THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares of Air China Limited, you should at once hand this circular and the form of proxy and notice of attendance to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or the transferee.

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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)

(1) DISCLOSEABLE TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS: THE FINANCIAL SERVICES AGREEMENTS
(2) GENERAL MANDATE TO ISSUE DEBT FINANCING INSTRUMENTS
AND
NOTICE OF ANNUAL SHAREHOLDERS' MEETING

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

Opus Capital Limited 創富融資有限公司

A letter from the Board is set out on pages 6 to 36 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 37 to 38 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 39 to 70 of this circular.

A notice convening the AGM to be held at 11 a.m. on Thursday, 28 May 2026 at The Conference Room C313, No. 30 Tianzhu Road, Shunyi District, Beijing, the PRC, is set out on pages AGM-1 to AGM-4 of this circular. Whether or not you are able to attend the AGM, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon as soon as possible but in any event not less than 24 hours before the time appointed for convening the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish.

6 May 2026

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NOTICE OF ANNUAL SHAREHOLDERS' MEETING AGM-1

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

"ACC Financial Services Agreement"	the financial services framework agreement entered into between CNAF and Air China Cargo on 29 April 2026, with a term commencing from 1 January 2027 and ending on 31 December 2029
"ACC Group"	Air China Cargo and its subsidiaries
"ACC New Annual Caps"	RMB6 billion, RMB6 billion and RMB6 billion, being the proposed maximum daily balance of loans (including accrued interest) to be provided by CNAF to the ACC Group under the ACC Financial Services Agreement for the three years ending 31 December 2027, 2028 and 2029, respectively
"AGM"	the annual shareholders' meeting of the Company for the year ended 31 December 2025 to be held on Thursday, 28 May 2026
"Air China Cargo"	Air China Cargo Co., Ltd., a joint stock limited company incorporated under the laws of the PRC with limited liability and was owned as to approximately 39.4% by CNAHC as at the Latest Practicable Date, being a subsidiary of CNAHC and therefore a connected person of the Company. Air China Cargo is principally engaged in air cargo and mail transportation business
"Air China Financial Services Agreement"	the financial services framework agreement entered into between the Company and CNAF on 29 April 2026, with a term commencing from 1 January 2027 and ending on 31 December 2029
"Air China New Annual Caps"	RMB22 billion, RMB23 billion and RMB24 billion, being the proposed maximum daily balance of deposits (including accrued interest) to be placed by the Group with CNAF under the Air China Financial Services Agreement for the three years ending 31 December 2027, 2028 and 2029, respectively
"Articles of Association"	the articles of association of the Company
"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
"associate(s)"	has the meaning ascribed to it under the Hong Kong Listing Rules
"Board"	the board of Directors of the Company

"Cathay Pacific"	Cathay Pacific Airways Limited
"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 Latest Practicable Date
"CNAF"	China National Aviation Finance Co., Ltd., a company incorporated under the laws of the PRC with limited liability and was held as to approximately 51% and 49% by the Company and CNAHC, respectively, as at the Latest Practicable Date, being a connected subsidiary of the Company and thus a connected person of the Company under the Hong Kong Listing Rules. CNAF is primarily engaged in providing financial services to member companies of CNAHC Group, the Group and the ACC Group
"CNAHC"	China National Aviation Holding Corporation Limited, a PRC state-owned enterprise and the controlling shareholder of the Company, and therefore a connected person 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 Latest Practicable Date. As at the Latest Practicable Date, 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
"CNAHC Financial Services Agreement"	the financial services framework agreement entered into between CNAF and CNAHC on 29 April 2026, with a term commencing from 1 January 2027 and ending on 31 December 2029
"CNAHC Group"	CNAHC and the corporations or other entities in which CNAHC holds 30% or more equity interests or voting powers or the majority of the directors of which is controlled, directly or indirectly, by CNAHC, as well as any other CNAHC Group member company which, in accordance with the listing rules of the places where the shares of the Company are listed as in force and as amended from time to time, is a connected person or related party of the Company (excluding the Group, Air China Cargo and the corporations or other entities in which Air China Cargo holds 30% or more equity interests or voting powers or the majority of the directors of which are controlled, directly or indirectly, by Air China Cargo)

"CNAHC New Annual Caps"	RMB2.5 billion, RMB2.5 billion and RMB2.5 billion, being the proposed maximum daily balance of loans (including accrued interest) to be provided by CNAF to the CNAHC Group under the CNAHC Financial Services Agreement for the three years ending 31 December 2027, 2028 and 2029, respectively
"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
"controlling shareholder(s)"	has the meaning ascribed to it under the Hong Kong Listing Rules
"CSRC"	China Securities Regulatory Commission
"Director(s)"	the director(s) of the Company
"Existing ACC Financial Services Agreement"	the financial services framework agreement entered into between Air China Cargo and CNAF on 30 March 2023, with a term ending on 31 December 2026
"Existing Air China Financial Services Agreement"	the financial services framework agreement renewed by the Company and CNAF on 30 March 2023, for a term commencing from 1 January 2024 and ending on 31 December 2026
"Existing CNAHC Financial Services Agreement"	the financial services framework agreement renewed by CNAHC and CNAF on 30 March 2023, for a term commencing from 1 January 2024 and ending on 31 December 2026
"Existing Financial Services Agreements"	the Existing Air China Financial Services Agreement, the Existing CNAHC Financial Services Agreement and the Existing ACC Financial Services Agreement
"Financial Services Agreements"	the Air China Financial Services Agreement, the CNAHC Financial Services Agreement and the ACC Financial Services Agreement
"Group"	the Company and its subsidiaries from time to time

"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 Shareholders"	holders of the H Shares
"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" or the "Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Independent Board Committee"	a board committee comprising Mr. Xu Niansha, Mr. He Yun, Ms. Winnie Tam Wan-chi and Mr. Gao Chunlei, all being the independent non-executive Directors to advise the Independent Shareholders on the Non-exempt Continuing Connected Transactions
"Independent Financial Adviser" or "Opus Capital"	Opus Capital Limited, a corporation licensed by the Securities and Futures Commission to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, who is appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the Non-exempt Continuing Connected Transactions
"Independent Shareholders"	the Shareholders who do not have material interests in the Non-exempt Continuing Connected Transactions
"Latest Practicable Date"	4 May 2026, being the latest practicable date prior to the publication of this circular for ascertaining certain information contained herein
"NAFMII"	National Association of Financial Market Institutional Investors
"NFRA"	National Financial Regulatory Administration

"Non-exempt Continuing Connected Transactions"	the deposit services provided by CNAF to the Group under the Air China Financial Services Agreement and the Air China New Annual Caps, the comprehensive credit services provided by CNAF to the CNAHC Group under the CNAHC Financial Services Agreement and the CNAHC New Annual Caps, and the comprehensive credit services provided by CNAF to the ACC Group under the ACC Financial Services Agreement and the ACC New Annual Caps
"PBOC"	People's Bank of China
"Percentage Ratio"	has the meaning ascribed to it under the Hong Kong Listing Rules
"Proposed Annual Caps"	Air China New Annual Caps, CNAHC New Annual Caps and ACC New Annual Caps
"RMB"	Renminbi, the lawful currency of the PRC
"SASAC"	the State-owned Asset Supervision and Administration Commission of the State Council of the PRC
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Shanghai Listing Rules"	the Rules Governing the Listing of Stocks on Shanghai Stock Exchange
"Shanghai Stock Exchange"	the Shanghai Stock Exchange
"Share(s)"	shares of the Company
"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



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)

Directors:
Executive Directors:
Mr. Liu Tiexiang *(Chairman)*
Mr. Qu Guangji

Non-Executive Directors:
Mr. Cui Xiaofeng
Mr. Patrick Healy

Employee Representative Director:
Mr. Xiao Peng

Independent Non-Executive Directors:
Mr. Xu Niansha
Mr. He Yun
Ms. Winnie Tam Wan-chi
Mr. Gao Chunlei

Registered Address:
1st Floor-9th Floor 101
Building 1
30 Tianzhu Road
Shunyi District
Beijing, the PRC

Principal Place of Business in Hong Kong:
5th Floor, CNAC House
12 Tung Fai Road
Hong Kong International Airport
Hong Kong

6 May 2026

To the Shareholders

Dear Sir or Madam,

(1) DISCLOSEABLE TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS: THE FINANCIAL SERVICES AGREEMENTS AND (2) GENERAL MANDATE TO ISSUE DEBT FINANCING INSTRUMENTS

I. INTRODUCTION

The AGM will be held at 11 a.m. on Thursday, 28 May 2026.

The resolutions to be proposed at the AGM for the Shareholders' approval include: (1) the resolution on the 2025 work report of the Board; (2) the resolution on the financial reports for the year 2025; (3) the resolution on the profit distribution proposal for the year 2025; (4) the resolution on the re-appointment of international auditor, domestic auditor and internal control auditor for the year 2026; (5) the resolution on the unrecovered losses of the Company exceeding one-third of the total amount of its paid-up share capital; (6) the resolution on the grant of mandate to the Board of the Company to issue debt financing instruments; (7) the resolution on the entering into of the Air China Financial Services Agreement between the Company and CNAF and the application for the annual caps of the transactions thereunder for the years from 2027 to 2029; (8) the resolution on the entering into of the CNAHC Financial Services Agreement between CNAF and CNAHC and the application for the annual caps of the transactions thereunder for the years from 2027 to 2029; (9) the resolution on the entering into of the ACC Financial Services Agreement between CNAF and Air China Cargo and the application for the annual caps of the transactions thereunder for the years from 2027 to 2029; (10) the resolution on formulating the Remuneration Management Policy for Directors and Senior Management; and (11) the resolution on 2026 Directors' Remuneration Plan.

The above resolution no.6 is a special resolution and the rest resolutions are ordinary resolutions.

The purpose of this circular is to provide you with all the information reasonably necessary to enable you to make an informed decision on voting in respect of the relevant resolutions at the AGM.

II. NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

1. Introduction

References are made to (i) the announcement of the Company dated 30 March 2023 and the circular of the Company dated 3 May 2023 in relation to, among other things, the Existing Financial Services Agreements; and (ii) the announcement of the Company dated 29 April 2026 in relation to, among other things, the Air China Financial Services Agreement, the CNAHC Financial Services Agreement and the ACC Financial Services Agreement.

As the Existing Financial Services Agreements will expire on 31 December 2026, on 29 April 2026, upon consideration and approval by the Board, (1) the Company and CNAF entered into the Air China Financial Services Agreement; (2) CNAF and CNAHC entered into the CNAHC Financial Services Agreement; and (3) CNAF and Air China Cargo entered into the ACC Financial Services Agreement, pursuant to which, CNAF will continue to provide financial services to the Group, the CNAHC Group and the ACC Group for a term of three years commencing from 1 January 2027 and ending on 31 December 2029.

Meanwhile, the Board determined the annual caps of the relevant transactions under the Financial Services Agreements for the three years ending 31 December 2029, including the Air China New Annual Caps, the CNAHC New Annual Caps and the ACC New Annual Caps.

In addition, according to the relevant laws and regulations in the banking industry and the Shanghai Listing Rules, the CNAHC Financial Services Agreement and the ACC Financial Services Agreement include the credit risk-related credit line businesses (apart from loan businesses, including bill discounting, non-financing letters of guarantee, bill acceptances and other credit extension

services) provided by CNAF to CNAHC Group and ACC Group under management, and the Board has determined the credit lines of such comprehensive credit business. As the comprehensive credit lines will be taken up in the form of balance for comprehensive credit line services, and the credit lines may be taken up among different types of products, such credit lines can be used on a revolving basis. The above comprehensive credit lines are also subject to approval by the Independent Shareholders under the Shanghai Listing Rules.

2. The Air China Financial Services Agreement and the Air China New Annual Caps

(1) Principal terms of the Air China Financial Services Agreement

Parties: The Company and CNAF

Date: 29 April 2026

Financial services to be provided by CNAF to the Group: Pursuant to the Air China Financial Services Agreement, CNAF has agreed to provide the Group with a range of financial services including the following:

a. deposit services;

b. comprehensive credit services, including loan, billing discounting and other credit services such as non-financing letters of guarantee and bill acceptance;

c. other financial services, including but not limited to settlement and payment services, entrusted loan services, bond underwriting, financial advisory, spot foreign exchange settlement and sale, cross-border bilateral RMB capital pooling, credit appraisal and consulting agency services (which includes the financial information services, being the consulting business specifically involves the collection and basic analysis of information on macro policies, market interest rate trends, foreign exchange policies and trends and other related areas).

Agency fees, handling fees, consultancy fees or other service fees will be charged by CNAF to the Group for the above "other financial services".

Pricing policy:

Deposit services

The interest rates applicable to the Group for deposits with CNAF shall (i) be in compliance with the requirements on interest rates prescribed by PBOC for such type of deposits; and (ii) be not lower than the interest rates offered by state-owned commercial banks to the Group for the same term and the same type of deposits under equivalent conditions.

Comprehensive credit services

The interest rates and fee standards applicable to the comprehensive credit services provided by CNAF to the Group shall (i) be in compliance with the requirements on interest rates and fee standards prescribed by PBOC for such type of services; and (ii) be not higher than the interest rates for loans of the same type provided by state-owned commercial banks to the Group for the same term or the fee standards charged to the Group for the same type of service under equivalent conditions.

Other financial services

For the fees charged for providing paid services among the other financial services provided by CNAF to the Group, (i) where any regulatory authority such as PBOC, NFRA, CSRC or NAFMII has prescribed fee standards, such fees shall comply with the relevant requirements; and (ii) such fees shall not be higher than the fees charged by state-owned commercial banks to the Group for the same type of services under the same conditions.

The other financial services currently provided by CNAF to the Group that are free of charge include the settlement services and the provision of financial information services. If CNAF charges fees for the settlement services and the provision of financial information services during the term of the Air China Financial Services Agreement, the pricing basis set out in the above paragraph shall apply, and the relevant transaction amount will be monitored closely to ensure that the aggregate annual fees to be paid by the Group to CNAF for other financial services will not exceed the de minimis threshold as stipulated under Rule 14A.76(1) of the Hong Kong Listing Rules.

Risk control: Pursuant to the Air China Financial Services Agreement, (i) CNAF shall not carry out any business that has not been approved by the NFRA or conduct any illegal activities, and CNAF's various risk monitoring indicators shall comply with the *Administrative Measures for Finance Companies of Enterprise Groups* (《企業集團財務公司管理辦法》) and the relevant requirements of the NFRA; (ii) CNAF shall not, during the term of the Air China Financial Services Agreement, use deposits absorbed from the Group to conduct high-risk investment activities, including investments in fixed-income securities, and shall comply with the relevant requirements of the *Administrative Measures for Finance Companies of Enterprise Groups* (《企業集團財務公司管理辦法》); and (iii) CNAF is obliged to provide facilitation for the Company's auditors. If the Company's auditors intend to inspect CNAF's books, they shall provide CNAF with a written notice five days in advance. CNAF is obliged to arrange for the Company's auditors to inspect its books within five days of receiving the notice, so as to ensure CNAF's compliance with the aforementioned agreements.

Effective date and term: Pursuant to the Air China Financial Services Agreement, the Air China Financial Services Agreement shall take effect upon the approval at a Shareholders' meeting of the Company, and shall be valid from 1 January 2027 and ending on 31 December 2029 (the "**Air China Initial Term**"). Upon expiration of the Air China Initial Term, the Air China Financial Services Agreement may be automatically renewed for successive terms of three years each, subject to the compliance with requirements under the Hong Kong Listing Rules/Shanghai Listing Rules and the required approval procedures thereunder. Upon expiry of the Air China Financial Services Agreement, the Board will re-assess the terms and conditions of the Air China Financial Services Agreement, and the Company will re-comply with the relevant rules governing connected transactions under the Hong Kong Listing Rules/Shanghai Listing Rules. During the term of the Air China Financial Services Agreement, either party may terminate the Air China Financial Services Agreement on any 31 December by giving the other party at least three months' prior written notice.

(2) Reasons and benefits for the transaction

The Directors believe that it is in the best interest of the Group to enter into the transactions under the Air China Financial Services Agreement having taken into account the following factors:

a. in respect of transactions between the Group and CNAF, CNAF is able to provide more efficient settlement services compared with independent third party banks;

b. CNAF is able to provide safe, convenient, fast, and comprehensive and tailor-made financial services to the Group. From 2004 and up to the Latest Practicable Date, the connected transactions between CNAF and the Group have been carried out in compliance with the relevant laws and regulations and the relevant listing rules, and CNAF has had a good track record on compliance. With its continuous improvement of professional level and financial services, CNAF is fully qualified for providing the relevant services to the Group;

c. as a professional financial institution in the Group, CNAF could act more proactively in protecting the interest of the Group than external institutions; and

d. a good cooperative relationship has been established between CNAF and the relevant departments of the Group over the years which makes their cooperation more efficient.

The Directors (including the independent non-executive Directors) consider that the Air China Financial Services Agreement is on normal commercial terms or better and in the ordinary and usual course of business of the Group, and the terms and conditions contained therein are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

(3) Annual Caps

Set forth below is a summary of the historical annual caps and the actual maximum amount for the daily balance of deposits (including accrued interest) placed by the Group with CNAF and the Air China New Annual Caps:

	Historical annual caps			Actual maximum amount			Air China New Annual Caps		
Transaction	For the year ended 31 December 2024	For the year ended 31 December 2025	For the year ending 31 December 2026	For the year ended 31 December 2024	For the year ended 31 December 2025	For the period from 1 January 2026 to 31 March 2026	For the year ending 31 December 2027	For the year ending 31 December 2028	For the year ending 31 December 2029
Maximum daily balance of deposits (including accrued interest)	RMB22 billion	RMB23 billion	RMB23 billion	RMB17.9 billion	RMB16.8 billion	RMB13.0 billion	RMB22 billion	RMB23 billion	RMB24 billion

The above Air China New Annual Caps are determined based on the following factors:

a. Assuming the Group's monetary funds remain at the level of RMB22.5 billion as of 31 December 2024 (being the highest amount at the end of the past two years), and based on both the Group's estimated cash flow for the next three years and the historical highest daily deposit balance that the Group has maintained with CNAF over the past three years, the Group estimates that the Group's maximum daily deposit balance with CNAF for each of the three years ending 31 December 2029 will be RMB20.9 billion, RMB21.9 billion and RMB22.8 billion, respectively; and

b. To address unforeseen circumstances, a reasonable buffer of 5% is reserved to ensure operational flexibility.

