided in this announcement so as to better understand the financial conditions and results of operations of the Group as a whole.

#### Revenue

During the Reporting Period, the Group's revenue was RMB80,757 million, representing a year-on-year increase of RMB1,237 million or 1.56%. Among them, air traffic revenue was RMB76,774 million, representing a year-on-year increase of RMB308 million or 0.40%; other operating revenue was RMB3,983 million, representing a year-on-year increase of RMB929 million or 30.41%.

# Revenue Contributed by Geographical Segments

For the six months ended 30 June					
	20	25	2024		
(in RMB'000)	Amount	Percentage	Amount	Percentage	Change
T	21 040 172	AT 180	10.075.627	22 000	15.000
International	21,940,162	27.17%	19,075,627	23.99%	15.02%
Mainland China	56,277,430	69.69%	57,960,673	72.89%	(2.90%)
Hong Kong SAR, Macau SAR					
and Taiwan, China	2,539,842	3.14%	2,484,032	3.12%	2.25%
Total	80,757,434	100.00%	79,520,332	100.00%	1.56%

## Air Passenger Revenue

During the Reporting Period, the Group recorded an air passenger revenue of RMB73,196 million, representing a year-on-year increase of RMB59 million. Among the air passenger revenue, the increase of capacity resulted in an increase in revenue of RMB2,463 million, and the increase of passenger load factor resulted in an increase in revenue of RMB1,361 million, while the decrease of passenger yield resulted in a decrease in revenue of RMB3,765 million. The capacity, passenger load factor and yield per RPK of air passenger business during the Reporting Period are as follows:

	For the six months		
	2025	2024	Change
Available seat kilometres (million)	177,576.14	171,790.89	3.37%
Passenger load factor (%)	80.72	79.29	1.43 pp
Yield per RPK (RMB)	0.5107	0.5369	(4.88%)

## Air Passenger Revenue Contributed by Geographical Segments

For the six months ended 30 June					
	20	25	2024		
(in RMB'000)	Amount	Percentage	Amount	Percentage	Change
International	19,233,312	26.28%	16,567,178	22.65%	16.09%
Mainland China	51,523,843	70.39%	54,187,183	74.09%	(4.92%)
Hong Kong SAR, Macau SAR	2 420 221	2 2207	2 222 755	2 2607	2 270
and Taiwan, China	2,439,221	3.33%	2,382,755	3.26%	2.37%
Total	73,196,376	100.00%	73,137,116	100.00%	0.08%

# Air Cargo and Mail Revenue

During the Reporting Period, the Group's air cargo and mail revenue was RMB3,577 million, representing a year-on-year increase of RMB249 million. Among which, the increase of capacity contributed to an increase in revenue of RMB165 million, and the increase of cargo and mail load factor resulted in an increase in revenue of RMB90 million, while the decrease of yield of cargo and mail business resulted in a decrease in revenue of RMB6 million. The capacity, cargo and mail load factor and yield per RFTK of air cargo and mail business during the Reporting Period are as follows:

	For the six months en		
	2025	2024	Change
Available freight tonne kilometres (million)	6,425.74	6,122.03	4.96%
Cargo and mail load factor (%)	37.48	36.54	0.94 pp
Yield per RFTK (RMB)	1.4853	1.4878	(0.17%)

# Air Cargo and Mail Revenue Contributed by Geographical Segments

For the six months ended 30 June					
	20	25	2024		
(in RMB'000)	Amount	Percentage	Amount	Percentage	Change
International	2,706,850	75.67%	2,508,449	75.36%	7.91%
Mainland China	769,997	21.52%	718,726	21.59%	7.13%
Hong Kong SAR, Macau SAR					
and Taiwan, China	100,621	2.81%	101,277	3.05%	(0.65%)
Total	3,577,468	100.00%	3,328,452	100.00%	7.48%

