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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)

ANNOUNCEMENT REGARDING PROVISION FOR IMPAIRMENT FOR 2025

After considered and approved by the Audit and Risk Management Committee (the Supervisory Committee) of the seventh session of the board of directors (the "**Board**") of Air China Limited (the "**Company**"), the Company held the fourteenth meeting of the seventh session of the Board on 26 March 2026, at which the Board considered and approved the "Resolution on Provision for Impairment for 2025", agreeing to make appropriate provisions for asset impairment by the Company based on its actual condition.

1. OVERVIEW OF THE PROVISION FOR IMPAIRMENT

In accordance with the *Accounting Standards for Business Enterprises* and the requirements of the Company's relevant accounting policies and accounting estimates, and in order to present an objective and fair view of the Company's financial position and operating results for 2025, the Company conducted an assessment of expected credit losses on the relevant assets and performed impairment tests on assets that may have shown indicators of impairment. Based on the test results, the Company recognised a total of RMB575 million in provisions for various asset impairments for 2025, with the specific details as follows:

Unit: RMB'000

Item	Provision made for 2025	Remarks
Provision for asset impairment	586,113	Impairment provision made for fixed assets, goodwill and inventories

Item	Provision made for 2025	Remarks
Provision for credit impairment	-10,695	Impairment provisions made for accounts receivable, other receivables, other debt investments, other current assets, etc.
Total	**575,418**	–

2. SPECIFIC DETAILS OF THE PROVISIONS FOR IMPAIRMENT

A. Provision for Asset Impairment

I. Fixed Assets

In accordance with *Accounting Standards for Business Enterprises No. 8 – Asset Impairment*, the Company conducted an impairment test on aircraft approaching retirement and recognised a provision for fixed asset impairment in the amount of RMB96 million for the shortfall between the assets' recoverable amount and their carrying value.

II. Goodwill

In accordance with *Accounting Standards for Business Enterprises No. 8 – Asset Impairment*, the Company conducted an impairment test on asset group which contains goodwill. The recoverable amount shall be determined according to the present value of the expected future cash flow of the asset group, and the future cash flow shall be based on the five-year cash flow forecast approved by the management. According to the test result, the Company recognised a provision for goodwill impairment in the amount of RMB484 million for the shortfall between the recoverable amount of the asset group of Shandong Aviation Group Corporation and its carrying amount.

III. Inventories

In accordance with *Accounting Standards for Business Enterprises No. 1 – Inventories*, the Company measured inventories at the lower of cost or net realisable value and recognised a provision for inventory write-down of RMB6 million for the shortfall between net realisable value and cost.

B. Provision for Credit Impairment

In accordance with *Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments*, the Company, based on the expected credit losses, recognised impairment provisions in the amount of RMB-11 million for accounts receivable, other receivables, other debt investments, other current assets, etc.

3. IMPACT OF THE PROVISION FOR IMPAIRMENT ON THE COMPANY'S FINANCIAL POSITION

For 2025, the Company recognised a total of RMB575 million in provisions for various asset impairments in its consolidated financial statements. After considering the comprehensive impact of factors such as the reversal of impairments during the year, loss before taxation in the Company's consolidated financial statements increased by RMB567 million. The provisions for impairment comply with the *Accounting Standards for Business Enterprises* and the requirements of the Company's relevant accounting policies and accounting estimates, providing a true and objective reflection of the Company's financial position and operating results for the year of 2025 and accurately representing the actual condition of the Company's assets.

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

Beijing, the PRC, 26 March 2026

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