3. The CNAHC Financial Services Agreement and the CNAHC New Annual Caps

(1) Principal terms of the CNAHC Financial Services Agreement

Parties: CNAF and CNAHC

Date: 29 April 2026

Financial services to be provided by CNAF to CNAHC Group: Pursuant to the CNAHC Financial Services Agreement, CNAF has agreed to provide the CNAHC Group with a range of financial services including the following:

a. deposit services;

b. comprehensive credit services, including loan, bill discounting and other credit services such as non-financing letters of guarantee and bill acceptance;

c. other financial services, including but not limited to settlement and payment, entrusted loan, bond underwriting, financial advisory, spot foreign exchange settlement and sale, cross-border bilateral RMB capital pooling services, credit appraisal and consulting agency services (which includes the financial information services, being the consulting business specifically involves the collection and basic analysis of information on macro policies, market interest rate trends, foreign exchange policies and trends and other related areas).

Agency fees, handling fees, consultancy fees or other service fees will be charged by CNAF to the CNAHC Group for the above "other financial services".

Pricing policy:

Deposit services

The interest rates applicable to the CNAHC Group for deposits with CNAF shall (i) be in compliance with the requirements on interest rates prescribed by PBOC for such type of deposits; and (ii) be not higher than the interest rates offered by state-owned commercial banks to CNAHC Group for the same term and same type of deposits under equivalent conditions.

Comprehensive credit services

The interest rates and fee standards applicable to the comprehensive credit services provided by CNAF to the CNAHC Group shall (i) comply with the requirements of the PBOC regarding the interest rates and fee standards for such types of services; and (ii) be not lower than the interest rates for loans of the same type provided by state-owned commercial banks to the CNAHC Group for the same term or the fee standards charged to the CNAHC Group for the same type of service under equivalent conditions.

Other financial services

For the fees charged for the paid services among the other financial services provided by CNAF to the CNAHC Group, (i) where any regulatory authority such as PBOC, NFRA, CSRC or NAFMII has prescribed fee standards, such fee shall comply with the relevant requirements; and (ii) such fees shall not be lower than the fees charged by state-owned commercial banks to the CNAHC Group for the same type of services under the same conditions.

The services currently provided by CNAF to the CNAHC Group that are not charged include the settlement services and provision of financial information services. Should CNAF impose fees for the settlement services and the provision of financial information services during the term of the CNAHC Financial Services Agreement, the pricing basis set out in the above paragraph shall apply, and the relevant transaction amount will be monitored closely to ensure that the aggregate annual fees to be paid by the CNAHC Group to CNAF for other financial services will not exceed the de minimis threshold as stipulated under Rule 14A.76(1) of the Hong Kong Listing Rules.

Risk control:

Pursuant to the CNAHC Financial Services Agreement, (i) CNAF shall not carry out any business that has not been approved by the NFRA or conduct any illegal activities, and CNAF's various risk monitoring indicators shall comply with the *Administrative Measures for Finance Companies of Enterprise Groups* (《企業集團財務公司管理辦法》) and the relevant requirements of the NFRA; (ii) where CNAF provides comprehensive credit services to the CNAHC Group, it shall, in accordance with the requirements of the business execution procedures, grant credit before handling specific business. CNAF shall approve each business in accordance with the established business approval authority. After a loan business is executed, CNAF shall regularly track and manage the loan business to ensure the recovery of funds; (iii) if the CNAHC Group becomes unable to repay any debts owed to other financial institutions, and undergoes the deterioration in its operating or financial condition, closedown, dissolution, suspension of operations, liquidation, bankruptcy, reorganization, settlement, rectification or similar legal proceedings, or all or a significant portion of its property is occupied, seized, frozen, impounded, enforced, expropriated, forfeited or taken over by an appointed trustee, receiver or similar officer, or other similar measures are implemented in respect of the property, CNAF shall have the right to accelerate the repayment of the relevant loans.

Effective date and term: Pursuant to the CNAHC Financial Services Agreement, the CNAHC Financial Services Agreement shall take effect upon the approval at a Shareholders' meeting of the Company, and shall be valid from 1 January 2027 and ending on 31 December 2029 (the "**CNAHC Initial Term**"). Upon expiration of the CNAHC Initial Term, the CNAHC Financial Services Agreement may be automatically renewed for successive terms of three years each, subject to the compliance with requirements under the Hong Kong Listing Rules/Shanghai Listing Rules and the required approval procedures thereunder. Upon expiry of the CNAHC Financial Services Agreement, the Board will re-assess the terms and conditions of the CNAHC Financial Services Agreement, and the Company will re-comply with the relevant rules governing connected transactions under the Hong Kong Listing Rules/Shanghai Listing Rules. During the term of the CNAHC Financial Services Agreement, either party may terminate the CNAHC Financial Services Agreement on any 31 December by giving the other party at least three months' prior written notice.

(2) Reasons and benefits for the transaction

CNAF has been providing financial services to the CNAHC Group for years. The business with the CNAHC Group contributed a steady portion to CNAF's revenues in the past. Such transaction is beneficial for CNAF to make full use of its function as a financial platform to further improve the utilization efficiency and effectiveness of funds, as well as enhance its gains on capital, which is in line with the needs of the Company's operation and development. The Directors believe that it would be in the best interests of CNAF and the Group to continue the provision of financial services by CNAF to the CNAHC Group.

The Directors (including the independent non-executive Directors) consider that the CNAHC Financial Services Agreement is on normal commercial terms or better and in the ordinary and usual course of business of the Group, and the terms and conditions contained therein are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

(3) Annual caps

Set forth below is a summary of the historical annual caps and actual maximum amount of the maximum balance of daily loans (including accrued interest) granted or to be granted by CNAF to the CNAHC Group and the CNAHC New Annual Caps:

	Historical annual caps			Actual daily maximum balance			CNAHC New Annual Caps		
Transaction	For the year ended 31 December 2024	For the year ended 31 December 2025	For the year ending 31 December 2026	For the year ended 31 December 2024	For the year ended 31 December 2025	For the period from 1 January 2026 to 31 March 2026	For the year ending 31 December 2027	For the year ending 31 December 2028	For the year ending 31 December 2029
Maximum daily balance of loans (including accrued interests) *(note)*	RMB5.5 billion	RMB5.5 billion	RMB5.5 billion	RMB0.4 billion	RMB0.34 billion	RMB0.07 billion	RMB2.5 billion	RMB2.5 billion	RMB2.5 billion

Note: The low utilization rate of the historical annual caps for the two years ended 31 December 2025 is mainly because, during the past two years, CNAHC met its production and operating fund needs through direct financing methods such as medium-term notes and did not obtain loans through CNAF, which consequently led to a lower-than-expected transaction amount of loan services provided by CNAF to the CNAHC Group.

The above CNAHC New Annual Caps are determined based on the following factors:

a. The historical maximum amount of daily balance of loan services provided by CNAF to the CNAHC Group;

b. CNAF will further leverage its function as financial services platform. Assuming that CNAHC maintains its working capital loan requirements at the same level during 2027-2029, and further assuming that part of the amount under CNAHC's existing direct financing may in the future be financed through loans provided by CNAF, it is expected that for each of the three years ending 31 December 2029, the maximum daily balance of loans (including accrued interest) provided by CNAF to CNAHC will be approximately RMB1.5 billion.

c. Additionally, based on the working capital loan demand plans of certain subsidiaries of CNAHC, it is estimated that for each of the three years ending 31 December 2029, the loan demand generated by these subsidiaries from CNAHC will amount to approximately RMB1.0 billion.

Based on the above, for each of the three years ending 31 December 2029, the maximum daily balance of loans (including accrued interest) by CNAF to the CNAHC Group is expected not to exceed RMB2.5 billion.

According to the relevant laws and regulations in the banking industry and the Shanghai Listing Rules, except for the deposit services, the CNAHC Financial Services Agreement include the credit risk-related credit line businesses (apart from loan businesses, including bill discounting, non-financing letters of guarantee, bill acceptances and other credit extension services) provided by CNAF to the CNAHC Group under management as comprehensive credit line services, and has determined the credit lines in relation thereto. As the comprehensive credit lines will be taken up in the form of balance for such comprehensive

credit line services business, and the credit lines may be shared among different types of products, such credit lines can be used on a revolving basis. After taking into account the actual amount of credit lines granted by CNAF to the CNAHC Group in the past (i.e. the sum of the maximum credit line granted by CNAF to the relevant member companies of the CNAHC Group upon assessing the credit status of the relevant member companies prior to processing the specific comprehensive credit line business for such member companies), the future demand for comprehensive credit line services (mainly in loans and guarantee letter business) of the CNAHC Group and the latest credit status of relevant member companies, the credit lines of comprehensive credit line services provided by CNAF to the CNAHC Group shall be no more than RMB9 billion for each of the three years ending 31 December 2029.

4. The ACC Financial Services Agreement and the ACC New Annual Caps

(1) Principal terms of the ACC Financial Services Agreement

Parties: CNAF and Air China Cargo

Date: 29 April 2026

Financial services to be provided by CNAF to the ACC Group: Pursuant to the ACC Financial Services Agreement, CNAF has agreed to provide the ACC Group with a range of financial services including the following:

a. deposit services;

b. comprehensive credit services, including loan, bill discounting and other credit services such as non-financing letters of guarantee and bill acceptance;

c. other financial services, including but not limited to settlement and payment, entrusted loan, bond underwriting, financial advisory, spot foreign exchange settlement and sale, cross-border bilateral RMB capital pooling, credit appraisal and consulting agency services (which includes the financial information services, being the consulting business specifically involves the collection and basic analysis of information on macro policies, market interest rate trends, foreign exchange policies and trends and other related areas).

Agency fees, handling fees, consultancy fees or other service fees will be charged by CNAF to the ACC Group for the above "other financial services".

Pricing policy:

Deposit services

The interest rates applicable to the ACC Group for deposits with CNAF shall (i) be in compliance with the requirements on interest rates prescribed by PBOC for such type of deposits; and (ii) benchmark to the interest rates offered by major commercial banks to the ACC Group for deposits for the same term and of the same type under equivalent conditions.

Comprehensive credit services

The interest rates and fee standards applicable to the comprehensive credit services provided by CNAF to the ACC Group shall (i) comply with the requirements of the PBOC regarding the interest rates and fee standards for such types of services; and (ii) benchmark to the interest rates for loans of the same type provided by major commercial banks to the ACC Group for the same term or the fee standards charged to the ACC Group for the same type of service under equivalent conditions.

Other financial services

For the service fees charged for the paid services among the other financial services provided by CNAF to the ACC Group, (i) where any regulatory authority such as PBOC, NFRA, CSRC or NAFMII has prescribed fee standards, such fees shall comply with the relevant regulations; and (ii) such fees shall benchmark to the service fees charged by major commercial banks to the ACC Group for providing services of the same type under equivalent conditions.

The services currently provided by CNAF to the ACC Group that are not charged include the settlement services and provision of financial information services. Should CNAF impose fees for the settlement services and financial information services during the term of the ACC Financial Services Agreement, the pricing basis set out in the above paragraph shall apply, and the relevant transaction amount will be monitored closely to ensure that the aggregate annual fees to be paid by the ACC Group to CNAF for other financial services will not exceed the de minimis threshold as stipulated under Rule 14A.76(1) of the Hong Kong Listing Rules.

Risk control:

Pursuant to the ACC Financial Services Agreement, (i) CNAF shall not engage in any business not approved by the NFRA or conduct any illegal activities. CNAF's various risk monitoring indicators shall comply with the *Administrative Measures for Finance Companies of Enterprise Groups* (《企業集團財務公司管理辦法》) and the relevant requirements of the NFRA; (ii) where CNAF provides comprehensive credit services to the ACC Group, it shall, in accordance with the requirements of the business execution procedures, grant credit before handling specific business. CNAF shall approve each business in accordance with the established business approval authority. After a loan business is executed, CNAF shall regularly track and manage the loan business to ensure the recovery of funds; and (iii) if any member of the ACC Group becomes unable to repay any debts owed to other financial institutions, and undergoes the deterioration in its operating or financial condition, closedown, dissolution, suspension of operations, liquidation, bankruptcy, reorganization, settlement, rectification or similar legal proceedings, or all or a significant portion of its property is occupied, seized, frozen, impounded, enforced, expropriated, forfeited or taken over by an appointed trustee, receiver or similar officer, or other similar measures are implemented in respect of the property, CNAF shall have the right to accelerate the repayment of the relevant loans.

Effective date and term: Pursuant to the ACC Financial Services Agreement, the ACC Financial Services Agreement shall take effect upon the approval at a Shareholders' meeting of the Company and the shareholders' meeting of Air China Cargo, and shall be valid from 1 January 2027 and ending on 31 December 2029 (the "**ACC Initial Term**"). Upon expiration of the ACC Initial Term, the ACC Financial Services Agreement may be automatically renewed for successive terms of three years each, subject to the compliance with requirements under the Hong Kong Listing Rules/Shanghai Listing Rules and the required approval procedures thereunder. Upon expiry of the ACC Financial Services Agreement, the Board will re-assess the terms and conditions of the ACC Financial Services Agreement, and the Company will re-comply with the relevant rules governing connected transactions under the Hong Kong Listing Rules/Shanghai Listing Rules. During the term of the ACC Financial Services Agreement, either party may terminate the ACC Financial Services Agreement on any 31 December by giving the other party at least three months' prior written notice.

(2) Reasons and benefits for the transaction

CNAF has been providing financial services to the ACC Group for years. The business with the ACC Group contributed a steady portion to CNAF's revenues in the past. Such transaction is beneficial for CNAF to make full use of its function as a financial platform to further improve the utilization efficiency and effectiveness of funds, as well as enhance its gains on capital, which is in line with the needs of the Company's operation and development. The Directors believe that it would be in the best interest of CNAF and the Group to continue the provision of financial services by CNAF to the ACC Group.

The Directors (including the independent non-executive Directors) consider that the ACC Financial Services Agreement is on normal commercial terms or better and in the ordinary and usual course of business of the Group, and the terms and conditions contained therein are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

(3) Annual caps

Set forth below is a summary of the historical annual caps and actual maximum amount of the maximum balance of daily loans (including accrued interest) granted or to be granted by CNAF to the ACC Group and the ACC New Annual Caps:

	Historical annual caps			Actual daily maximum amount			ACC New Annual Caps		
Transaction	For the year ended 31 December 2024	For the year ended 31 December 2025	For the year ending 31 December 2026	For the year ended 31 December 2024	For the year ended 31 December 2025	For the period from 1 January 2026 to 31 March 2026	For the year ending 31 December 2027	For the year ending 31 December 2028	For the year ending 31 December 2029
Maximum daily balance of loans (including accrued interests) *(note)*	RMB0 billion	RMB2 billion	RMB2.5 billion	RMB0 billion	RMB0 billion	RMB0 billion	RMB6 billion	RMB6 billion	RMB6 billion

Note: Air China Cargo was listed on the Shenzhen Stock Exchange at the end of 2024 and maintained sufficient working capital with no financing needs in 2024 and 2025. As a result, it has not sought any loans from CNAF for the two years ended 31 December 2025.

The above ACC New Annual Caps are determined based on the following factors:

a. With reference to Air China Cargo's fleet introduction plans and financing needs over the next three years, and assuming that part of its future financing requirements will be met by loans from CNAF, it is expected that for each of the three years ending 31 December 2029, the amount of loan services that CNAF can provide to Air China Cargo will be approximately RMB4 billion.

b. Considering the working capital loan demand plans of Air China Cargo's subsidiaries, and assuming that such loans will be provided by CNAF in the future, it is expected that for each of the three years ending 31 December 2029, the amount of loan services that CNAF can provide to these subsidiaries will be approximately RMB1 billion.

c. To address unforeseen circumstances, a 10% reasonable buffer is reserved to ensure operational flexibility.

Based on the above, for each of the three years ending 31 December 2029, the maximum daily balance of loans (including accrued interest) by CNAF to the ACC Group is expected not to exceed RMB6 billion.

According to the relevant laws and regulations in the banking industry and the Shanghai Listing Rules, the ACC Financial Services Agreement include the credit risk-related credit line businesses (apart from loan businesses, including bill discounting, non-financing letters of guarantee, bill acceptances and other credit extension services) provided by CNAF to the ACC Group under management as comprehensive credit line services, and has determined the credit lines in relation thereto. Pursuant to the Shanghai Listing Rules, CNAF will determine the annual total credit lines for such credit line services. As the comprehensive credit lines will be taken up in the form of balance for such comprehensive credit line services business, and the credit lines may be shared among different types of products, such credit lines can be used on a revolving basis. After taking into account the amount of credit lines actually granted by

CNAF to the ACC Group in the past (i.e. the sum of the maximum credit line granted by CNAF to the relevant member companies of the ACC Group upon assessing the credit status of the relevant member companies prior to processing the above-mentioned specific comprehensive credit line business for such member companies), the future demand for comprehensive credit line services of the ACC Group and the latest credit status of relevant member companies, the annual credit lines of comprehensive credit line services provided by CNAF to the ACC Group shall be no more than RMB6 billion for each of the three years ending 31 December 2029.