#### **OPERATING EXPENSES**

During the Reporting Period, the Group's operating expenses increased by RMB1,217 million on a year-on-year basis to RMB85,070 million, representing an increase of 1.45%. The breakdown of the operating expenses is set out below:

	For the six months ended 30 June				
	20	25	202		
(in RMB'000)	Amount	Percentage	Amount	Percentage	Change
Jet fuel costs	24,327,485	28.60%	27,132,269	32.36%	(10.34%)
Take-off, landing and depot					
charges	10,613,810	12.48%	9,963,482	11.88%	6.53%
Depreciation and amortisation	14,837,638	17.44%	14,025,285	16.73%	5.79%
Aircraft maintenance, repair					
and overhaul costs	7,292,075	8.57%	6,862,447	8.18%	6.26%
Employee compensation costs	17,849,218	20.98%	16,953,921	20.22%	5.28%
Air catering charges	2,104,979	2.47%	1,973,435	2.35%	6.67%
Selling and marketing expenses	2,410,378	2.83%	2,275,875	2.71%	5.91%
General and administrative					
expenses	797,634	0.94%	780,314	0.93%	2.22%
Others	4,836,492	5.69%	3,886,126	4.64%	24.46%
Total	85,069,709	100.00%	83,853,154	100.00%	1.45%

- Jet fuel costs decreased by RMB2,805 million on a year-on-year basis, mainly due to the combined effect of the decrease in the prices of jet fuel and increase in the consumption of jet fuel.
- Take-off, landing and depot charges increased by RMB650 million on a year-on-year basis, mainly due to the year-on-year increase in the number of take-offs and landings.
- Depreciation and amortisation expenses increased by RMB812 million on a year-on-year basis, mainly due to the expansion of fleet as well as the year-on-year increase in flying hours.
- Aircraft maintenance, repair and overhaul costs increased by RMB430 million on a year-on-year basis, mainly due to the year-on-year increase in flying hours.
- Employee compensation costs increased by RMB895 million on a year-on-year basis, mainly due to the year-on-year increase in flight hour fees.
- Air catering charges increased by RMB132 million on a year-on-year basis, mainly due to the increase in the number of passengers.
- Selling and marketing expenses increased by RMB135 million on a year-on-year basis, mainly due
  to the increase in booking fees resulting from the increase in the sales volumes and the number
  of passengers.
- Other operating expenses mainly included the Civil Aviation Development Fund and ordinary
  expenses arising from the core air traffic business that are not included in the aforementioned
  specific items, which increased by RMB950 million on a year-on-year basis, mainly due to the
  effect of the increase in the investment in production and operation and changes in contract
  performance costs of aircraft maintenance subsidiaries.

# **Net Exchange Gain and Finance Costs**

During the Reporting Period, the Group recorded a net exchange gain of RMB176 million, as compared to the net exchange loss of RMB360 million for the same period last year. The Group incurred finance costs of RMB2,891 million (excluding those capitalised) during the Reporting Period, representing a year-on-year decrease of RMB375 million.

#### **Share of Results of Associates and Joint Ventures**

During the Reporting Period, the Group's share of profits of its associates was RMB1,220 million, representing a year-on-year increase of RMB135 million. The Group recognised share of profit from Cathay Pacific of RMB1,174 million during the Reporting Period, representing a year-on-year increase of RMB106 million.

During the Reporting Period, the Group's share of profits of its joint ventures was RMB117 million, representing a year-on-year increase of RMB26 million.

#### **Assets Structure Analysis**

At the end of the Reporting Period, the total assets of the Group were RMB347,539 million, representing an increase of 0.52% from that as at 31 December 2024. Among them, the current assets accounted for RMB47,750 million or 13.74% of the total assets, while the non-current assets accounted for RMB299,789 million or 86.26% of the total assets.

Among the current assets, cash and cash equivalents were RMB25,331 million, representing an increase of 20.40% from that as at 31 December 2024, which was mainly due to the Company's flexible adjustment of its funds according to its capital arrangements.

