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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)

CONTINUING CONNECTED TRANSACTION

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On 30 October 2025, the Company entered into the Aircraft Sales Framework Agreement with Beijing Leasing Company, pursuant to which, during the term specified in the Aircraft Sales Framework Agreement, the Company will sell aircraft owned by the Company to Beijing Leasing Company from time to time by way of agreement transfer. The Aircraft Sales Framework Agreement has a valid term from 30 October 2025 to 31 December 2027.

HONG KONG LISTING RULES IMPLICATIONS

Beijing Leasing Company is owned as to 60% by CNACG and 40% by CNAC Holding, both of which are in turn wholly-owned subsidiaries of CNAHC, the controlling shareholder of the Company. As such, Beijing Leasing Company is a connected person of the Company as defined under the Hong Kong Listing Rules, and accordingly the transactions under the Aircraft Sales Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Hong Kong Listing Rules.

As the highest applicable percentage ratio in respect of the annual caps of the transactions for each year under the Aircraft Sales Framework Agreement is higher than 0.1% but less than 5%, the transactions under the Aircraft Sales Framework Agreement are subject to the announcement and annual review requirements under Chapter 14A of the Hong Kong Listing Rules but are exempt from the Independent Shareholders' approval requirement.

I. AIRCRAFT SALES FRAMEWORK AGREEMENT

On 30 October 2025, the Company entered into the Aircraft Sales Framework Agreement with Beijing Leasing Company, pursuant to which, during the term specified in the Aircraft Sales Framework Agreement, the Company will sell aircraft owned by the Company to Beijing Leasing Company from time to time by way of agreement transfer. The Aircraft Sales Framework Agreement has a valid term from 30 October 2025 to 31 December 2027.

1. Parties and the relationship between the parties

The Company's principal business activity is air passenger, air cargo and airline-related services.

Beijing Leasing Company is owned as to 60% by CNACG and 40% by CNAC Holding, both of which are in turn wholly-owned subsidiaries of CNAHC, the controlling shareholder of the Company. As such, Beijing Leasing Company is a connected person of the Company as defined under the Hong Kong Listing Rules. Beijing Leasing Company is mainly engaged in finance leasing business and leasing business; purchase of rental property from domestic and international sources; residual value disposal and maintenance of rental property; lease transaction consultation and guarantee; import and export of goods, import and export of technology, and import and export agency.

As at the date of this announcement, CNAHC directly holds 42.53% of the Company's shares and, through CNACG, its wholly-owned subsidiary, holds 11.18% of the Company's shares, and is the controlling shareholder of the Company. As at the date of this announcement, the State-owned Assets Supervision and Administration Commission of the State Council is the controlling shareholder and de facto controller of CNAHC. CNAHC primarily operates all the state-owned assets and state-owned equity interests invested by the State in CNAHC and its invested entities, aircraft leasing and aviation equipment and facilities maintenance businesses.

2. Description of the transactions under the Aircraft Sales Framework Agreement

Pursuant to the Aircraft Sales Framework Agreement, during the term specified in the Aircraft Sales Framework Agreement, the Company will sell the aircraft owned by the Company to Beijing Leasing Company from time to time by way of agreement transfer, and Beijing Leasing Company will pay the consideration to the Company. The parties will enter into specific agreement(s) regarding specific matters such as payment of the consideration and the rights and obligations of each party.

3. Pricing policies

The consideration under the Aircraft Sales Framework Agreement shall be determined through arm's length negotiations between the Company and Beijing Leasing Company on normal commercial terms. The aircraft sale price, exclusive of tax, shall be the aircraft appraisal value appraised by an independent third-party valuer.

4. The term of the Aircraft Sales Framework Agreement

The Aircraft Sales Framework Agreement shall become effective upon signing by both parties on 30 October 2025 and shall remain in effect from 30 October 2025 to 31 December 2027, and may be renewed automatically for successive terms of three years each, subject to the fulfilment of requirements under the Hong Kong Listing Rules/the Shanghai Listing Rules and the approval procedures required under the Hong Kong Listing Rules/the Shanghai Listing Rules. Before expiry of the term of the Aircraft Sales Framework Agreement, the Board will reassess the terms and conditions of the Aircraft Sales Framework Agreement, and the Company will re-comply with the relevant rules governing connected transactions under the Hong Kong Listing Rules/the Shanghai Listing Rules. During the term of the Aircraft Sales Framework Agreement, the agreement can be terminated upon the expiry on any 31 December by either party thereto by serving the other party a prior written notice of not less than three months.