(II) Risk Profile and Management of CNAF

CNAF, as a non-banking financial institution providing financial services to the Group, the CNAHC Group and the ACC Group, is subject to regulations promulgated by NFRA from time to time. These regulations may not be the same as those regulating commercial banks. As CNAF and commercial banks have different target customers for their respective financial services, they may be subject to different risk profiles. Set out below are the major risk exposures of CNAF:

Compliance risks

According to the Measures for the *Administration of Finance Companies of Enterprise Groups* (《企業集團財務公司管理辦法》) issued by the NFRA on 27 July 2004 (as last amended on 13 November 2022), CNAF shall comply with various ratios in respect of its assets and liabilities, including the capital adequacy ratio, total extra-group liabilities to net capital ratio, total investment to net capital ratio, and net self-owned fixed assets to net capital ratio. Since its establishment until the Latest Practicable Date, CNAF has complied with all the relevant requirements from the NFRA in respect of the above-mentioned ratios and the applicable rules and regulations stipulated by the NFRA.

Liquidity risks

CNAF utilises deposits received by it by lending the funds out to members of the Group, the CNAHC Group and the ACC Group. Since the terms of the deposits and loans are often different, CNAF faces liquidity risks if any deposit becomes due and it has no immediately available fund for making payment. The nature of such risk does not differ materially from the liquidity risks faced by PRC commercial banks.

To manage its liquidity risks, CNAF strictly adheres to a 25% current ratio requirement (i.e. its current liabilities shall not exceed 25% of its current assets). The liquidity risks of CNAF are also mitigated as it could obtain financing through inter-bank loans or pledged repurchase from the inter-bank market if and when necessary. In addition, since the customers of CNAF are limited to the members of the Group, the CNAHC Group and the ACC Group, CNAF is shielded from the risk of bank runs by individual depositors faced by commercial banks. Since its establishment until the Latest Practicable Date, CNAF has always been able to meet the repayment schedules in respect of deposits placed by its customers.

Credit risks

Like state-owned commercial banks, CNAF faces credit risks in providing its loans and other credit services to its customers. CNAF, being a member of the CNAHC Group, is in a better position to gain information on the member companies who are its customers in a more timely and comprehensive manner as opposed to other PRC commercial banks who conduct business with clients of various credit ratings and backgrounds. To control the credit risks, CNAF carefully evaluates the operation situation and financial position of the member companies within the Group, the CNAHC Group and the ACC Group when receiving loan applications from them and only provides loans to member companies who have sound financial position and cash flow. CNAF normally requires guarantees from the shareholders of the applicant if the applicant's credit standing exposes CNAF to relatively high risks. If a loan is approved, CNAF conducts regular post-loan examination on the borrower to monitor and safeguard against the credit risks. If a borrower defaults on the loan or falls into financial difficulty in repayments, CNAF may enforce the guarantee provided by the shareholders of the borrower. Moreover, according to the relevant laws and regulations promulgated by the NFRA and as set out in the articles of association of CNAF, in the event that CNAF falls into financial difficulty in payments, CNAHC has the obligation to take all necessary steps including injecting capital into CNAF based on its funding needs, to restore its financial position. Due to the careful management of the credit risks, CNAF has not had any non-performing loan since its establishment until the Latest Practicable Date.

Directors' view

Based on the foregoing, the Directors are of the view that the risk profile of CNAF, as a provider of financial services to the Group, the CNAHC Group and the ACC Group, has remained not greater than that of PRC commercial banks.

(III) Internal Control Measures for the Non-exempt Continuing Connected Transactions

To safeguard the interest of the Group, the Group will adopt the following internal control measures in respect of the deposit services to be provided by CNAF to the Group and the comprehensive credit line services to be provided by CNAF to the CNAHC Group and the ACC Group, respectively.

Deposit services under the Air China Financial Services Agreement

The Company would take the following review procedure against the following assessment criteria when obtaining the deposit services from CNAF under the Air China Financial Services Agreement:

a. the Company and CNAF set up designated posts to monitor the deposit balance of the Group with CNAF within the scope of the list of the Company's subsidiaries on a daily basis to ensure that it does not exceed the relevant annual caps;

b. the Company sets up designated posts to update the list of the Company's subsidiaries on a regular basis to ensure the aggregate deposit balance of the Group (including the subsidiaries in the updated list) with CNAF does not exceed the relevant annual caps; and

c. the Company and its subsidiaries set up designated posts to compare the rates and terms offered by CNAF and several state-owned commercial banks when the need for deposit arises to ensure those rates and terms of the Group's deposits with CNAF are in line with the relevant pricing basis.

Comprehensive credit services under the CNAHC Financial Services Agreement and the ACC Financial Services Agreement

CNAF would take the following review procedure process against the following assessment criteria when providing the comprehensive credit line services to the CNAHC Group under the CNAHC Financial Services Agreement and to the ACC Group under the ACC Financial Services Agreement:

a. The credit department of CNAF conducts analysis and assessment based on the general situation, financial and operating conditions and credit status of the members of the CNAHC Group and ACC Group, and risk management department of CNAF issues a report to the loan review committee of CNAF after its examination. After the loan review committee of CNAF has approved the comprehensive credit line services and determined the amount of the comprehensive credit line services, the final decision shall be made by the general manager or the chairman or the board of directors of CNAF in accordance with the authorisation of the board of directors;

b. after receiving the credit demand from members of the CNAHC Group and ACC Group, the credit department of CNAF would carry out the following works: verifying the credit demand of the applicant, considering the credit risk and financing ability of the applicant, checking the records such as if CNAF has provided the same type of services to the members of the CNAHC Group and ACC Group respectively under the same condition, learning about the current level of market interest charged by state-owned commercial banks and offering quotation;

c. after securing the loan business, CNAF would issue a report to the loan review committee of CNAF, which in turn would determine the approval of the loan business, including loan interest rate, and the final decision shall be made by the general manager or the chairman or the board of directors of CNAF in accordance with the authorisation of the board of directors;

d. if it is discovered in the various quotations for a transaction under the same conditions that the loan interest rates intended to be offered by CNAF to the CNAHC Group and ACC Group are more favorable than those provided by

independent third parties to the CNAHC Group and ACC Group respectively, such findings shall be reported to the loan review committee of CNAF. The loan review committee of CNAF would assess whether to adjust the price for services provided by CNAF or to amend relevant conditions with reference to various factors, such as loan demand and the applicant's qualifications and credibility, and the final decision shall be made by the general manager or the chairman or the board of directors of CNAF in accordance with the authorisation of the board of directors;

e. CNAF would complete the relevant approval procedures, and grant the loan to the applicant after obtaining approval from the leader of credit department and leaders of CNAF;

f. after the grant of the loan, the credit department of CNAF will conduct regular post-loan examination on the applicant and issue examination reports; and

g. the capital management system of CNAF will deduct the principal and accumulated interests of the loan from the applicants' deposit accounts in CNAF on the loan repayment date. If the applicant falls short of cash to repay the loan, the applicant should request for extension in writing to CNAF prior to the maturity of the loan, and may carry out relevant formalities upon obtaining approval.

Since the Group has established adequate and appropriate internal control procedures to review the Non-exempt Continuing Connected Transactions, the Directors (including the independent non-executive Directors) consider that such methods and procedures can ensure and safeguard the Non-exempt Continuing Connected Transactions will be conducted on normal commercial terms, which are fair and reasonable, and in the interest of the Company and the Shareholders as a whole.

(IV) Hong Kong Listing Rules Implications

1. Air China Financial Services Agreement

Deposit services	As the highest applicable Percentage Ratio in respect of the Air China New Annual Caps under Chapter 14 of the Hong Kong Listing Rules exceeds 5% but is below 25% and the highest applicable Percentage Ratio under Chapter 14A of the Hong Kong Listing Rules exceeds 5%, the deposit services to be provided to the Group by CNAF under the Air China Financial Services Agreement are subject to (i) the requirements applicable to discloseable transaction under Chapter 14 of the Hong Kong Listing Rules; and (ii) the reporting, announcement and independent shareholders' approval requirements for continuing connected transactions under Chapter 14A of the Hong Kong Listing Rules.
Comprehensive Credit Services	Comprehensive credit services to be provided to the Group by CNAF are expected to be conducted on normal commercial terms or better, and not to be secured by the assets of the Group. Therefore, such transactions will be fully exempt from the reporting, annual review, announcement and independent shareholders' approval requirements for continuing connected transactions in accordance with Rule 14A.90 of the Hong Kong Listing Rules.
Other financial services	The other financial services to be provided by CNAF to the Group will be carried out on normal commercial terms or better and the aggregate annual fees to be paid by the Group to CNAF for such services for each of the three years ending 31 December 2027, 2028 and 2029 are expected to fall below the de minimis threshold as stipulated under Rule 14A.76(1) of the Hong Kong Listing Rules. Therefore, such transactions will be fully exempt from the reporting, annual review, announcement and independent shareholders' approval requirements for continuing connected transactions under the Hong Kong Listing Rules.

2. CNAHC Financial Services Agreement and ACC Financial Services Agreement

As at the Latest Practicable Date, as Air China Cargo is a subsidiary of CNAHC, the transactions of similar type under the CNAHC Financial Services Agreement and the ACC Financial Services Agreement shall be aggregated under the Hong Kong Listing Rules.

Deposit services

The deposits placed by the CNAHC Group and ACC Group with CNAF are expected to be conducted on normal commercial terms or better, and not to be secured by the assets of the Group. Therefore, such transactions will be fully exempt from the reporting, annual review, announcement and independent shareholders' approval requirements for continuing connected transactions as provided under Rule 14A.90 of the Hong Kong Listing Rules.

Comprehensive Credit Services

Pursuant to Chapter 14A of the Hong Kong Listing Rules, as (i) the highest of the applicable Percentage Ratios in respect of the ACC New Annual Caps, exceeds 5% on a standalone basis; and (ii) the highest of the applicable Percentage Ratios in respect of the CNAHC New Annual Caps, although does not exceed 5% on a standalone basis, exceeds 5% when aggregated with the ACC New Annual Caps but below 25%, the loan services to be provided to the CNAHC Group by CNAF under the CNAHC Financial Services Agreement and the loan services to be provided to the ACC Group by CNAF under the ACC Financial Services Agreement are subject to (i) the reporting, announcement and independent shareholders' approval requirements for continuing connected transactions under Chapter 14A of the Hong Kong Listing Rules; and (ii) the requirements applicable to discloseable transaction under Chapter 14 of the Hong Kong Listing Rules.

Other financial services

The other financial services to be provided by CNAF to the CNAHC Group under the CNAHC Financial Services Agreement and the other financial services provided by CNAF to the ACC Group under the ACC Financial Services Agreement will be carried out on normal commercial terms or better and the aggregated total annual fees to be paid by the CNAHC Group and ACC Group to CNAF for such services for each of the three years ending 31 December 2027, 2028 and 2029 are expected to fall below the de minimis threshold as stipulated under Rule 14A.76(1) of the Hong Kong Listing Rules. Therefore, such transactions will be fully exempt from the reporting, annual review, announcement and independent shareholders' approval requirements for continuing connected transactions under the Hong Kong Listing Rules.

(V) Shanghai Listing Rules Implications

The CNAHC Financial Services Agreement and the ACC Financial Services Agreement, the CNAHC New Annual Caps and the ACC New Annual Caps as well as the annual caps in relation to the comprehensive credit lines to be provided by CNAF to CNAHC Group and ACC Group for the three years ending 31 December 2029 and the transactions contemplated thereunder are subject to independent shareholders' approval under the Shanghai Listing Rules.

III. DETAILS OF OTHER RESOLUTIONS

(I) Resolution on the 2025 work report of the Board

For the full text of the 2025 work report of the Board, please refer to Appendix II to this circular.

(II) Resolution on the financial reports for the year 2025

For the full text of the financial reports for the year 2025 prepared under the PRC Accounting Standards and the IFRS Accounting Standards, please refer to relevant disclosures made by the Company on the website of the Shanghai Stock Exchange and the HKEXnews website of the Hong Kong Stock Exchange, respectively.

(III) Resolution on the profit distribution proposal for the year 2025

According to the audited financial statements of the Company prepared in accordance with the PRC Accounting Standards and the IFRS Accounting Standards, the Company recorded negative profits available for distribution to Shareholders in 2025. As considered and approved by the 14th meeting of the seventh session of the Board, the Company proposed not to make profit distribution for the year of 2025.

(IV) Resolution on the unrecovered losses of the Company exceeding one-third of the total amount of its paid-up share capital

Pursuant to the relevant requirements of the Company Law and the Articles of Association, under circumstances that the amount of the unrecovered losses of the Company exceeds one-third of the total paid-up share capital, it shall be subject to consideration at the Shareholders' meeting.

According to the audit report issued by KPMG Huazhen LLP, the net loss attributable to shareholders of the parent company of the Company in 2025 was RMB1,770 million. As of the end of 2025, the accumulated unrecovered losses of the Company was RMB32,487 million and the share capital of the Company was RMB17.448 billion. The amount of the unrecovered losses of the Company exceeded one-third of the total paid-up share capital.

(V) Resolution on the re-appointment of international auditor, domestic auditor and internal control auditor for the year 2026

The Board proposed the re-appointment of KPMG as the Company's international auditor for the year 2026 and KPMG Huazhen LLP as the Company's domestic auditor and internal control auditor for the year 2026. The Company is an A+H share listed company. In accordance with domestic and overseas regulatory requirements, the fees for domestic and international audit, review and other services for the year of 2026 are expected to be RMB11.149 million, which is generally consistent with the audit and review fees for the previous year. Among them, the estimated fees for the audit and review of financial reports are RMB10.149 million, and the estimated fee for internal control audit is RMB1.0 million; these fees are to be determined by the Audit and Risk Management Committee (the Supervision Committee) of the Board upon authorization by the shareholders' meeting. Such fees were determined based on the expected audit scope, audit timetable and auditor's resources required. Such resolution will be submitted to the AGM for consideration and approval.

(VI) Resolution on the grant of general mandate to the Board to issue debt financing instruments

Given that the general mandate to issue debt financing instruments granted by Shareholders at the last annual shareholders' meeting of the Company will lapse at the conclusion of the AGM, a special resolution will be proposed at the AGM to grant a general mandate to the Board to issue the debt financing instruments (the "**Debt Financing Instrument Issue Mandate**").

In order to meet the Company's production and operation needs, supplement the working capital, according to the 2026 financing plan of the Company, the Company shall issue the Debt Financing Instruments (as defined below) at appropriate time. To grasp the favourable opportunity in the market, improve flexibility and efficiency of financing, the application is now been submitted by the Board at the Shareholders' meeting of the Company to obtain general and unconditional mandate from the shareholders' meeting, under which the Board shall determine to issue debt financing instruments in one or multiple tranches within the cap amount of bond issuance under the requirements of applicable laws (the "**Issuance**"). If the Board has resolved to issue debt financing instruments according to the authorisation obtained at the general meeting(s), the authorisation in relation to the issuance of such debt financing instruments shall continue to be valid and extended to the term of authorisation of the Issuance accordingly. Particulars regarding the Issuance are as follows:

1. Plan of the issuance

The relevant debt financing instruments include, but are not limited to, ultra-short-term commercial papers, short- term commercial papers, mid-term notes, corporate bonds, domestic targeted debt financing instruments, overseas debt financing instruments and overseas bonds/ notes denominated in RMB or foreign currencies ("**Debt Financing Instruments**").

2. Major Terms of the issuance

(1) Issuer:	the Company and/or its controlled or wholly-owned subsidiaries, and the specific issuer shall be determined by the Board according to the needs of issuance.
(2) Placing arrangement:	no preferential placement to the shareholders of the Company.
(3) Issue size:	subject to that the balance of the outstanding debt financing instruments of the Issuance shall be within the permissible size prescribed by the relevant laws and regulations and specified by regulatory authorities, and the specific issue size shall be determined by the Board according to the capital requirement and the market conditions.
(4) Term and type:	not more than 15 years for one single-term instrument or a portfolio of instruments with various terms, and the specific term composition and the issue size of instruments with various terms shall be determined by the Board according to the relevant regulations and market conditions.
(5) Use of proceeds:	the proceeds to be raised from the Issuance are intended to be applied towards uses such as meeting the demand of the Company's production and operations, adjusting its debt structure, replenishing its working capital and/or funding its project investments, and the specific use of proceeds shall be determined by the Board according to the capital requirement.
(6) Term of validity of the authorization:	from the date of the passing of the resolution at the shareholders' meeting of the Company to the date of the annual shareholders' meeting of the Company for the year 2026. If the Board (including its authorized person) has resolved to issue within the valid term of the mandate, it shall be deemed as an extension to the term of the mandate granted to the Board (including its authorized person) in respect of such issue on the shareholders' meeting, provided that there is no conflict between the mandate renewed by the Board (including its authorized person) on the shareholders' meeting after the expiry of the mandate and the mandate granted to the Board (including its authorized person) in respect of such issue.

2. Authorization to the Board

The Board proposed to the shareholders of the Company at the AGM to authorize the Board, generally and unconditionally, to deal with the following in accordance with the specific needs of the Company and other market conditions:

(1) to determine the issuer, issue size, type, specific instruments, detailed terms, conditions and other matters relating to the Issuance (including, but not limited to, the specific issue size, actual principal amount, currency, issue price, interest rate or mechanism for determining the interest rate, issue place, issue timing, term, whether or not to issue in multiple tranches and number of tranches, whether or not to set put-back or redemption terms, credit rating, guarantee, repayment term, detailed fund-raising arrangements within the scope of use approved by the Shareholders' meeting, detailed placing arrangements, underwriting arrangements and all other matters relating to the Issuance).