Among the non-current assets, the book values of property, plant and equipment and right- of-use assets as at the end of the Reporting Period amounted to RMB237,141 million, representing a decrease of 1.61% from that as at 31 December 2024.

# Asset Mortgage/Pledge

At the end of the Reporting Period, the Group, pursuant to certain bank loan agreements, had secured aircraft and buildings with an aggregate book value of approximately RMB4,669 million (RMB3,825 million as at 31 December 2024) and land use rights with book value of approximately RMB23 million (RMB23 million as at 31 December 2024). Meanwhile, the Group had restricted monetary funds of approximately RMB2,591 million (RMB1,428 million as at 31 December 2024), which were mainly statutory reserves deposited in the People's Bank of China, pledged bank deposits, security deposits and time deposits with a maturity of more than three months.

#### **Capital Expenditure**

During the Reporting Period, the Group's capital expenditure amounted to a total of RMB5,859 million. Among this, aircraft-related investments totalled RMB2,362 million, primarily covering the acquisition of aircraft and engines, aircraft modifications and retrofitting, as well as flight simulators. Cash portion of long-term investment projects amounted to RMB2,726 million, including capital injection projects for Air Macau, Air China Inner Mongolia and Sichuan Airlines Co., Ltd. Other capital expenditure project investments amounted to RMB771 million, mainly covering infrastructure construction, information system development and ground equipment procurement.

## **Equity Investment**

As at the end of the Reporting Period, the Group's equity investment in its associates amounted to RMB14,286 million, representing a decrease of 2.37% from that of 31 December 2024. Among this, the balance of the equity investment of the Group in Cathay Pacific amounted to RMB13,951 million.

As at the end of the Reporting Period, the Group's equity investment in its joint ventures was RMB2,486 million, representing an increase of 2.57% from that as at 31 December 2024.

### **Debt Structure Analysis**

At the end of the Reporting Period, the Group's total liabilities were RMB309,309 million, representing an increase of 1.47% from that as at 31 December 2024. Among them, current liabilities amounted to RMB126,209 million, accounting for 40.80% of the total liabilities; and non-current liabilities amounted to RMB183,100 million, accounting for 59.20% of the total liabilities.

Among the current liabilities, interest-bearing debts (including interest-bearing borrowings and lease liabilities) amounted to RMB76,696 million, representing a decrease of 16.64% from that as at 31 December 2024.

Among the non-current liabilities, interest-bearing debts (including interest-bearing borrowings and lease liabilities) amounted to RMB159,483 million, representing an increase of 10.77% from that as at 31 December 2024.

Details of interest-bearing liabilities of the Group categorised by currency are set out below:

	30 June 2025		31 December 2024			
(in RMB'000)	Amount	Percentage	Amount	Percentage	Change	
RMB	209,851,014	88.85%	205,662,318	87.15%	2.04%	
US dollars	25,877,883	10.96%	29,874,295	12.66%	(13.38%)	
Others	449,659	0.19%	443,893	0.19%	1.30%	
Total	236,178,556	100.00%	235,980,506	100.00%	0.08%	

As at the end of the Reporting Period, the Group did not use financial instruments for hedging purposes.

#### **Commitments**

The Group's capital commitments, which mainly consisted of the expenditure in the next few years for purchasing certain aircraft and related equipment, decreased by 2.07% from RMB95,175 million as at 31 December 2024 to RMB93,200 million as at the end of the Reporting Period. The Group's investment commitments, which were mainly used for the investment agreements that have been signed and come into effect, amounted to RMB267 million as at the end of the Reporting Period, as compared with RMB313 million as at 31 December 2024.

## **Contingent Liabilities**

At the end of the Reporting Period, the Group had no material contingent liabilities.

### **Gearing Ratio**

As at the end of the Reporting Period, the Group's gearing ratio (total liabilities divided by total assets) was 89.00%, representing an increase of 0.84 percentage points from that of 31 December 2024.