5. Reasons for and benefits of the transactions under the Aircraft Sales Framework Agreement

Over the coming years, a portion of the Company's old narrow-body aircraft will progressively enter the phase-out cycle. To optimize the fleet structure and enhance fleet operational efficiency, the Company intends to progressively complete the retirement of these aircraft. The introduction of new high fuel-efficient aircraft following the retirement of the aforesaid aircraft will effectively enhance the fleet's profitability and further establish long-term advantages for the fleet. Established in 2015, Beijing Leasing Company specializes in aviation asset leasing and value re-engineering. The Company intends to enter into the Aircraft Sales Framework Agreement with Beijing Leasing Company to increase the certainty of aircraft sales and shorten the aircraft sales cycle by leveraging the relevant expertise of Beijing Leasing Company in aircraft-related assets. By implementing the concept of high-quality development, the continuing connected transaction is conducive to enhancing operational efficiency, and capacity and standard in green development of the Company, thereby boosting the operating efficiency and yield performance of the Company's fleet.

6. Historical amounts and annual caps and basis of determination

As at the date of this announcement, the Company has not sold any aircraft to Beijing Leasing Company and therefore no amount has been incurred in respect thereof.

The table below sets out the corresponding annual caps from the Effective Date to 31 December 2027:

Unit: RMB million

	Annual Caps		
	For the Period from 30 October 2025 to 31 December 2025	**For the Year ending 31 December 2026**	**For the Year ending 31 December 2027**
The total amount of aircraft sale price to be paid by Beijing Leasing Company to the Company under the Aircraft Sales Framework Agreement	120	840	840

In arriving at the annual caps above, the Company has considered the following factors: (i) the Company's estimated number and models of narrow-body aircraft to be sold under the 2025-2027 aircraft phase-out plan based on fleet age and the need of optimizing fleet structure, and (ii) the estimated transaction amount per aircraft with reference to the market price of old narrow-body aircraft aged approximately 20 years. The number of aircraft to be sold under the Aircraft Sales Framework Agreement is expected not to exceed the total number of narrow-body aircraft scheduled for phase-out in the 2025-2027 aircraft phase-out plan.

7. Internal control procedures

The Group has adopted the following internal control procedures to ensure that the transactions under the Aircraft Sales Framework Agreement will be conducted on normal commercial terms, and in accordance with the Aircraft Sales Framework Agreement and the pricing policies of the Group:

- Before entering into the transactions under the Aircraft Sales Framework Agreement, the Finance Department, the Legal Department, the Asset Management Department (which has a dedicated subdivision responsible for the management of connected transactions) and if applicable, certain other relevant departments of the Company will review the proposed terms for the transactions under the Aircraft Sales Framework Agreement and discuss with the relevant business department of the Group to ensure that the transactions under the Aircraft Sales Framework Agreement are conducted on normal commercial terms and in compliance with the pricing policies of the Group before these relevant departments approve the finalized transaction agreements according to their authority within the Group.

- The Asset Management Department of the Company is responsible for overseeing the connected transactions of the Company. The Asset Management Department will review and assess the balance amount of the annual cap for the transactions under the Aircraft Sales Framework Agreement on a regular basis and if the annual cap for the transactions under the Aircraft Sales Framework Agreement is expected to be exceeded for a particular year, it will report to the management and take appropriate measures in accordance with the relevant requirements of the Hong Kong Listing Rules and/or the Shanghai Listing Rules.

- The Company's Internal Audit Department is responsible for performing annual assessment on the internal control procedures of the Group, including but not limited to the relevant information on the management of continuing connected transactions. In addition, the Internal Audit Department is responsible for compiling the annual internal control assessment report and submitting the report to the Board for examination and approval.

- The independent auditor of the Company and the independent non-executive Directors will conduct an annual review on the continuing connected transactions of the Group.