(2) to carry out all necessary and ancillary actions and procedures relating to the Issuance (including, but not limited to, engaging underwriters, lawyers, auditors, rating agencies, financial advisers and other intermediary institutions, handling all approval, registration and filing procedures with the relevant regulatory authorities in connection with the Issuance on behalf of the Company, executing all necessary legal documents in connection with the Issuance, selecting bonds trustee manager for the Issuance, formulating rules for the bondholders' meeting and handling any other matters relating to the issuance and trading).

(3) to approve and confirm any action or procedure relating to the Issuance as mentioned above already taken by the Company.

(4) to make adjustments to the relevant matters such as the specific proposals for the Issuance in accordance with the comments from the regulatory authorities or the prevailing market conditions within the authority granted at the shareholders' meeting of the Company, except where a new vote at a shareholders' meeting of the Company is required by relevant laws and regulations and the Articles of Association.

(5) to determine and handle relevant matters relating to the listing of the issued Debt Financing Instruments upon the completion of the issuance.

(6) in the case of issuance of corporate debt financing instruments, during the term of the corporate debt financing instruments, to determine not to distribute profits to the shareholders to safeguard repayment of debts as required under the relevant laws and regulations in the event that the Company expects to, or does fail to pay the principal and interests as they fall due.

(7) to approve, execute and dispatch any announcements and circulars relating to the Issuance and make any related disclosure in accordance with the listing rules of the relevant jurisdictions where the Shares of the Company are listed.

The Board also proposed to the shareholders at the AGM to authorize the Board to further delegate the authorizations set forth in items (1) to (6) above to the president and/or the general accountant of the Company and to authorize the Board to further delegate the authorization set forth in item (7) above to the secretary of the Board while obtaining the authorization at the AGM.

(VII) Resolution on formulating the Remuneration Management Policy for Directors and Senior Management

The Company proposed to formulate the Remuneration Management Policy for Directors and Senior Management, and submit the same to the AGM for consideration and approval.

Details of the Remuneration Management Policy for Directors and Senior Management are set out in Appendix III to this circular. The English version of the Remuneration Management Policy for Directors and Senior Management is an unofficial translation of the Chinese version. In case of any discrepancy between the Chinese and English versions, the Chinese version shall prevail.

(VIII) Resolution on 2026 Directors' Remuneration Plan

In accordance with the relevant provisions of the Company Law of the People's Republic of China, the Code of Corporate Governance for Listed Companies and other laws and regulations, departmental rules, normative documents and the Articles of Association, and taking into account the actual circumstances of the Company, the Company has formulated the remuneration plan for directors and senior management for 2026. For details, please refer to Appendix IV to this circular. Among these plans, the remuneration plan for Directors for 2026 will be submitted to the AGM for consideration and approval.

IV. AGM

The Company will convene the AGM at 11 a.m. on Thursday, 28 May 2026 at The Conference Room C313, No. 30 Tianzhu Road, Shunyi District, Beijing, the PRC to consider and, if thought fit, approve, among other things, the aforesaid matters. Votes on the resolutions to be considered at the AGM shall be taken by way of poll. A form of proxy is also enclosed herein, and published on the websites of the Hong Kong Stock Exchange (www.hkexnews.hk) and the Company (www.airchina.com.cn). The notice of AGM is reproduced in this circular.

In respect of the Air China Financial Services Agreement and the CNAHC Financial Services Agreement, pursuant to Rule 14A.36 of the Hong Kong Listing Rules, any Shareholder with a material interest in the Air China Financial Services Agreement and the CNAHC Financial Services Agreement and the transactions contemplated thereunder is required to abstain from voting on the resolutions in respect of the Air China Financial Services Agreement and the CNAHC Financial Services Agreement and the transactions contemplated thereunder as well as the Air China New Annual Caps and the CNAHC New

Annual Caps at the AGM. As at the Latest Practicable Date, CNACG is a wholly-owned subsidiary of CNAHC. As at the Latest Practicable Date, CNAHC and CNACG, in aggregate, held 9,370,724,929 shares of the Company, representing approximately 53.71% of the issued share capital of the Company, and controlled or were entitled to control over the voting right in respect of the shares held by them in the Company. To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, save as disclosed above, no Shareholder has a material interest in the resolutions in respect of the Air China Financial Services Agreement and the CNAHC Financial Services Agreement and the transactions contemplated thereunder as well as the Air China New Annual Caps and the CNAHC New Annual Caps or should be required to abstain from voting on the relevant resolutions at the AGM.

In respect of the ACC Financial Services Agreement, pursuant to Rule 14A.36 of the Hong Kong Listing Rules, any Shareholder with a material interest in the ACC Financial Services Agreement and the transactions contemplated thereunder is required to abstain from voting on the resolution in respect of the ACC Financial Services Agreement and the transactions contemplated thereunder. As at the Latest Practicable Date, CNAHC, the controlling shareholder of the Company, indirectly held approximately 39.4% equity interest in Air China Cargo. CNACG, a substantial shareholder of the Company, is a wholly-owned subsidiary of CNAHC. In addition, Cathay Pacific is a substantial shareholder of the Company and Air China Cargo. Therefore, CNAHC, CNACG, Cathay Pacific and their respective associates are required to abstain from voting on the resolution in respect of the ACC Financial Services Agreement and the transactions contemplated thereunder as well as the ACC New Annual Caps. As at the Latest Practicable Date, CNAHC and CNACG, in aggregate, held 9,370,724,929 shares of the Company, representing approximately 53.71% of the issued share capital of the Company, controlled or were entitled to control over the voting right in respect of the shares held by them in the Company. As at the Latest Practicable Date, Cathay Pacific and its associates, in aggregate, held 2,633,725,455 shares of the Company, representing approximately 15.09% of the issued share capital of the Company, and controlled or were entitled to control over the voting right in respect of their shares in the Company. As at the Latest Practicable Date, Cathay Pacific indirectly held approximately 21.01% of the issued share capital of Air China Cargo. To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, save as disclosed above, no Shareholder has a material interest in the resolution in respect of the ACC Financial Services Agreement and the transactions contemplated thereunder as well as the ACC New Annual Caps or should be required to abstain from voting on the relevant resolution at the AGM.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, save as the above Shareholders, no Shareholder has a material interest in the resolutions set out in the notice of the AGM or should be required to abstain from voting on the relevant resolutions at the AGM.

The register of members of H shares will be closed from Friday, 22 May 2026 to Thursday, 28 May 2026 (both days inclusive), during which no transfer of H shares will be effected in order to determine the list of holders of H shares of the Company who will be entitled to attend and vote at the AGM. H Shareholders of the Company whose names appear on the H share register of members of the Company at the close of business on Thursday, 21 May 2026 are entitled to attend the AGM after completing the registration procedures. In order to qualify for attendance at the AGM, all the transfer documents must be lodged with the Company's H Share registrar, Computershare Hong Kong Investor Services Limited, by 4:30 p.m. on Thursday, 21 May 2026.

Whether or not you intend to attend the AGM, you are requested to complete and return the form of proxy in accordance with the instruction printed thereon as soon as practicable but in any event not less than 24 hours before the time appointed for convening the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or at any adjourned meeting thereof should you so wish.

V. RECOMMENDATION

The Board considers that the matters to be put to the Shareholders for voting at the AGM are in the interests of the Company and its shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of all the resolutions at the AGM.

VI. ADDITIONAL INFORMATION

At the Board meeting on 29 April 2026, Mr. Liu Tiexiang, Mr. Qu Guangji, 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 Air China Financial Services Agreement and the CNAHC Financial Services Agreement and the transactions contemplated thereunder as well as the Air China New Annual Caps and the CNAHC New Annual Caps and therefore have abstained from voting on the relevant Board resolutions.

Mr. Liu Tiexiang, Mr. Qu Guangji, Mr. Cui Xiaofeng, Mr. Xiao Peng and Mr. Patrick Healy, being the Directors of the Company also holding directorship in CNAHC and/or Cathay Pacific, are considered to have material interests in the ACC Financial Services Agreement and the transactions contemplated thereunder as well as the ACC New Annual Caps and therefore have abstained from voting on the relevant Board resolutions. Save as disclosed above, no other Director is required to abstain from voting on the relevant Board resolutions.

Save for the above-mentioned Directors, no Director is required to abstain from voting on the relevant Board resolutions.

The Board (including the independent non-executive Directors) considers that the terms and conditions of the Financial Services Agreements 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 Air China New Annual Caps, the CNAHC New Annual Caps and the ACC New Annual Caps are fair and reasonable.

Your attention is drawn to the letter from the Independent Board Committee as set out in this circular which contains its recommendation to the Independent Shareholders as to the voting at the AGM regarding the Non-exempt Continuing Connected Transactions.

Your attention is also drawn to the letter from the Independent Financial Adviser as set out in this circular, which contains, among others, its advice to the Independent Board Committee and the Independent Shareholders in relation to the Non-exempt Continuing Connected Transactions as well as the principal factors and reasons considered by it in concluding its advice.

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

By order of the Board
Air China Limited
Liu Tiexiang
Chairman

Beijing, the PRC

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)

Independent Board Committee:
Mr. Xu Niansha
Mr. He Yun
Ms. Winnie Tam Wan-chi
Mr. Gao Chunlei

6 May 2026

To the Independent Shareholders of the Company

Dear Sir or Madam,

DISCLOSEABLE TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS: FINANCIAL SERVICES AGREEMENTS

We refer to the circular dated 6 May 2026 issued by the Company to its Shareholders (the "**Circular**") of which this letter forms a part. Terms defined in the Circular shall have the same meanings when used in this letter, unless the context otherwise requires.

On 29 April 2026, the Board approved, among other things, the entering into of the Financial Services Agreements, and approved the Air China New Annual Caps, CNAHC New Annual Caps and ACC New Annual Caps. The above Non-exempt Continuing Connected Transactions are subject to the reporting, annual review, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

The details of the above Non-exempt Continuing Connected Transactions are set out in the Letter from the Board contained in the Circular.

We have been appointed to form the Independent Board Committee to make a recommendation to the Independent Shareholders as to whether the Non-exempt Continuing Connected Transactions, the terms of the Financial Services Agreements and the Proposed Annual Caps are fair and reasonable and whether such transactions are in the interests of the Company and the Shareholders as a whole. Opus Capital has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

As your Independent Board Committee, we have discussed with the management of the Company the reasons for the Non-exempt Continuing Connected Transactions, the relevant terms of the Financial Services Agreements and the basis upon which the relevant terms and the Proposed Annual Caps have been determined. We have also considered the key factors taken into account by the Independent Financial Adviser in arriving at its opinion regarding the Non-exempt Continuing Connected Transactions and the Proposed Annual Caps as set out in the Letter from the Independent Financial Adviser of the Circular, which we urge you to read carefully.

The Independent Board Committee, after taking into account, amongst other things, the advice of the Independent Financial Adviser, considers that the Non-exempt Continuing Connected Transactions are conducted on normal commercial terms and are entered into in the usual and ordinary course of business of the Group, the terms of the Financial Services Agreements and the Proposed Annual Caps are fair and reasonable, and thus such transactions are the best interest of the Company and the Shareholders as a whole. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the relevant ordinary resolutions set out in the notice of the AGM.

Yours faithfully
Independent Board Committee

Mr. Xu Niansha	**Mr. He Yun**	**Ms. Winnie Tam Wan-chi**	**Mr. Gao Chunlei**
Independent Non-executive Director	*Independent Non-executive Director*	*Independent Non-executive Director*	*Independent Non-executive Director*

Set out below is the full text of a letter of advice from Opus Capital, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the 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

6 May 2026

To: The Independent Board Committee and the Independent Shareholders of Air China Limited

Dear Sir or Madam,

DISCLOSEABLE TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS: THE FINANCIAL SERVICES AGREEMENTS

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 deposit services (together with the Air China New Annual Caps) provided by CNAF to the Group under the Air China Financial Services Agreement;

(ii) the comprehensive credit line services ("**CNAHC Comprehensive Credit Line Services**") (together with the CNAHC New Annual Caps) provided by CNAF to the CNAHC Group under the CNAHC Financial Services Agreement; and

(iii) the comprehensive credit line services ("**ACC Comprehensive Credit Line Services**") (together with the ACC New Annual Caps) provided by CNAF to the ACC Group under the ACC Financial Services Agreement.

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 6 May 2026 (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 at the Latest Practicable Date, CNAHC and CNACG (a wholly-owned subsidiary of CNAHC and a substantial shareholder of the Company) in aggregate held approximately 53.71% of the issued share capital of the Company and are controlling shareholders of the Company. Therefore CNAHC and CNACG are connected persons of the Company as defined under the Hong Kong Listing Rules. As CNAHC indirectly held approximately 39.4% equity interest in Air China Cargo, Air China Cargo is also a connected person of the Company as defined under the Hong Kong Listing Rules. Furthermore, as the Company and

CNAHC hold approximately 51% and 49% of the shares of CNAF respectively, CNAF is a connected subsidiary of the Company and therefore a connected person of the Company under the Hong Kong Listing Rules.

As one or more of the applicable Percentage Ratios in respect of each of the annual caps are more than 5% but less than 25%, such transactions are therefore subject to (i) the requirements applicable to discloseable transaction under Chapter 14 of the Hong Kong Listing Rules; and (ii) the reporting, announcement and independent shareholders' approval requirements for continuing connected transactions under Chapter 14A of the Hong Kong Listing Rules.

As at the Latest Practicable Date, CNAHC and CNACG, in aggregate, held 9,370,724,929 shares of the Company, representing approximately 53.71% of the issued share capital of the Company, and controlled or were entitled to control over the voting right in respect of the shares held by them in the Company. As at the Latest Practicable Date, Cathay Pacific and its associates, in aggregate, held 2,633,725,455 shares of the Company, representing approximately 15.09% of the issued share capital of the Company, and controlled or were entitled to control over the voting right in respect of their shares in the Company. Cathay Pacific is also a substantial shareholder of Air China Cargo, indirectly holding approximately 21.01% of the issued share capital of Air China Cargo. Pursuant to the Hong Kong Listing Rules, CNAHC and CNACG have a material interest in the transactions under the Non-exempt Continuing Connected Transactions, and are therefore required to abstain from voting on the relevant resolutions at the AGM. Cathay Pacific has a material interest in the transactions under the ACC Financial Services Agreement, and is therefore required to abstain from voting on the relevant resolution at the AGM.

Certain Directors, namely Mr. Liu Tiexiang, Mr. Qu Guangji, Mr. Cui Xiaofeng, Mr. Xiao Peng and Mr. Patrick Healy, are members of board of directors of CNAHC and/or Cathay Pacific, are considered to have a material interest in the Non-exempt Continuing Connected Transactions. Therefore, they have abstained from voting at the meeting of the Board convened for the purpose of approving the Non-exempt Continuing Connected Transactions. Save as disclosed above, none of the other Directors has a material interest in the Non-exempt Continuing Connected Transactions and is not required to abstain from voting on the relevant board resolutions.

THE INDEPENDENT BOARD COMMITTEE

The Independent Board Committee, comprising all of the independent non-executive Directors, namely Mr. Xu Niansha, Mr. He Yun, Ms. Winnie Tam Wan-chi and Mr. Gao Chunlei, has been established by the Company for the purpose of advising the Independent Shareholders in respect of the Non-exempt Continuing Connected Transactions on: (i) whether the entering into of the agreements relating to the 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 Non-exempt Continuing Connected Transactions (including the Proposed Annual Caps) are fair and reasonable; and (iii) how they should vote on the relevant resolutions at the AGM. 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, CNAF, CNAHC, Air China Cargo 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, CNAF, CNAHC, Air China Cargo 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 Air China Financial Services Agreement;

(ii) the CNAHC Financial Services Agreement;

(iii) the ACC Financial Services Agreement;

(iv) the Company's annual reports for the financial years ended 31 December ("**FY**") 2024 ("**2024 Annual Report**") and 2025 ("**2025 Annual Report**"); and

(v) 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 AGM. 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 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. PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the terms and proposed annual caps in relation to the 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 providing air passenger, air cargo and related services.

2. Information 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. As at the Latest Practicable Date, CNAHC holds in aggregate approximately 53.71% of the Shares directly and indirectly through its wholly-owned subsidiary (CNACG), and is the controlling shareholder of the Company. Therefore, CNAHC is a connected person of the Company as defined under the Hong Kong Listing Rules. The State-owned Assets Supervision and Administration Commission of the State Council is a controlling shareholder and de facto controller of CNAHC.

3. Information of Air China Cargo

Air China Cargo is a limited liability company established under the laws of the PRC and is principally engaged in air cargo and mail transportation business.

4. Information of CNAF

CNAF is a company with limited liability established under the laws of the PRC, and is primarily engaged in providing financial services to member companies of the CNAHC Group, the Group and the ACC Group. As at the Latest Practicable Date, the Company and CNAHC hold approximately 51% and 49% of the shares of CNAF respectively. CNAF is a connected subsidiary of the Company and therefore a connected person of the Company under the Hong Kong Listing Rules.