### **Working Capital and Its Sources**

As at the end of the Reporting Period, the Group's net current liabilities (current liabilities less current assets) were RMB78,459 million, representing a decrease of RMB18,464 million from that as at 31 December 2024. The Group's current ratio (current assets divided by current liabilities) was 0.38, representing an increase of 0.08 as compared to that as at 31 December 2024.

The Group meets its working capital needs mainly through its operating activities and external financing activities. During the Reporting Period, the Group's net cash inflow from operating activities was RMB14,828 million, representing an increase of 4.03% from RMB14,253 million for the corresponding period in 2024. Net cash outflow from investing activities was RMB7,338 million, representing a decrease of 10.26% from RMB8,177 million for the corresponding period in 2024, mainly due to a year-on-year decrease in expenditures for the purchase of debt instruments measured at amortised cost. Net cash outflow from financing activities amounted to RMB3,218 million, representing an increase of 178.99% from RMB1,154 million for the corresponding period in 2024, mainly due to the repayment of bank loans and other borrowings during the current period.

At the end of the Reporting Period, the Company has obtained certain bank facilities of up to RMB278,622 million granted by several banks in the PRC, among which approximately RMB98,529 million has been utilised and approximately RMB180,093 million remained unutilised. The remaining amount is sufficient to meet its demands on liquidity and future capital commitments.

# **F** POTENTIAL RISKS

# 1. Risks of External Environment

#### Market Fluctuation

Relying on the super-sized domestic demand market, the domestic aviation market is expected to achieve steady growth. Against the backdrop of rapidly evolving global political, economic and trade dynamics, uncertainties persist in the development of the Company's traditionally strong international markets, particularly in North America. The Group will fully, precisely and comprehensively implement the new development philosophy, proactively support and integrate into the new development paradigm, anchor efforts on the domestic circulation, better support high-standard opening up, increase the international fleet capacity deployment, optimize its structure, and actively explore and cultivate emerging markets relating to the "Belt and Road" initiative.

#### Oil Price Fluctuation

Jet fuel is one of the major operating costs of the Group. The performance of the Group is affected to a certain extent by fluctuations in jet fuel prices. During the Reporting Period, with all other variables remaining unchanged, a 5% increase or decrease in the average jet fuel price would lead to a corresponding approximate increase or decrease of RMB1,216 million in the Group's jet fuel costs. The imposition of fuel surcharges has alleviated the Group's jet fuel cost pressure to some extent.

## Exchange Rate Fluctuation

The Group's certain assets and liabilities are denominated in US dollar, while a portion of international revenue and expenses of the Group are settled in currencies other than RMB. Assuming all other risk variables remain unchanged, a 1% appreciation or depreciation of RMB against the US dollar would result in an increase or decrease of RMB133 million in the Group's net profit and shareholders' equity as of 30 June 2025.

### 2. Risks of Competition

#### Industry competition

During the Reporting Period, as there was no significant reduction in the number of operating entities in the market, the Company continued to face relatively intense industry competition. The domestic market maintained a supply-demand imbalance characterized by increasing volume but declining prices. Influenced by market recovery, traffic right allocation and other factors, the resumption and launch of new international routes mainly concentrated in destinations such as Central Asia, West Asia and Europe, resulting in an intense competition in certain regions. Adhering to its strategy for hub network, the Company will devote efforts to building the Beijing-Chengdu dual-hub with a focus on developing strategic markets including the "Four-Pole Clusters" and Xinjiang, thereby achieving differentiated development from other market competitors. Consistent efforts will be made to optimize competitive domestic and international route networks centering around hubs as well as principal bases and markets, while introducing efficient and convenient domestic route and express route products to strengthen core market competitiveness through high-quality products and services.

### Alternative competition

As the world's largest high-speed railway network further expanded, there is an ongoing risk of passenger diversion in short- and medium-distance transportation. In the long run, high-speed railway will reshape China's economic geography. The civil aviation sector shall give full play to its comparative advantages within the comprehensive transportation system by increasing fleet capacity on domestic long-haul and international routes, and expanding public travel services to remote regions. Meanwhile, leveraging air-rail intermodal transport as a key support for the development of aviation hubs, advancing the optimization and upgrade of transit products, and delivering universally accessible, high-quality integrated transportation services to the public.