II. HONG KONG LISTING RULES IMPLICATIONS

Beijing Leasing Company is owned as to 60% by CNACG and 40% by CNAC Holding, both of which are in turn wholly-owned subsidiaries of CNAHC, the controlling shareholder of the Company. As such, Beijing Leasing Company is a connected person of the Company as defined under the Hong Kong Listing Rules, and accordingly the transactions under the Aircraft Sales Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Hong Kong Listing Rules.

As the highest applicable percentage ratio in respect of the annual caps of the transactions for each year under the Aircraft Sales Framework Agreement is higher than 0.1% but less than 5%, the transactions under the Aircraft Sales Framework Agreement are subject to the announcement and annual review requirements under Chapter 14A of the Hong Kong Listing Rules but are exempt from the Independent Shareholders' approval requirement.

Mr. Liu Tiexiang, Mr. Wang Mingyuan, Mr. Cui Xiaofeng and Mr. Xiao Peng, being the Directors of the Company also holding directorship in CNAHC, are considered to have material interests in the transactions under the Aircraft Sales Framework Agreement and therefore have abstained from voting on the relevant Board resolution in respect of the transactions under the Aircraft Sales Framework Agreement. Save as disclosed above, none of the Directors have a material interest in the transactions under the Aircraft Sales Framework Agreement and hence no other Director is required to abstain from voting on the relevant Board resolution.

The Board (including the independent non-executive Directors) considers that the terms and conditions of the transactions under the Aircraft Sales Framework Agreement are fair and reasonable. Such continuing connected transactions are on normal commercial terms or better and in the ordinary and usual course of business of the Group, and are in the interests of the Company and its Shareholders as a whole. The Board also considers that the annual caps under the Aircraft Sales Framework Agreement are fair and reasonable.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the meanings as set out below:

"Aircraft Sales Framework Agreement"	the aircraft sales continuing connected transaction framework agreement dated 30 October 2025 entered into between the Company and Beijing Leasing Company
"associate(s)"	has the meaning ascribed to it under the Hong Kong Listing Rules
"Beijing Leasing Company"	CNAC Beijing Financial Leasing Co., Ltd. (中航(北京)融資租賃有限公司)
"Board"	the board of Directors of the Company
"CNAC Holding"	China National Aviation Capital Holding Co., Ltd., a wholly-owned subsidiary of CNAHC
"CNACG"	China National Aviation Corporation (Group) Limited, a company incorporated under the laws of Hong Kong and a wholly-owned subsidiary of CNAHC and a substantial shareholder of the Company, which directly holds approximately 11.18% of the Company's issued share capital as at the date of this announcement
"CNAHC"	China National Aviation Holding Corporation Limited, a PRC state-owned enterprise and the controlling shareholder of the Company, directly and through its wholly-owned subsidiary CNACG, holding approximately 53.71% of the issued share capital of the Company in aggregate as at the date of this announcement
"Company" or "Air China"	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. The Company is principally engaged in providing air passenger, air cargo and related services
"connected person(s)"	has the meaning ascribed to it under the Hong Kong Listing Rules

"Director(s)"	the director(s) of the Company
"Effective Date"	the date on which the Aircraft Sales Framework Agreement becomes effective, namely 30 October 2025
"Group"	the Company and its subsidiaries from time to time
"HK$"	Hong Kong dollar, the lawful currency of Hong Kong
"Hong Kong"	Hong Kong Special Administrative Region of the PRC
"Hong Kong Listing Rules"	The Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"H Share(s)"	ordinary share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, which are listed on the Hong Kong Stock Exchange as primary listing venue and have been admitted into the Official List of the UK Listing Authority as secondary listing venue
"H Shareholder(s)"	holders of the H Shares
"RMB"	Renminbi, the lawful currency of the PRC
"Shanghai Listing Rules"	the Rules Governing the Listing of Stocks on Shanghai Stock Exchange
"Shareholder(s)"	holder(s) of the shares of the Company
"substantial shareholder(s)"	has the meaning ascribed to it under the Hong Kong Listing Rules
"%"	per cent

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

Beijing, the PRC, 30 October 2025

As at the date of this announcement, the directors of the Company are Mr. Liu Tiexiang, 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*.*

* *Independent non-executive director of the Company*