CNAF, as a non-banking financial institution providing financial services to the Group, the CNAHC Group and the ACC Group, is subject to regulations promulgated by the NFRA from time to time. These regulations may not be the same as those regulating commercial banks. Details of the key risk factors are set out under the sub-section headed " (II) Risk Profile and Management of CNAF" under the section headed "II. NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS" of the Letter from the Board. We have conducted the following analyses to assess the key risk factors:

a) Compliance risks

As confirmed by the Management, CNAF complies with《企業集團財務公司管理辦法》(Administrative Measures for Finance Companies of Enterprise Groups) (the "**Administrative Measures**") issued by the NFRA on 27 July 2004 (as last amended on 13 November 2022). We noted that the Administrative Measures set out certain compliance and risk control requirements/measures in relation to the operation of group financing companies, including but not limited to, maintaining certain financial ratios at all times. The table below sets out the key financial ratio requirements of the Administrative Measures and the respective financial ratios of CNAF for the three years ended 31 December 2025 as provided by the Company:

Financial ratio	Requirements	Financial ratios of CNAF For the year ended 31 December 2023 *(approximate %)*	2024 *(approximate %)*	2025 *(approximate %)*
Capital adequacy ratio	Not lower than 10.5%	19.27%	18.35%	16.29%
Loan balance to the sum of the deposit balance and paid-up capital ratio	Not higher than 80%	60.43%	38.35%	48.36%
Total amount of external liabilities to net capital ratio	Not higher than 100%	Nil	Nil	Nil
Bill acceptance balance to the total capital ratio	Not higher than 15%	Nil	Nil	Nil
Bill acceptance balance to the bank vostro balances ratio	Not higher than 300%	Nil	Nil	Nil
Total amount of bill acceptance and rediscount to net capital ratio	Not higher than 100%	Nil	Nil	Nil
Deposit balance of bank acceptance to total deposit ratio	Not higher than 10%	Nil	Nil	Nil
Total investment amount to the net capital ratio	Not higher than 70%	66.24%	63.53%	66.37%
Net fixed assets to net capital ratio	Not higher than 20%	0.11%	0.10%	0.11%
Non-performing loan to total loan ratio	No higher than 5%	Nil	Nil	Nil

As shown in the table above, CNAF complied with the relevant financial ratio requirements as set out in the Administrative Measures during 2023, 2024 and 2025. The Management also confirmed that, they are not aware of any record of non-compliance with relevant laws and regulations of the PRC relating to CNAF since its establishment until the Latest Practicable Date.

b) Liquidity risks

CNAF utilises deposits received by it by lending the funds out to members of the Group, the CNAHC Group and the ACC Group. Since the terms of the deposits and loans are often different, CNAF faces liquidity risks if any deposit becomes due and it has no immediate available fund for making payment. The nature of such risk does not differ materially from the liquidity risks faced by PRC commercial banks.

To manage its liquidity risks, CNAF strictly adheres to a 25% current ratio requirement (i.e. its current liabilities shall not exceed 25% of its current assets). The liquidity risks of CNAF are also mitigated as it could obtain financing through inter-bank loans or pledged repurchase from the inter-bank market if and when necessary. In addition, since the customers of CNAF are limited to the members of the Group, the CNAHC Group and the ACC Group, CNAF is shielded from the risk of bank runs by individual depositors faced by commercial banks.

As informed by the Management, CNAF recorded liquidity ratio of approximately 80.79% and 84.40% as at 31 December 2024 and 2025 respectively. According to the statistics published by the NFRA, the PRC commercial banks recorded average liquidity ratio of approximately 80.95% for the fourth quarter in 2025. As such, CNAF had a similar liquidity ratio as compared to the average liquidity ratio of the PRC commercial banks for the fourth quarter in 2025. In addition, as confirmed by the Management, since its establishment until the Latest Practicable Date, CNAF has always been able to meet the repayment schedules in respect of deposits placed by its customers.

c) Credit risks

Like state-owned commercial banks, CNAF faces credit risks in providing its loans and other credit services to its customers. CNAF, being a member of the CNAHC Group, is in a better position to gain information on the member companies who are its customers in a more timely and comprehensive manner as opposed to other PRC commercial banks who conduct business with clients of various credit ratings and backgrounds.

To control the credit risks, CNAF carefully evaluates the operation situation and financial position of the member companies within the Group, the CNAHC Group and the ACC Group when receiving loan applications from them and only provides loans to member companies who have sound financial position and cash flow. CNAF normally requires guarantees from the shareholders of the applicant if the applicant's credit standing exposes CNAF to relatively high risks. If a loan is approved, CNAF conducts regular post-loan examination on the borrower to monitor and safeguard against the credit risks. If a borrower defaults on the loan or falls into financial difficulty in repayments, CNAF may enforce the guarantee provided by the shareholders of the borrower. Moreover, according to the relevant laws and regulations promulgated by the NFRA and as set out in the articles of association of CNAF, in the event that CNAF falls into financial difficulty in payments, CNAHC has the obligation to take all necessary steps including injecting capital into CNAF based on its funding needs, to restore its financial position. As advised by the Management, CNAF has not had any non-performing loan since its establishment until the Latest Practicable Date.

Pursuant to the Administrative Measures, in the event that a group finance company faces any difficulty in making payment, its controlling shareholder(s) will increase such group finance company's capital accordingly based on the actual need. We noted from CNAF's articles of association that there was an undertaking by CNAHC that CNAHC will provide funding (according to the practical situations) to CNAF to satisfy its capital needs in the event CNAF experiences any urgent payment difficulties.

5. Provision of deposit services under the Air China Financial Services Agreement

5.1 Reasons for and benefits of the transactions

As referred to the Letter from the Board, the long-term cooperation between the Company and CNAF in respect of deposit services has established a good cooperative relationship between the Group and CNAF. This relationship has facilitated more efficient settlement services, thereby ensuring the effective development of the Company's business.

Our comment

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

(i) it will receive interest on its money deposited with CNAF at rates which are not less than the relevant rates set by the domestic commercial banks, which can maximise the Company's returns;

(ii) CNAF is able to provide more efficient settlement services compared to external entities; and

(iii) the Company holds approximately 51% equity interest of CNAF, which is in a stronger position to safeguard its interests compared to dealing with external financial institutions.

We take note that the Company is not restricted under the Air China 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 competitiveness of pricing, quality and efficiency of services, and overall reliability. Therefore, the Group may, but is not obliged to, continue to use CNAF's services should external institutions offer more favourable terms. This flexibility ensures the Group can optimise its treasury management while maintaining a reliable in-house option.

Furthermore, as a non-bank finance company, CNAF is regulated by the PBOC and the NFRA and is required to strictly adhere to the rules and regulations promulgated, thereby providing the Company with trusted assurance of its financial stability and historical track record. We have obtained and reviewed the approval granted by the relevant authority(ies) permitting CNAF to carry out such financial services including but not limited to, the provision of deposit services, CNAHC Comprehensive Credit Line Services and ACC Comprehensive Credit Line Services. In addition, as advised by the Management, to the best knowledge of the Company, CNAF has no record of material non-compliance with the relevant laws, rules and regulations in the PRC. We have reviewed the official website of the NFRA and noted that there is no non-compliance record concerning CNAF.

We are cognisant of the fact that given the close relationship between the Group and CNAF, CNAF has been providing good quality professional financial services to the Group for 30 years. The Air China Financial Services Agreement entered into with CNAF not only provides an alternative option for the Group to choose CNAF over other external 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 provided to the Company under the Air China 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 Air China Financial Services Agreement, with the provision of deposit services, is in the interests of the Company and the Shareholders as a whole.

5.2 Principal terms

The major terms of the Air China Financial Services Agreement are as follows:

Parties: The Company and CNAF

Date: 29 April 2026

Financial services to be provided by CNAF to the Group: Pursuant to the Air China Financial Services Agreement, CNAF has agreed to provide the Group with a range of financial services including the following:

a. deposit services;

b. comprehensive credit services, including loan, billing discounting and other credit services such as non-financing letters of guarantee and bill acceptance;

c. other financial services, including but not limited to settlement and payment services, entrusted loan services, bond underwriting, financial advisory, spot foreign exchange settlement and sale, cross-border bilateral RMB capital pooling, credit appraisal and consulting agency services (which includes the financial information services, being the consulting business specifically involves the collection and basic analysis of information on macro policies, market interest rate trends, foreign exchange policies and trends and other related areas).

Agency fees, handling fees, consultancy fees or other service fees will be charged by CNAF to the Group for the above "other financial services".

Pricing policy:

Deposit services

The interest rates applicable to the Group for deposits with CNAF shall (i) be in compliance with the requirements on interest rates prescribed by PBOC for such type of deposits; and (ii) be not lower than the interest rates offered by state-owned commercial banks to the Group for the same term and the same type of deposits under equivalent conditions.

Comprehensive credit services

The interest rates and fee standards applicable to the comprehensive credit services provided by CNAF to the Group shall (i) be in compliance with the requirements on interest rates and fee standards prescribed by PBOC for such type of services; and (ii) be not higher than the interest rates for loans of the same type provided by state-owned commercial banks to the Group for the same term or the fee standards charged to the Group for the same type of service under equivalent conditions.

Other financial services

For the fees charged for providing paid services among the other financial services provided by CNAF to the Group, (i)where any regulatory authority such as PBOC, NFRA, CSRC or NAFMII has prescribed fee standards, such fees shall comply with the relevant requirements; and (ii) such fees shall not be higher than the fees charged by state-owned commercial banks to the Group for the same type of services under the same conditions.

The other financial services currently provided by CNAF to the Group that are free of charge include the settlement services and the provision of financial information services. If CNAF charges fees for the settlement services and the provision of financial information services during the term of the Air China Financial Services Agreement, the pricing basis set out in the above paragraph shall apply, and the relevant transaction amount will be monitored closely to ensure that the aggregate annual fees to be paid by the Group to CNAF for other financial services will not exceed the de minimis threshold as stipulated under Rule 14A.76(1) of the Hong Kong Listing Rules.

Risk control:

Pursuant to the Air China Financial Services Agreement, (i) CNAF shall not carry out any business that has not been approved by the NFRA or conduct any illegal activities, and CNAF's various risk monitoring indicators shall comply with the *Administrative Measures for Finance Companies of Enterprise Groups* (《企業集團財務公司管理辦法》) and the relevant requirements of the NFRA; (ii) CNAF shall not, during the term of the Air China Financial Services Agreement, use deposits absorbed from the Group to conduct high-risk investment activities, including investments in fixed-income securities, and shall comply with the relevant requirements of the *Administrative Measures for Finance Companies of Enterprise Groups* (《企業集團財務公司管理辦法》); and (iii) CNAF is obliged to provide facilitation for the Company's auditors. If the Company's auditors intend to inspect CNAF's books, they shall provide CNAF with a written notice five days in advance. CNAF is obliged to arrange for the Company's auditors to inspect its books within five days of receiving the notice, so as to ensure CNAF's compliance with the aforementioned agreements.

Effective date and term: Pursuant to the Air China Financial Services Agreement, the Air China Financial Services Agreement shall take effect upon the approval at a Shareholders' meeting of the Company, and shall be valid from 1 January 2027 and ending on 31 December 2029 (the "**Air China Initial Term**"). Upon expiration of the Air China Initial Term, the Air China Financial Services Agreement may be automatically renewed for successive terms of three years each, subject to the compliance with requirements under the Hong Kong Listing Rules/Shanghai Listing Rules and the required approval procedures thereunder. Upon expiry of the Air China Financial Services Agreement, the Board will re-assess the terms and conditions of the Air China Financial Services Agreement, and the Company will re-comply with the relevant rules governing connected transactions under the Hong Kong Listing Rules/Shanghai Listing Rules. During the term of the Air China Financial Services Agreement, either party may terminate the Air China Financial Services Agreement on any 31 December by giving the other party at least three months' prior written notice.

Our assessment

We have obtained a total of six sets of deposit records between the Group and CNAF for FY2024, FY2025 and the three months ended 31 March 2026 ("**3M2026**"), respectively. We noted that the interest rates offered by CNAF to the Group were (i) in compliance with the requirements on interest rates prescribed by PBOC for such type of deposit; and (ii) not lower than the interest rates offered by state-owned commercial banks to the Group for the same type of deposit under the same conditions. We noted that when the Group decided to place deposits with CNAF, the actual comparable rates offered by these state-owned commercial banks were less favourable than those offered by CNAF. The Group would place deposit with state-owned commercial banks only if the rates they offered were better than CNAF. Based on the above, we are of the view that deposits placed with CNAF in the past have been in compliance with the pricing basis under the Air China Financial Services Agreement.

We have also cross checked all the daily deposit balance of the Company placed with CNAF against the existing annual caps set out in the Existing Air China Financial Services Agreement for the period from 1 January 2024 to 31 March 2026. We considered this full coverage of sample size is sufficient to determine the fairness and reasonableness of the terms of the Air China 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 Air China 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 Air China Financial Services Agreement are on normal commercial terms and are fair and reasonable.

5.3 Annual caps

Set out below are the historical transaction figures for the transactions contemplated under the Existing Air China Financial Services Agreement for FY2024, FY2025 and 3M2026, and the proposed annual caps for the three years ending 31 December 2029:

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

	Year ended 31 December		Three months ended 31 March
RMB billion	**2024**	**2025**	**2026**
Actual maximum daily balance of deposits (including accrued interests)	17.9	16.8	13.0
Existing annual caps	22	23	23*(Note)*
Utilisation rate (%)	81.4	73.0	56.5

Note: The amount of RMB23 billion represents the existing annual cap for FY2026.

	Proposed annual caps Year ending 31 December		
RMB billion	**2027**	**2028**	**2029**
Air China New Annual Caps	22	23	24

Our assessment

The historical actual maximum daily balance of deposits placed with CNAF by the Group for each of the two years ended 31 December 2025 and for 3M2026 amounted to approximately RMB17.9 billion, RMB16.8 billion and RMB13.0 billion, respectively. This represents (i) the historical utilisation rates of approximately 81.4% and 73.0% of the existing annual caps for the two years ended 31 December 2025; and (ii) as at 31 March 2026, the utilisation rate of the existing annual cap for the year ending 31 December 2026 was approximately 56.5%, indicating the existing annual caps have adequately accommodated the Group's historical deposit activity.

As set out in the above table, the proposed annual caps for the three years ending 31 December 2029 have decreased by approximately 4.4% from FY2026 to FY2027, then gradually increased by approximately 4.6% from FY2027 to FY2028, and 4.4% to FY2029. As set out in the Letter from the Board, the Air China New Annual Caps are determined based on the following factors (i) assuming the Group's monetary funds remain at the level of RMB22.5 billion as of 31 December 2024 (being the highest amount at the end of the past two years), (ii) the historical highest daily deposit balance that the Group has maintained with CNAF over the past three years; (iii) the expected

cash and bank balance of the Group in the future. It is expected that the daily balance of deposits to be placed by the Group with CNAF during each of the three years ending 31 December 2029 will amount to approximately RMB20.9 billion, RMB21.9 billion and RMB22.8 billion, respectively; and (iv) an approximate 5% buffer to provide for necessary operational flexibility.

We noted that the historical maximum daily outstanding balance for FY2024 and FY2025 represented a sustained and adequate utilisation rate of the level of existing annual caps, while the historical maximum daily outstanding balance for 3M2026 recorded a utilisation rate of 56.5%. In addition, according to the 2025 Annual Report, as at 31 December 2025, the Group had (i) cash and cash equivalent amounted to approximately RMB14.3 billion; and (ii) accounts receivable amounted to approximately RMB3.5 billion. Accordingly we note that there remains room for the Group to place deposits in CNAF for FY2026. Based on our discussion with the Management, subject to the market conditions and the Company's treasury decision, the maximum daily balance of deposits (including accrued interests) for FY2026 could approach the existing annual cap.

As stated in the Letter from the Board, taking into account the Company's capital needs and current market condition, the Company may raise funds by way of direct financing in the next three years. We noted that in order to enhance fleet strength and replenish working capital of the Company, on 10 December 2024, the Company issued 854,700,854 A Shares to CNAHC at the issue price of RMB7.02 per share, raising net proceeds of approximately RMB6 billion; and on 30 October 2025, the Company announced that it has entered into the subscription agreement with CNAHC and China National Aviation Capital Holding Co., Ltd. for the issuance of not more than 3,044,140,030 new A Shares at RMB6.57 per share, targeting to raise not more than RMB20 billion of proceeds. As such, it is estimated that this may lead to an increase of the Group's funds and the daily balance of deposits to be placed by the Group with CNAF and/or other independent banks for the next three years ending 31 December 2029.

As advised by the Management, in order to support its market expansion along the "Belt and Road" initiative in the future and fleet expansion, the Company may consider conducting fundraising activities from connected persons and expects to continue its financing plans for working capital and business operation's needs. The proceeds from the fundraising could possibly be placed with CNAF (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, might trigger a short-term increase in the balance of deposits with CNAF and/or other external banks for the next three years ending 31 December 2029, thereby directly contributing to the projected increase in the maximum daily deposit balance.

As referred in the 2024 Annual Report, the Group will continue to expand its international route network, particularly by increasing capacity along "Belt and Road" countries and exploring emerging markets. It is committed to advancing its hub network

strategy, with a dedicated focus on building the Beijing-Chengdu dual-hub and strengthening strategic markets like the "Four-Pole Clusters" and Xinjiang. Furthermore, the Company is accelerating its digital and intelligent transformation across all operations, including the development of an AI platform and the expansion of smart maintenance and customer service systems. It also plans to optimise its fleet and product offerings, enhance air-rail intermodal services, and reinforce cost-control measures to improve profitability and competitive positioning. 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 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 FY2027 to FY2029.

The Management has applied a buffer of 5% for each of the three years ending 31 December 2029 as an assumption for the determination of the Air China New Annual Caps. Having considered that the additional buffer is to be applied for unforeseeable circumstances, for instance, the unpredictable increase in cash, we consider that the buffer is acceptable.

Having considered the above factors, we consider the basis for determining the proposed annual caps for deposit services under the Air China Financial Services Agreement to be fair and reasonable.