# F PURCHASES, SALES OR REDEMPTION OF LISTED SECURITIES

During the Reporting Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any listed securities of the Company (including the sales of treasury shares (as defined in the Listing Rules)) (the term "securities" has the meaning ascribed to it under paragraph 1 of Appendix D2 to the Listing Rules).

# **F** INTERIM DIVIDEND

No interim dividend will be paid by the Company for the six months ended 30 June 2025.

# **SUBSEQUENT EVENTS**

On 31 July 2025, Mr. Huen Ho Yin ("Mr. Huen") resigned as the joint company secretary of the Company with effect from 1 August 2025. Mr. Xiao Feng will continue to serve and act as the sole company secretary of the Company after the resignation of Mr. Huen. Mr. Xiao Feng has been admitted as a fellow of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute. Mr. Leung Yik Fung replaced Mr. Huen as the agent of the Company for accepting service of process and notices on behalf of the Company in Hong Kong under Rule 19A.13(2) of the Listing Rules with effect from 1 August 2025. For details, please refer to the announcement of the Company dated 31 July 2025.

# **F** CORPORATE GOVERNANCE

# **Compliance with the Corporate Governance Code**

During the Reporting Period, the Company has complied with the code provisions in Part 2 of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules.

## Compliance with the Model Code

The Company has adopted and formulated a code of conduct on terms no less stringent than the required standards of the Model Code. After making specific enquiries, the Company confirmed that each Director and each Supervisor has complied with the required standards of the Model Code and the Company's code of conduct throughout the Reporting Period.

# **SOLUTION** DISCLOSURE REQUIREMENTS UNDER THE LISTING RULES

In order to comply with the requirements under paragraph 46 of Appendix D2 to the Listing Rules, the Company confirmed that save as disclosed in this announcement, there are no material changes in the current information of the Company in relation to matters as set out in paragraph 46(3) of Appendix D2 to the Listing Rules as compared with relevant disclosures in the 2024 annual report of the Company.

# FREVIEW BY THE AUDIT AND RISK CONTROL COMMITTEE (THE SUPERVISION COMMITTEE)

The audit and risk control committee (the supervision committee) of the Company has reviewed the Company's interim results for the six months ended 30 June 2025, the Company's unaudited interim condensed consolidated financial statements, and the accounting policies and practices adopted by the Group.

# **GLOSSARY OF TECHNICAL TERMS**

#### **Capacity Measurements**

"available tonne kilometres" or "ATK(s)"	the number of tonnes of capacity available for transportation multiplied by the kilometres flown
"available seat kilometres" or "ASK(s)"	the number of seats available for sale multiplied by the kilometres flown
"available freight tonne kilometres" or "AFTK(s)"	the number of tonnes of capacity available for the carriage of cargo and mail multiplied by the kilometres flown

#### **Traffic Measurements**

"passenger traffic"	measured in RPK, unless otherwise specified
"revenue passenger kilometres" or "RPK(s)"	the number of revenue passengers carried multiplied by the kilometres flown
"cargo and mail traffic"	measured in RFTK, unless otherwise specified

"revenue freight tonne	the revenue cargo and mail load in tonnes multiplied by the kilometres
kilometres" or "RFTK(s)"	flown
"revenue tonne kilometres" or	the revenue load (passenger and cargo) in tonnes multiplied by the
"RTK(s)"	kilometres flown

# **Efficiency Measurements**

"passenger load factor"	RPK expressed as a percentage of ASK
pussenger roug ructor	iti it expressed as a percentage of fish