6. CNAHC Financial Services Agreement

6.1 Reasons for and benefits of the transactions

As set out in the Letter from the Board, we note that CNAF has been providing financial services to the CNAHC Group for years. The business with the CNAHC Group contributed a steady and significant portion to CNAF's revenues in the past. Such transaction is beneficial for CNAF to make full use of its function as a financial platform to further improve the utilisation efficiency and effectiveness of funds, as well as enhance its gains on capital, which is in line with the needs of the Group's operation and development.

Our comment

As mentioned above, CNAF operates as a regulated non-bank finance company under the oversight of the PBOC and NFRA, providing assurance of its compliance and financial standing. We have obtained and reviewed the approval granted by the relevant authority(ies) permitting the CNAF to carry out such financial services including but not limited to, the provision of deposit services and CNAHC Comprehensive Credit Line Services. We concur with the Management that CNAF has a clean compliance record, based on our review of the NFRA official website and to the best knowledge of the Company.

As discussed with the Management, we noted that a long-standing cooperative relationship exists between CNAF and the CNAHC Group. Through years of cooperation, CNAF has developed a deep familiarity with the CNAHC Group's business cycles, cash flow patterns and credit needs, which facilitates responsive and tailored financial support, thereby enhancing operational and financial efficiency.

We also understand from the Company that the on-going revenue derived from CNAHC Comprehensive Credit Line Services provides CNAF with a stable source of income. This arrangement effectively supports CNAF's use of capital and contributes to the efficient use of funds within the wider group structure. The continued engagement in these services aligns with operational objectives aimed at optimising financial performance and resource allocation.

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

6.2 Principal terms

The major terms of the CNAHC Financial Services Agreement are as follows:

Parties: CNAF and CNAHC

Date: 29 April 2026

Financial services to be provided by CNAF to CNAHC Group: Pursuant to the CNAHC Financial Services Agreement, CNAF has agreed to provide the CNAHC Group with a range of financial services including the following:

a. deposit services;

b. comprehensive credit services, including loan, billing discounting and other credit services such as non-financing letters of guarantee and bill acceptance;

c. other financial services, including but not limited to settlement and payment, entrusted loan, bond underwriting, financial advisory, spot foreign exchange settlement and sale, cross-border bilateral RMB capital pooling services, credit appraisal and consulting agency services (which includes the financial information services, being the consulting business specifically involves the collection and basic analysis of information on macro policies, market interest rate trends, foreign exchange policies and trends and other related areas).

Agency fees, handling fees, consultancy fees or other service fees will be charged by CNAF to the CNAHC Group for the above "other financial services".

Pricing policy:

Deposit services

The interest rates applicable to the CNAHC Group for deposits with CNAF shall (i) be in compliance with the requirements on interest rates prescribed by PBOC for such type of deposits; and (ii) be not higher than the interest rates offered by state-owned commercial banks to CNAHC Group for the same term and same type of deposits under equivalent conditions.

Comprehensive credit services

The interest rates and fee standards applicable to the comprehensive credit services provided by CNAF to the CNAHC Group shall (i) comply with the requirements of the PBOC regarding the interest rates and fee standards for such types of services; and (ii) be not lower than the interest rates for loans of the same type provided by state-owned commercial banks to the CNAHC Group for the same term or the fee standards charged to the CNAHC Group for the same type of service under equivalent conditions.

Other financial services

For the fees charged for the paid services among the other financial services provided by CNAF to the CNAHC Group, (i) where any regulatory authority such as PBOC, NFRA, CSRC or NAFMII has prescribed fee standards, such fee shall comply with the relevant requirements; and (ii) such fees shall not be lower than the fees charged by state-owned commercial banks to the CNAHC Group for the same type of services under the same conditions.

The services currently provided by CNAF to the CNAHC Group that are not charged include the settlement services and provision of financial information services. Should CNAF impose fees for the settlement services and the provision of financial information services during the term of the CNAHC Financial Services Agreement, the pricing basis set out in the above paragraph shall apply, and the relevant transaction amount will be monitored closely to ensure that the aggregate annual fees to be paid by the CNAHC Group to CNAF for other financial services will not exceed the de minimis threshold as stipulated under Rule 14A.76(1) of the Hong Kong Listing Rules.

Risk control:

Pursuant to the CNAHC Financial Services Agreement, (i) CNAF shall not carry out any business that has not been approved by the NFRA or conduct any illegal activities, and CNAF's various risk monitoring indicators shall comply with the *Administrative Measures for Finance Companies of Enterprise Groups* (《企業集團財務公司管理辦法》) and the relevant requirements of the NFRA; (ii) where CNAF provides comprehensive credit services to the CNAHC Group, it shall, in accordance with the requirements of the business execution procedures, grant credit before handling specific business. CNAF shall approve each business in accordance with the established business approval authority. After a loan business is executed, CNAF shall regularly track and manage the loan business to ensure the recovery of funds; (iii) if the CNAHC Group becomes unable to repay any debts owed to other financial institutions, and undergoes the deterioration in its operating or financial condition, closedown, dissolution, suspension of operations, liquidation, bankruptcy, reorganization, settlement, rectification or similar legal proceedings, or all or a significant portion of its property is occupied, seized, frozen, impounded, enforced, expropriated, forfeited or taken over by an appointed trustee, receiver or similar officer, or other similar measures are implemented in respect of the property, CNAF shall have the right to accelerate the repayment of the relevant loans.

Effective date and term: Pursuant to the CNAHC Financial Services Agreement, the CNAHC Financial Services Agreement shall take effect upon the approval at a Shareholders' meeting of the Company, and shall be valid from 1 January 2027 and ending on 31 December 2029 (the "**CNAHC Initial Term**"). Upon expiration of the CNAHC Initial Term, the CNAHC Financial Services Agreement may be automatically renewed for successive terms of three years each, subject to the compliance with requirements under the Hong Kong Listing Rules/Shanghai Listing Rules and the required approval procedures thereunder. Upon expiry of the CNAHC Financial Services Agreement, the Board will re-assess the terms and conditions of the CNAHC Financial Services Agreement, and the Company will re-comply with the relevant rules governing connected transactions under the Hong Kong Listing Rules/Shanghai Listing Rules. During the term of the CNAHC Financial Services Agreement, either party may terminate the CNAHC Financial Services Agreement on any 31 December by giving the other party at least three months' prior written notice.

Our assessment

We have obtained two sample loan documents that were entered into between the CNAHC Group and CNAF ("**CNAF Loan Samples**") for each of FY2024 and FY2025 and one sample loan document for 3M2026, respectively; totalling five loan documents and one loan document entered into between CNAHC Group and state-owed commercial bank, which represents the only commercial bank loan obtained by the CNAHC Group during the same period. We have reviewed the CNAF Loan Samples and noted that the interest rates offered by CNAF to the CNAHC Group were (i) in compliance with the requirements on interests prescribed by PBOC for such type of loan; and (ii) not lower than those offered by the commercial bank to the CNAHC Group for loans with similar duration and granted in similar period. Based on the above, we are of the view that loan provided to CNAHC Group in the past have been in compliance with the pricing basis under Existing CNAHC Financial Services Agreement; and the pricing basis are on normal commercial terms, fair and reasonable.

6.3 Annual caps

Set out below are the historical transaction figures for the transactions contemplated under the Existing CNAHC Financial Services Agreement for FY2024, FY2025 and 3M2026, and the proposed annual caps for the three years ending 31 December 2029:

Table 2: Historical transaction figures and existing and proposed annual caps

	Year ended 31 December		Three months ended 31 March
RMB billion	**2024**	**2025**	**2026**
Actual maximum daily balance of loans (including accrued interests)	0.4	0.34	0.07
Existing annual caps	5.5	5.5	5.5*(Note)*
Utilisation rate (%)	7.3	6.2	1.3

Note: The amount of RMB5.5 billion represents the existing annual cap for FY2026.

	Proposed annual caps Year ending 31 December		
RMB billion	**2027**	**2028**	**2029**
CNAHC New Annual Caps	2.5	2.5	2.5

Our assessment

The historical actual maximum daily balance of loans (including accrued interests) for each of the two years ended 31 December 2025 and for 3M2026 amounted to approximately RMB0.4 billion, RMB0.34 billion and RMB0.07 billion, respectively. This represents (i) the historical utilisation rates of approximately 7.3% and 6.2% of the existing annual caps for the two years ended 31 December 2025; and (ii) for 3M2026, the utilisation rate of the existing annual cap for the year ending 31 December 2026 was approximately 1.3%, indicating low levels of utilisation rates of existing annual caps.

As discussed with the Management, we understand that the low utilisation of existing annual caps was mainly due to (i) CNAHC met its production and operating fund needs through medium-term notes and did not obtain loans through CNAF; and (ii) for the CNAHC Group members that do have loan requirements, they have the flexibility to choose loans from independent third-party banks instead of using CNAF. As such, this has resulted in a demand for bank loans that is lower than expected and accordingly the low utilisation rate.

As set out in the Letter from the Board, the proposed CNAHC New Annual Caps for the three years ending 31 December 2029 were determined principally in consideration of (i) CNAF's intention to further utilise its function as financial services platform; (ii) CNAHC maintaining its working capital loan requirements at the same level for FY2027 to FY2029 and assuming part of the amount may be financed through loans provided by CNAF in the future, with the expected maximum daily balance of loans (including accrued interests) provided by CNAF to CNAHC for each of three years ending 31 December 2029 will be approximately RMB1.5 billion; and (iii) the loan demand generated by these subsidiaries from CNAHC will amount to approximately RMB1.0 billion for each of three years ending 31 December 2029 based on the working capital loan demand plans of these subsidiaries. Therefore, we noted that the CNAHC New Annual Caps have been reduced by approximately 55%, from RMB5.5 billion to RMB2.5 billion, to more accurately reflect the CNAHC Group's actual financing needs and historical utilisation levels. These revised caps provide sufficient headroom for CNAF to meet any opportunistic loan requirements from the CNAHC Group, while allowing CNAF to continue earning stable revenue when lending opportunities arise.

As discussed with the Management, it is the intention of CNAF to further make use of its function in loan business as a finance company. CNAF has a long-standing track record of providing reliable and high-quality financial services to CNAHC Group members. Its position as an in-house financial provider affords it a familiarity with the CNAHC Group's activities that facilitates highly efficient loan processing, ultimately serving the CNAHC Group's best interests in a timely manner. In addition, as informed by the Management, the comprehensive financial services delivered by CNAF through the CNAHC Financial Services Agreement empower the Group to better utilise the CNAF platform. This integration supports the effective management of the Group's financial resources, contributing to the efficient deployment of capital within the Group.

Having considered the above factors, we are of the view that the proposed CNAHC New Annual Caps for the three years ending 31 December 2029 are fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and Shareholders as a whole.

7. ACC Financial Services Agreement

7.1 Reasons for and benefits of the transactions

As set out in the Letter from the Board and as discussed above, CNAF has been providing financial services to the ACC Group for years. The business with the ACC Group contributed a steady portion to CNAF's revenues in the past. Such transaction is beneficial for CNAF to make full use of its function as a financial platform to further improve the utilisation efficiency and effectiveness of funds, as well as enhance its gains on capital, which is in line with the needs of the Company's operation and development.

Our comment

We acknowledge the established and strategically important partnership between CNAF and the ACC Group. CNAF's deep understanding of the ACC Group's operations, gained through years of collaboration, enables an efficient and responsive working relationship. This framework supports the Group's ability to reasonably leverage available market resources. In addition, the possible income generated through the ACC Comprehensive Credit Line Services provides CNAF with a reliable revenue stream. This on-going engagement aids in improving fund utilisation efficiency for the Company and CNAF, promotes efficient fund deployment across the Group, and is consistent with operational goals focused on enhancing financial results and optimising the allocation of resources.

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

7.2 Principal terms

The major terms of the ACC Financial Services Agreement are as follows:

Parties:	CNAF and Air China Cargo
Date:	29 April 2026
Financial services to be provided by CNAF to the ACC Group:	Pursuant to the ACC Financial Services Agreement, CNAF has agreed to provide the ACC Group with a range of financial services including the following: a. deposit services; b. comprehensive credit services, including loan, bill discounting and other credit services such as non-financing letters of guarantee and bill acceptance;

c. other financial services, including but not limited to settlement and payment, entrusted loan, bond underwriting, financial advisory, spot foreign exchange settlement and sale, cross-border bilateral RMB capital pooling, credit appraisal and consulting agency services (which includes the financial information services, being the consulting business specifically involves the collection and basic analysis of information on macro policies, market interest rate trends, foreign exchange policies and trends and other related areas).

Agency fees, handling fees, consultancy fees or other service fees will be charged by CNAF to the ACC Group for the above "other financial services".

Pricing policy:

Deposit services

The interest rates applicable to the ACC Group for deposits with CNAF shall (i) be in compliance with the requirements on interest rates prescribed by PBOC for such type of deposits; and (ii) benchmark the interest rates offered by major commercial banks to the ACC Group for deposits for the same term and of the same type under equivalent conditions.

Comprehensive credit services

The interest rates and fee standards applicable to the comprehensive credit services provided by CNAF to the ACC Group shall (i) comply with the requirements of the PBOC regarding the interest rates and fee standards for such types of services; and (ii) benchmark to the interest rates for loans of the same type provided by major commercial banks to the ACC Group for the same term or the fee standards charged to the ACC Group for the same type of service under equivalent conditions.

Other financial services

For the service fees charged for the paid services among the other financial services provided by CNAF to the ACC Group, (i) where any regulatory authority such as PBOC, NFRA, CSRC or NAFMII has prescribed fee standards, such fees shall comply with the relevant regulations; and (ii) such fees shall benchmark to the service fees charged by major commercial banks to the ACC Group for providing services of the same type under equivalent conditions.

The services currently provided by CNAF to the ACC Group that are not charged include the settlement services and provision of financial information services. Should CNAF impose fees for the settlement services and financial information services during the term of the ACC Financial Services Agreement, the pricing basis set out in the above paragraph shall apply, and the relevant transaction amount will be monitored closely to ensure that the aggregate annual fees to be paid by the ACC Group to CNAF for other financial services will not exceed the de minimis threshold as stipulated under Rule 14A.76(1) of the Hong Kong Listing Rules.

Risk control:

Pursuant to the ACC Financial Services Agreement, (i) CNAF shall not engage in any business not approved by the NFRA or conduct any illegal activities. CNAF's various risk monitoring indicators shall comply with the *Administrative Measures for Finance Companies of Enterprise Groups* (《企業集團財務公司管理辦法》) and the relevant requirements of the NFRA; (ii) where CNAF provides comprehensive credit services to the ACC Group, it shall, in accordance with the requirements of the business execution procedures, grant credit before handling specific business. CNAF shall approve each business in accordance with the established business approval authority. After a loan business is executed, CNAF shall regularly track and manage the loan business to ensure the recovery of funds; and (iii) if any member of the ACC Group becomes unable to repay any debts owed to other financial institutions, and undergoes the deterioration in its operating or financial condition, closedown, dissolution, suspension of operations, liquidation, bankruptcy, reorganization, settlement, rectification or similar legal proceedings, or all or a significant portion of its property is occupied, seized, frozen, impounded, enforced, expropriated, forfeited or taken over by an appointed trustee, receiver or similar officer, or other similar measures are implemented in respect of the property, CNAF shall have the right to accelerate the repayment of the relevant loans.

Effective date and term: Pursuant to the ACC Financial Services Agreement, the ACC Financial Services Agreement shall take effect upon the approval at a Shareholders' meeting of the Company and the shareholders' meeting of Air China Cargo, and shall be valid from 1 January 2027 and ending on 31 December 2029 (the "**ACC Initial Term**"). Upon expiration of the ACC Initial Term, the ACC Financial Services Agreement may be automatically renewed for successive terms of three years each, subject to the compliance with requirements under the Hong Kong Listing Rules/Shanghai Listing Rules and the required approval procedures thereunder. Upon expiry of the ACC Financial Services Agreement, the Board will reassess the terms and conditions of the ACC Financial Services Agreement, and the Company will re-comply with the relevant rules governing connected transactions under the Hong Kong Listing Rules/Shanghai Listing Rules. During the term of the ACC Financial Services Agreement, either party may terminate the ACC Financial Services Agreement on any 31 December by giving the other party at least three months' prior written notice.

Our assessment

As advised by the Management, there was no loan transaction between ACC Group and CNAF for the year ended 31 December 2025 and for the 3 months ended 31 March 2026.

7.3 Annual caps

Set out below are the historical transaction figures for the transactions contemplated under the Existing ACC Financial Services Agreement for FY2024, FY2025 and 3M2026, and the proposed annual caps for the three years ending 31 December 2029:

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

	Year ended 31 December		Three months ended 31 March
RMB billion	**2024**	**2025**	**2026**
Actual maximum daily balance of loans (including accrued interests)	0	0	0
Existing annual caps	0	2	2.5*(Note)*
Utilisation rate (%)	N/A	0	0

Note: The amount of RMB2.5 billion represents the existing annual cap for FY2026.

	Proposed annual caps Year ending 31 December		
RMB billion	**2027**	**2028**	**2029**
ACC New Annual Caps	6.0	6.0	6.0

Our assessment

There was no loan provided by CNAF to the ACC Group for FY2025 and 3M2026, represents zero utilisation rate. As informed by the Management, Air China Cargo was listed on the Shenzhen Stock Exchange at the end of 2024 and maintained sufficient working capital with no financing needs in FY2024 and FY2025.

As set out in the Letter from the Board, the proposed ACC New Annual Caps for the three years ending 31 December 2029 were determined principally in consideration of (i) the fleet introduction plans and corresponding financing needs of the ACC Group for FY2027 to FY2029; (ii) the working capital loan demand plans of the ACC Group for each of three years ending 31 December 2029; and (iii) a 10% buffer to ensure operational flexibility.

We have obtained and reviewed the fleet introduction plans and corresponding financing needs of the ACC Group for FY2027 to FY2029, including the recent purchase prices of the relevant aircraft models. Given that aircraft constitute significant capital expenditures with high unit prices, the projected financing requirements for the ACC Group during this period will be more substantial, as such the proposed ACC New Annual Cap is expected to be approximately RMB6.0 billion annually. This represents a notable increase compared to the existing annual cap, reflecting the ACC Group's shift in focus from general working capital financing to aircraft acquisitions. In light of the ACC Group's evolving financing needs, we consider the increase to RMB6.0 billion for FY2027 to FY2029 to be fair and reasonable.

As previously discussed, it is the intention of CNAF to further make use of its function in loan business as a finance company. CNAF has a long-standing track record of providing reliable and high-quality financial services to ACC Group members. It ensures the ACC Group has immediate and reliable access to a contingent liquidity facility to support unforeseen opportunities or needs, thereby preserving operational flexibility. Furthermore, the continued availability of this credit line facility sustains a potential revenue stream for CNAF through interest income, contributing to the efficient deployment of capital within the Group.

We note that the Management has applied a 10% buffer for each of the three years ending 31 December 2029 as an assumption for the determination of the ACC New Annual Caps, which is consistent with the buffer that was incorporated in the existing annual cap for FY2025 and FY2026. As discussed with the Management, given the high unit cost of aircraft investments, the 10% buffer provides necessary flexibility

for the ACC Group to change in aircraft models and accommodate potential financing adjustments, including exchange rate movements, or changes in financing structures. Having considered that this buffer accommodates unforeseeable circumstances, such as an unpredictable increase in the ACC Group's demand for loan services, we consider that the 10% buffer is acceptable.

Having considered the above, we are of the view that the ACC New Annual Caps for the three years ending 31 December 2029 are fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and Shareholders as a whole.

B. INTERNAL CONTROL PROCEDURES FOR THE NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

1. Provision of deposit services under the Air China Financial Services Agreement

As set out in the Letter from the Board, to ensure the Company's compliance with the terms of the Air China Financial Services Agreement and compliance with the Hong Kong Listing Rules, the Company has implemented the following review procedures and assessment criteria when obtaining deposit services from CNAF:

(1) the Company and CNAF set up designated posts to monitor the deposit balance of the Group with CNAF within the scope of the list of the Company's subsidiaries on a daily basis to ensure that it does not exceed the relevant annual caps;

(2) the Company sets up designated posts to update the list of the Company's subsidiaries on a regular basis to ensure the aggregate deposit balance of the Group (including the subsidiaries in the updated list) with CNAF does not exceed the relevant annual caps; and

(3) the Company and its subsidiaries set up designated posts to compare the rates and terms offered by CNAF and several state-owned commercial banks when the need for deposit arises to ensure those rates and terms of the Group's deposits with CNAF are in line with the relevant pricing basis.

Our work done in reviewing the internal control measures on the deposit interest rates compared by designated staff of the Company, is set out in the sub-section headed "5.2 Principal terms" in this letter. We have reviewed the auditors reports in respect of the deposit transactions under the Existing Air China Financial Services Agreement for the two financial years ended 31 December 2024 prepared by the external auditors, and noted that the external auditors had expressed no particular findings that need to be brought to the attention of the Company in respect of the deposit transactions under the Existing Air China Financial Services Agreement for FY2023 and FY2024.

Given that (i) the designated personnel of the Company has closely monitored the transactions contemplated under the Existing Air China Financial Services Agreement by comparing the deposit interest rates offered by the CNAF with that of independent third party banks; (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 Air China 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 Air China 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 Air China Financial Services Agreement is conducted in accordance with the pricing policy under the Air China Financial Services Agreement and on normal commercial terms.

2. CNAHC Financial Services Agreement and ACC Financial Services Agreement

As set out in the Letter from the Board, to ensure the Company and CNAF's conformity with the terms of CNAHC Financial Services Agreement and the ACC Financial Services Agreement under the Hong Kong Listing Rules, CNAF will undertake the following review procedure process against the following assessment criteria when providing the comprehensive credit line services to the CNAHC Group under the CNAHC Financial Services Agreement and to the ACC Group under the ACC Financial Services Agreement:

(1) The credit department of CNAF conducts analysis and assessment based on the general situation, financial and operating conditions and credit status of the members of the CNAHC Group and ACC Group, and risk management department of CNAF issues a report to the loan review committee of CNAF after its examination. After the loan review committee of CNAF has approved the comprehensive credit line services and determined the amount of the comprehensive credit line services, and the final decision shall be made by the general manager or the chairman or the board of directors of CNAF in accordance with the authorisation of the board of directors;

(2) after receiving the credit demand from members of the CNAHC Group and ACC Group, the credit department of CNAF would carry out the following works: verifying the credit demand of the applicant, considering the credit risk and financing ability of the applicant, checking the records such as if CNAF has provided the same type of services to the members of the CNAHC Group and ACC Group respectively under the same condition, learning about the current level of market interest charged by state-owned commercial banks and offering quotation;

(3) after securing the loan business, CNAF would issue a report to the loan review committee of CNAF, which in turn would determine the approval of the loan business, including loan interest rate, and the final decision shall be made by the general manager or the chairman or the board of directors of CNAF in accordance with the authorisation of the board of directors;

(4) if it is discovered in the various quotations for a transaction under the same conditions that the loan interest rates intended to be offered by CNAF to the CNAHC Group and ACC Group are more favourable than those provided by independent third parties to the CNAHC Group and ACC Group respectively, such findings shall be reported to the loan review committee of CNAF. The loan review committee of CNAF would assess whether to adjust the price for services provided by CNAF or to amend relevant conditions with reference to various factors, such as loan demand and the applicant's qualifications and credibility, and the final decision shall be made by the general manager or the chairman or the board of directors of CNAF in accordance with the authorisation of the board of directors;

(5) CNAF would complete the relevant approval procedures, and grant the loan to the applicant after obtaining approval from the leader of credit department and leaders of CNAF;

(6) after the grant of the loan, the credit department of CNAF will conduct regular post-loan examination on the applicant and issue examination reports; and

(7) the capital management system of CNAF will deduct the principal and accumulated interests of the loan from the applicants' deposit accounts in CNAF on the loan repayment date. If the applicant falls short of cash to repay the loan, the applicant should request for extension in writing to CNAF prior to the maturity of the loan, and may carry out relevant formalities upon obtaining approval.

As part of our due diligence work, we have obtained and reviewed (i) the records of CNAF's staff had conducted pre-loan investigation on loan applications to, among other things, assess the borrowers' creditworthiness; (ii) the approval record of CNAF's loan review committee on the key terms of the loans; and (iii) after the approval from the loan review committee was obtained, the borrower and CNAF would enter into a legally-binding loan agreement and the loan principal was subsequently transferred to the borrower. 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 CNAHC Financial Services Agreement and the ACC Financial Services 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 CNAHC Financial Services Agreement and the ACC Financial Services 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 CNAHC Financial Services Agreement and the ACC Financial Services 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 CNAHC Financial Services Agreement and the ACC Financial Services 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 reasons for and benefits of entering into the Air China Financial Services Agreement, the CNAHC Financial Services Agreement and the ACC Financial Services Agreement;

(ii) the fairness and reasonableness of the principal terms of the Air China Financial Services Agreement, the CNAHC Financial Services Agreement and the ACC Financial Services Agreement (including the Proposed Annual Caps);

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

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

we are of the view that: (1) the entering into the Air China Financial Services Agreement, the CNAHC Financial Services Agreement and the ACC Financial 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; and (2) the terms of the Air China Financial Services Agreement, the CNAHC Financial Services Agreement and the ACC Financial Services Agreement (including the Proposed Annual Caps) 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 AGM in relation to the 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 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities. 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.

1. 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 Group. 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.

2. DISCLOSURE OF INTERESTS OF DIRECTORS

As at the Latest Practicable Date, none of the Directors or chief executive of the Company had interests or short positions in the shares, underlying shares and/or debentures (as the case may be) of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were notifiable to the Company and the Hong Kong Stock Exchange pursuant to the SFO, or were recorded in the register maintained by the Company pursuant to section 352 of the SFO, or which were notifiable to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers.

As at the Latest Practicable Date, none of the Directors of the Company had any direct or indirect interest in any assets which have been, since 31 December 2025 (being the date to which the latest published audited financial statements 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 of the Company were materially interested in any contract or arrangement which is significant in relation to the business of the Group and subsisting as at the Latest Practicable Date.

Mr. Patrick Healy, a non-executive Director, is concurrently the chairman and an executive director of Cathay Pacific. Cathay Pacific is a substantial shareholder of the Company, holding 2,633,725,455 H Shares of the Company (representing approximately 15.09% of the total issued Shares of the Company) as at the Latest Practicable Date. Mr. Liu Tiexiang, executive Director, is concurrently a non-executive director of Cathay Pacific. Cathay Pacific competes or is likely to compete either directly or indirectly with some aspects of the business of the Company as it operates airline services to certain destinations, which are also served by the Company.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors of the Company and their respective close associates (as defined in the Hong Kong Listing Rules) had any competing interests which would be required to be disclosed under Rule 8.10 of the Hong Kong Listing Rules.

3. DISCLOSURE OF INTERESTS OF SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, so far as the Directors were aware, the following persons (not being a Director or chief executive of the Company or their associate) had an interest or short position (if any) in the Shares or the underlying Shares which would fall to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register of the Company required to be kept under section 336 of the SFO:

Name	Type of interests	Type and number of shares held	Approximate percentage of the total number of Shares in issue	Percentage of the total issued A Shares of the Company	Percentage of the total issued H Shares of the Company
CNAHC	Beneficial owner	7,421,462,701 A Shares (L)	42.53%	59.41%	–
CNAHC [(1)]	Equity attributable	1,332,482,920 A Shares (L)	7.64%	10.67%	–
CNAHC [(1)]	Equity attributable	616,779,308 H Shares (L)	3.54%	–	12.45%
CNACG	Beneficial owner	1,332,482,920 A Shares (L)	7.64%	10.67%	–
CNACG	Beneficial owner	616,779,308 H Shares (L)	3.54%	–	12.45%
Cathay Pacific	Beneficial owner	2,633,725,455 H Shares (L)	15.09%	–	53.15%
Swire Pacific Limited [(2)]	Equity attributable	2,633,725,455 H Shares (L)	15.09%	–	53.15%
John Swire & Sons (H.K.) Limited [(2)]	Equity attributable	2,633,725,455 H Shares (L)	15.09%	–	53.15%
John Swire & Sons Limited [(2)]	Equity attributable	2,633,725,455 H Shares (L)	15.09%	–	53.15%

Notes:

(1) By virtue of CNAHC's 100% interest in CNACG, CNAHC was deemed to be interested in the 1,332,482,920 A Shares and 616,779,308 H Shares directly held by CNACG.

(2) By virtue of John Swire & Sons Limited's 100% interest in John Swire & Sons (H.K.) Limited and their approximately 64.45% equity interest and 70.97% voting rights in Swire Pacific Limited, and Swire Pacific Limited's approximately 43.09% interest in Cathay Pacific as at the Latest Practicable Date, John Swire & Sons Limited, John Swire & Sons (H.K.) Limited and Swire Pacific Limited were deemed to be interested in the 2,633,725,455 H Shares of the Company directly held by Cathay Pacific.

(3) The letter "L" denotes a long position in the Shares.

Save as disclosed above, as at the Latest Practicable Date, no other persons (not being a Director or chief executive of the Company or their associate) had any interest or short position (if any) in the Shares or the underlying Shares which would fall to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register of the Company required to be kept under section 336 of the SFO.

4. SERVICE CONTRACTS OF DIRECTORS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group which is not expiring or terminable by the Group within one year without payment of compensation (other than statutory compensation).

5. DIRECTORS' EMPLOYMENT WITH SUBSTANTIAL SHAREHOLDERS

The followings are the particulars of Directors' employment with substantial Shareholders (holding interests or short positions in the shares and underlying shares of the Company required to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO) as at the Latest Practicable Date:

Mr. Liu Tiexiang, an executive Director, the chairman of the Board and the member of the Party Committee, member of the Standing Committee and the secretary of the Party Committee of the Company, serves as the director, chairman and secretary of the Party Leadership Group of CNAHC. He is also a non-executive director and the deputy chairman of the board of directors of Cathay Pacific.

Mr. Qu Guangji, an executive Director, the vice chairman of the Board, the president and the deputy secretary of the Party Committee of the Company, serves as a director, the general manager, a member and the deputy secretary of the Party Leadership Group of CNAHC.

Mr. Cui Xiaofeng, a non-executive Director of the Company, is a director and the deputy secretary of the Party Leadership Group of CNAHC.

Mr. Patrick Healy, a non-executive Director of the Company, is the chairman of the board of directors and an executive director of Cathay Pacific, a director of Swire Pacific Limited, and a director of John Swire & Sons (H.K.) Limited.

Mr. Xiao Peng, the employee representative Director of the Company, serves as the employee representative director of CNAHC.

6. NO MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, there has been no material adverse change in the Group's financial or trading position since 31 December 2025, being the date to which the latest published audited financial statements of the Group have been made up.

7. EXPERT

The following is the qualification of the expert who has given its opinions or advice, which are contained in this circular:

Name	Qualification
Opus Capital	a corporation licensed by the Securities and Futures Commission to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO

a. As at the Latest Practicable Date, Opus Capital did not have any direct or indirect interests in any assets which have been 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 since 31 December 2025 (being the date to which the latest published audited financial statements of the Group were made up);

b. As at the Latest Practicable Date, Opus Capital was not beneficially interested in the share capital of any member of the Group and had no right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any member of the Group; and

c. Opus Capital has given and has not withdrawn its written consent to the issue of this circular with inclusion of its opinion and the references to its name, logo and qualification included herein in the form and context in which they respectively appear. The letter and recommendation from Opus Capital are given as of the date of this circular for incorporation herein.

8. MISCELLANEOUS

a. The company secretary of the Company is Mr. Xiao Feng.

b. The registered address of the Company is at 1st Floor – 9th Floor 101, Building 1, 30 Tianzhu Road, Shunyi District, Beijing, the PRC. The head office of the Company is at No. 30 Tianzhu Road, Shunyi District, Beijing, the PRC.

c. The H Share registrar and transfer office of the Company is Computershare Hong Kong Investor Services Limited, the address of which is Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

9. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the websites of the Hong Kong Stock Exchange (www.hkexnews.hk) and the Company (www.airchina.com.cn) for a period of 14 days from the date of this circular:

a. the Air China Financial Services Agreement;

b. the CNAHC Financial Services Agreement;

c. the ACC Financial Services Agreement; and

d. this circular.

2025 WORK REPORT OF THE BOARD OF DIRECTORS OF AIR CHINA

In 2025, the Board of Air China adhered to the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, thoroughly studied and implemented the guiding principles of the Fourth Plenary Sessions of the 20th CPC Central Committee as well as the important instructions and philosophy of Xi Jinping, the General Secretary, on the work of central enterprises, comprehensively implemented the principle of "Two Consistencies (兩個一以貫之)", and continuously deepened the development of a scientific, rational and efficient Board. Additionally, it fully leveraged its functions and roles of "setting strategies, making decisions, and preventing risks." The Company achieved new results in tasks related to production safety, enhancing operating performance, deepening reforms, and service enhancement. The relevant work report is presented below.

I. Standardizing the Development and Operation of the Board to Enhance the Effectiveness of Corporate Governance

(1) Improved the systems and mechanisms to fully enhance the quality of Board Development

By adhering to the "Two Consistencies", the Board continuously refined the modern corporate systems with Chinese characteristics, and focused on the construction goals and key tasks of building a scientific, rational, and efficient Board. It has made new progress and achieved new results in further development of the Board of Air China or Boards of Directors of its subsidiaries.

Firstly, the development of the Board was further strengthened. In accordance with the Articles of Association, the Board completed its term renewal. External directors possess experience as those executives of central enterprises, expertise in finance, auditing, and law, as well as international perspectives, thereby enhancing the diversity of professional expertise and the complementary nature of the capability mix of the Board. The Audit and Risk Management Committee and the Remuneration and Appraisal Committee are composed entirely of external directors, who also serve as their respective chairperson. External directors constitute a majority on the Strategy and Investment Committee and the Nomination Committee, thereby enhancing the independence and professionalism of the Board. The development of the Boards of Directors of subsidiaries was advanced. By defining the standards for the development of Boards of Directors tailored to the specific types of subsidiaries, the Board has ensured that all eligible subsidiaries establish their respective boards of directors and that external directors constitute a majority of the Board members.

Secondly, the corporate governance system was further refined. Throughout the year, 16 regulations were amended or formulated, optimizing the corporate governance systems centered on the Articles of Association, based on the Rules and Procedures, and supported by the terms of reference. **In terms of the Articles of Association,** with the requirements of the new Company Law and the reform of the Supervisory Committee well in place, the Board has completed the amendments to the Articles of Association and abolished the Supervisory Committee and the position of supervisor. **In terms of the Rules and Procedures,** the Board has amended the Rules and Procedures of Shareholders' Meetings and the Rules and Procedures of Meetings of the Board, and the Working Rules of the Management, further specifying the functional roles, responsibilities, authorities, and operational mechanisms of the shareholders' meeting, the Board and the management. The Checklist

of Rights and Responsibilities for Material Matters (重大事項權責清單) were dynamically assessed and optimized, thus clearly defining the scope of rights and responsibilities among the relevant governance bodies and ensuring seamless alignment with decision-making. **In terms of supporting systems,** the Board revised 8 sets of regulations, including those governing the special committees under the Board, independent directors, the secretary to the Board, and persons with access to insider information, and established 4 new sets of regulations covering market capitalization management, changes in shareholdings, special meetings of independent directors, and information disclosure.