"cargo and mail load factor" RFTK expressed as a percentage of AFTK

"overall load factor" RTK expressed as a percentage of ATK

"block hour" the total time from the removal of wheel chocks before the aircraft

begins to move until the placement of wheel chocks after the aircraft

has landed and come to a complete stop

#### **Yield Measurements**

"passenger yield"/"yield per RPK" revenues from passenger transportation divided by RPKs

"cargo yield"/"yield per RFTK" revenues from cargo and mail transportation divided by RFTKs

# **F** DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

"Airbus"	Airbus S.A.S., a company established in Toulouse, France
"Air China Inner Mongolia"	Air China Inner Mongolia Co., Ltd., a non-wholly owned subsidiary of the Company
"Air Macau"	Air Macau Company Limited, a non-wholly owned subsidiary of the Company
"Ameco"	Aircraft Maintenance and Engineering Corporation, a non-wholly owned subsidiary of the Company

"Articles of Association" the articles of association of the Company, as amended from time to time

"A Share(s)" ordinary share(s) in the share capital of the Company, with a nominal

value of RMB1.00 each, which are subscribed for and traded in

Renminbi and listed on Shanghai Stock Exchange

"Beijing Airlines" Beijing Airlines Company Limited, a non-wholly owned subsidiary

of the Company

"Board" the board of directors of the Company

"Boeing" The Boeing Company

"Air China"

"CASs" China Accounting Standards for Business Enterprises

"Cathay Pacific" Cathay Pacific Airways Limited, an associate of the Company

"CNAHC" China National Aviation Holding Corporation Limited

"COMAC" Commercial Aircraft Corporation of China, Ltd.

"Company", "We" or Air China Limited, a company incorporated in the PRC, whose H

Shares are listed on the Hong Kong Stock Exchange as its primary listing venue and on the Official List of the UK Listing Authority

as its secondary listing venue, and whose A Shares are listed on the

Shanghai Stock Exchange

"CSRC" China Securities Regulatory Commission

"Dalian Airlines" Dalian Airlines Company Limited, a non-wholly owned subsidiary

of the Company

"Director(s)" the director(s) of the Company

"Group" the Company and its subsidiaries

"Hong Kong" the Hong Kong Special Administrative Region of the People's

Republic of China

"Hong Kong Stock Exchange" The Stock Exchange of Hong Kong Limited

"H Share(s)" overseas-listed foreign invested share(s) in the share capital of the

Company, with a nominal value of RMB1.00 each, which is/are listed on the Hong Kong Stock Exchange (as primary listing venue) and has/have been admitted into the Official List of the UK Listing

Authority (as secondary listing venue)

"International Financial Reporting Standards" or "IFRSs"	IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB)
"Kunming Airlines"	Kunming Airlines Company Limited, a subsidiary of Shenzhen Airlines
"Listing Rules"	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
"Reporting Period"	the period from 1 January 2025 to 30 June 2025
"RMB"	Renminbi, the lawful currency of the PRC
"SFO"	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Shandong Airlines"	Shandong Airlines Co., Ltd., a non-wholly owned subsidiary of the Shandong Aviation Group Corporation
"Shandong Aviation Group Corporation"	Shandong Aviation Group Company Limited, a non-wholly owned subsidiary of the Company
"Shenzhen Airlines"	Shenzhen Airlines Company Limited, a non-wholly owned subsidiary of the Company
"Supervisor(s)"	the supervisor(s) of the Company
"Supervisory Committee"	the supervisory committee of the Company
"US dollars"	United States dollars, the lawful currency of the United States

By Order of the Board
Air China Limited
Xiao Feng
Company Secretary

Beijing, the PRC, 28 August 2025

As at the date of this announcement, the directors of the Company are Mr. Ma Chongxian, Mr. Wang Mingyuan, Mr. Cui Xiaofeng, Mr. Patrick Healy, Mr. Xiao Peng, Mr. Xu Niansha\*, Mr. He Yun\*, Ms. Winnie Tam Wan-chi\* and Mr. Gao Chunlei\*.

<sup>\*</sup> Independent non-executive directors of the Company