Thirdly, the standardized operations of the Board continued to raise. The Board conscientiously implemented the requirements for its operations, continuously optimized the decision-making processes, refined the supervision mechanisms and standardized the authorization procedures so as to constantly enhance the standardization and effectiveness of the Board operations. **Mechanisms and procedures were further optimized.** The Board implemented a mechanism for the intended proposals and plans of the management, flexibly using means such as the president's office, special meetings of the management, and signing and filing reports. Upon the preliminary research and discussion by the Party Committee, these proposals and plans were submitted to the Board for consideration. Throughout the year, 73 resolutions were considered and approved by the Board, 49 resolutions have undergone preliminary research and discussion by the Party Committee. The Board improved the communication and reporting mechanism for external directors to engage in major projects and major decisions at an early stage, and organized 7 special communication and briefing meetings to have their opinions and recommendations fully received. After the proposals were supplemented and refined, they were submitted to the Party Committee for preliminary review and to the Board for consideration. It implemented the requirements for the management to regularly attend Board meetings, regularly present proposals and report to the Board on the implementation progress of resolutions and authorized matters. Throughout the year, the management presented 41 proposals and reported twice the implementation progress of resolutions and authorized matters. **Supervisory mechanisms were further refined.** The supervision powers of the Audit and Risk Management Committee were implemented, and the "Terms of Reference for the Audit and Risk Management Committee (《審計和風險管理委員會工作細則》)" were amended to clarify the Board's roles in carrying out its supervisory duties, with a highlighted focus on supervision over decision-making, execution, and financial matters. The Audit and Risk Management Committee reviewed 30 proposals, including consideration of financial reports and internal control and compliance reports, and received 15 reports, such as those on the implementation of Board resolutions. **The delegation of authority on management was further standardized.** In compliance with the regulatory requirements regarding the Board's delegation of authority on management, the Board amended the "Measures for Delegation of Authority by the Board of Directors on Management (《董事會授權管理辦法》)".

(2) Diligently fulfilled its duties and responsibilities to ensure the standardized and efficient operation of the Board in full swing

Firstly, the Board enhanced the management on meetings to improve the quality of work. Twelve Board meetings were convened throughout the year, during which 73 resolutions were considered and approved, including the summary review of the Company's "14th Five-Year" Plan, the introduction of sixty A320-series aircraft, capital injection for Air Macau and Shenzhen Airlines, issuance of Shares to specific investor(s), the annual investment plan, amendments to the Articles of Association and basic management rules, as well as financial, audit, internal control, and compliance

management reports. Additionally, the Board received 26 reports on production and operations, the deepening and enhancement of reform campaigns, the implementation of Board resolutions, and delegations and the exercise of delegated authorities, thereby effectively driving the implementation of the strategic decisions and plans of the Company. The special committees of the Board held 23 meetings throughout the year, including 4 meetings of the Strategy and Investment Committee, 9 meetings of the Audit and Risk Management Committee, 5 meetings of the Remuneration and Appraisal Committee, 3 meetings of the Nomination Committee, and 2 meetings of the Aviation Safety Committee. To enhance planning, an annual work plan for the Board was formulated at the beginning of the year. To strengthen the management of ad hoc proposals, three notices were issued soliciting ad hoc proposals for the Board.

Secondly, the Board enhanced communication and coordination to ensure standardized operations. Focusing on key issues of concern to the directors and findings from their research and investigations, the external Directors submitted six reports, including the "Report on the Ideological Meetings of External Directors," the "Report on the Research Trip to Spain and Cuba by the External Directors of Air China," and the "Report on the Research and Investigation Visit to Shenzhen Airlines by the External Directors of Air China", to timely report on the Company's status, the development and operations of the Board, and the work effectiveness of the external Directors. The Chairman, President and internal Directors frequently engaged in discussions with external Directors. Through joint participation in meetings and research activities, they held more than 20 exchange meetings on major matters such as corporate reform and development, and the development of the Board, thoroughly exchanging views and effectively building consensus. A two-way communication mechanism has been established. Members of the Party Committee (Party Leadership Group) who serve as Directors timely conveyed to external directors the opinions and key considerations arising from the preliminary research and discussion by the Party Committee (Party Leadership Group), while providing timely feedback to the members of the Party Committee (Party Leadership Group) regarding the opinions of external Directors. This ensured efficient and seamless coordination of decision-making among different governance bodies.

Thirdly, the Board faithfully and diligently fulfilled its responsibilities and gave play to the professional roles of directors. The Chairman took the lead in studying and disseminating the concept of the Fourth Plenary Session of the 20th CPC Central Committee, the philosophy of the important instructions of General Secretary Xi Jinping on the work of central enterprises, major decisions and policy directives of the CPC Central Committee and the spirit of the special seminar on the work of Boards of Directors of central enterprises, thereby driving the implementation of priority tasks. He also took the lead in fostering a board culture that encourages open and candid discussion, supporting external directors in effectively performing their roles, and placing emphasis on communication and interaction with them. The Board held 4 meetings to discuss major matters such as the safe operation, strategic planning, reform and development, and corporate governance of the Company. It placed great emphasis on incorporating the opinions and recommendations of external Directors, and forwarded their key concerns and recommendations raised during Board meetings, research and investigation visits, and briefings to the management for implementation. All Directors conscientiously fulfilled their fiduciary duties and roles of diligence. Having thoroughly reviewed proposal-related materials in advance, they attended Board meetings and special committee meetings, and expressed their opinions independently, prudently and objectively during the meetings. By leveraging their professional expertise, they actively offered advice and recommendations, thereby

further empowering the Board to make standardized decisions in an evidence-based approach. External Directors incorporated their strengths and management experience into the corporate governance practices, and actively provided their opinions on the Company's strategic plans based on decisions, and major decisions to promote scientific, rational and prudent decisions of the Board. The convenor of the external Directors fully performed his roles by encouraging external directors to freely express their opinions. Throughout the year, 2 strategic ideological meetings and 6 special meetings of the external Directors were convened, and 6 special reports were submitted.

(3) Enhanced support services to fully ensure the exercise of rights and duty performance by external directors

The Board has thoroughly implemented the requirements regarding further standardizing the safeguards for the performance of duties by external directors of central enterprises. Focusing on enabling external Directors to play their roles effectively, the Board adhered to a high standard to create favorable conditions for external Directors to perform their duties. **Firstly, the Board gave full play to the supporting and coordinating roles of the Secretary to the Board and the office of the Board.** Focusing on decisions, the implementation of development strategies, and key areas of concern to external directors, the Board organized 2 research trips at home and abroad for external Directors to gain further understanding of the Company's status and support directors in playing an active role in strategic planning, major decisions and risk prevention. **Secondly, the roles of business departments were fully played.** In response to issues of concern to external Directors such as internationalization and brand upgrade, internal control and compliance, digital development, financial management and risk control, as well as customer service and market expansion, business departments timely provided answers and implemented relevant requirements. **Thirdly, it strengthened the follow-up and implementation of opinions and recommendations.** A Director performance ledger was established to detail his attendance at meetings, participation in training programs, research and investigation activities, and the opinions and recommendations put forward. The Board placed high emphasis on the implementation and feedback regarding directors' opinions and recommendations. It oversaw the issues of particular concern to external Directors and the opinions and recommendations they raised to ensure that these are implemented in full.

II. Strengthening the Functions and Roles of the Board to Promote High-Quality Development of the Company

Adhering to its role in formulating strategies, decision-making, and risk prevention, the Board continuously enhanced its capabilities in strategic leadership, evidence-based decisions, and risk prevention and control. By fully leveraging the Board's functions and roles, it drives high-quality development and the building of a world-class enterprise.

(1) Strengthened its strategic leadership to seize the strategic initiative

Firstly, the Board conducted a comprehensive and systematic summary review to push forward the successful conclusion of the "14th Five-Year" Plan. The Board carefully reviewed and considered the summary review and evaluation of the "14th Five-Year" Plan. Upholding a problem-oriented approach, it urged the Company to comprehensively and objectively assess the implementation of the Plan towards completion, ensuring that the planning framework was consistent across all levels and

seamlessly integrated. **On the one hand, the Board orderly advanced its efforts in building a world-class enterprise** and coordinated further implementation of the world-class "1+4" action plan. It continued to deepen the benchmarking against world-class long-term mechanisms and carried out research on indicator systems, pilot evaluations and rankings. **On the other hand, the Board systematically planned and launched strategic cooperation in key areas and in certain regions.** It formulated regulations for the management on strategic cooperation, established a full-process, tiered, and categorized management system for strategic cooperation, and coordinated the initiation of strategic partnerships, review on agreements, task implementation, and management mechanisms.

Secondly, the Board designed a high-quality planning framework for the "15th Five-Year" Plan. It treated the research and formulation of the "15th Five-Year" Plan as a prevailing critical political task. Regulations such as the "Detailed Rules for the Work of the Board's Strategy and Investment Committee" were amended in order to highlight the role of the Board in strategic decision-making and to optimize and improve the management mechanisms for strategic planning and formulation, execution, assessment, adjustment, and evaluation. **The Board continued its efforts to ensure coherence in planning,** driving the completion of the first drafts of the "15th Five-Year Plan for Green Development" and the "15th Five-Year Plan for Capital Operations." In addition, it coordinated the development of the new "1+N+X" three-tier planning system, as well as core and specialized planning and formulation covering the industrial layout, route network and market deployment, and fleets of the Company. **The Board accelerated the development of new quality productive forces** by drafting the "15th Five-Year Plan for Technological Innovation and Strategic Emerging Industries (Draft for Public Comment)" which specifies the direction of technological breakthroughs and the path for industrial layout over the next five years. **The role of external directors in strategic planning was better leveraged.** By reviewing the Company from an external perspective and examining its current conditions from a broader historical context, external directors bring cross-sectoral thinking through their independent viewpoint, offering a wider perspective and more diverse insights to help formulate and contribute to the "15th Five-Year" Plan in a scientific manner.

(2) Made efficient and evidence-based decisions to promote the quality of the Company's development

The key to evidence-based decisions by the Board lies in enhancing the quality of meetings, adhering to scientific analysis and deliberation, and efficient decision-making, focusing on the management and control of key areas and critical processes, strengthening the safeguards for institutions and mechanisms, and continuously enhancing the quality and standard of decisions to ensure that major decisions comply with regulatory requirements and align with the actual needs of the Company for development.

Firstly, the Board enhanced pre-meeting communication to ensure that decisions were more evidenced-based and rational. The Board stayed committed to pushing forward the decision-making process for major investment projects, enhancing communication and coordination, and elevating the efficiency and quality of Board decisions. **To ensure evidence-based decisions, the Board implemented a mechanism for external Directors to become involved in major investment projects at an early stage.** Commencing from the initial formulation of proposals, external Directors were invited to participate actively. Through various means such as communication and briefing

meetings, field investigations, and special seminars, they assessed the feasibility, economic viability, and potential risks of major projects, thereby providing a solid foundation for evidence-based decisions. **To enhance efficient decision-making, the Board strengthened the coordination and alignment among communication meetings, special committees, and Board meetings.** For major and complex matters, it carried out preliminary research, analysis and deliberation at communication meetings of external Directors, placing particular emphasis on incorporating Directors' priorities and feedback into the optimization of proposals. **In terms of decision-making compliance, the Board consistently ensured that both the form and substance of decisions comply with legal and regulatory requirements throughout the decision-making process.** The legal department issued compliance reports on major matters to support the decisions of Directors and the Board. During 2025, the Board approved four major investment and financing projects including introduction of aircraft, capital injections into subsidiaries, and refinancing, which involved a total amount exceeding RMB50 billion.

Secondly, the Board enhanced management and control on investment and advanced the implementation of key investment projects in an orderly manner. The Board focused on investments in the Company's principal businesses, strengthened the management on investment and leveraged the guiding role of investment. **The management of the annual investment plan was enhanced,** with an emphasis on ensuring precision, prudence and cost-effectiveness in investment decisions, and prioritizing investment allocation towards various areas such as aircraft-related projects and new quality productive forces. The Board reviewed and approved the investment plan for 2025, thereby solidly promoting the high-quality development of the Company's principal businesses and ensuring the effective implementation of the policies and directives of the Party and the State within the Company. **The Board actively supported the development of strategic emerging industries,** advanced the implementation of the work plan for their layout and development, and incorporated the development of strategic emerging industries into the key indicators of organizational performance assessment and corporate operating performance assessment. **It promoted green and low-carbon development,** strengthened the Company's carbon-emission management capabilities, and completed the monitoring, reporting, verification and corresponding compliance work required by the European Union, Beijing Municipality and the Civil Aviation Administration of China, while advancing the launch and operation of the intelligent "dual-carbon" management platform. **The Board steadily advanced major equity investment projects,** including the completion of capital injection projects for Shenzhen Airlines, Air Macau and Air China Inner Mongolia, as well as the continued progress in asset valuation and commercial negotiations for Ameco's aircraft maintenance projects. **The Board also deepened its research on capital operation strategies,** prepared the initial draft of the fund management system, analyzed the trends in the biofuel industry and formulated investment recommendations, thereby providing a solid foundation for future investment planning.

Thirdly, the Board strengthened the evaluation and feedback mechanisms to effectively enhance the execution of decisions. **The execution of Board decisions was reinforced.** While reviewing and considering the investment plan for 2025, the Board placed particular emphasis on examining the completion status of the previous year's investment plans, focusing on investment directions, targets and projects with low completion rates, and required thorough analysis and summarization of underlying causes to improve the accuracy of future investment planning. The Board directed and urged the Company to strengthen the coordination and alignment of the investment plan and the annual budget, thereby enhancing the systematic nature, consistency and

timeliness. **The Board established a "look back" mechanism for the execution of Board resolutions.** Throughout the year, the Board received 2 reports on the execution of Board resolutions, assessed work progress, and provided focused supervision on matters not completed as scheduled in prior years as well as the Directors' opinions that had yet to be fully implemented, ensuring the high-quality execution of resolutions. The Board reviewed and received reports on the execution of Board resolutions during the "14th Five Year Plan" period. **The post-investment evaluation mechanism was further improved.** It completed 7 post investment evaluation projects, covering multiple dimensions including economic, social, ecological and environmental benefits, as well as sustainability. Emphasis was placed on post-project reviews and assessments to enable timely optimization and adjustments.

(3) Coordinated development and safety with a focus on preventing and mitigating major risks

The Board maintained a profound awareness of both opportunities and risks, coordinated development and safety, adhered to bottom-line thinking, consistently placed risk prevention at the forefront, strengthened its supervisory responsibilities and made dedicated efforts to improve the comprehensive risk management system.

Firstly, the Board strengthened the safety defense line for operational security. **Oversight of operational safety was enhanced.** The Board's Aviation Safety Committee regularly received reports on safety work, analyzed the safety position, supervised the improvement of long term operational safety mechanisms, thereby continuously enhancing safety management capabilities and safety performance. **It continued to advance the development of the safety management system.** The Board urged the strengthening of the full-chain accountability system for operational safety, guided the preparation of operational safety responsibility checklists and self-inspection work, and advanced the development of the four major systems covering safety management, flight training, operational control, and aircraft maintenance. **It emphasized the identification and rectification of safety risks and potential hazards,** strengthened routine monitoring of safety, enhanced the effectiveness of safety oversight, upheld a zero tolerance toward potential safety hazards, and dynamically updated the two checklists for risk control and potential hazard rectification.

Secondly, the risk control system was enhanced. The Board promoted the deep integration of legal, risk, internal control and compliance management resources to ensure the Company's lawful, compliant and prudent operations and to effectively prevent major risks. **It revised and improved the "Measures for the Management of Material-matters related Risks (《重大事項風險管理辦法》)"** and established a risk prevention matrix covering multiple areas including strategies, investment, finance, operations, legal affairs and integrity. It strengthened control at source, process supervision and outcome management of risks, and built a full life cycle management framework for material-matters related risks. It also promoted the development of an integrated platform comprising modules such as contracts, litigation, compliance, internal control and risks to achieve digital-and information-based management in key areas, advanced the interconnection of this platform with financial and procurement systems, and facilitated data integration and coordinated risk prevention and control. **The Board maintained close oversight of major risk mitigation efforts.** In 2025, it directed the launch of a major operational risk control and identification, identifying 5 key risks covering market competition, global economic and geopolitical developments, aviation operational safety, debts, and oil price and exchange rate volatility, and refined 26 key risk monitoring and early warning

indicators. **It strengthened the normalized risk assessment reporting mechanism.** Through a risk reporting mechanism centered on monthly, quarterly and annual reports, supplemented by ad-hoc special reports, it achieved a full coverage of major operational and material-matters related risk assessments and issued timely alerts for common risks.

Thirdly, the supervisory functions of the Board were enhanced. The Board supported the Audit and Risk Management Committee in independently carrying out its duties. Taking an institution and mechanism based approach, it revised the "Terms of Reference of the Audit and Risk Management Committee (Supervisory Committee) of the Board (《董事會審計和風險管理委員會(監督委員會)工作細則》)" to further enhance its supervisory functions. **The Board promoted coordinated interaction between internal and external audits.** The Audit and Risk Management Committee guided the Internal Audit Department in completing 31 audit projects. **Supervision over the performance of duties was strengthened.** The Board formulated the "Administrative Rules on Shareholding Changes of Directors and Senior Management (《董事和高級管理人員持股變動管理規定》)" and revised the "Insider Information Registration and Administration System (《內幕信息知情人登記管理制度》)", thereby ensuring effective oversight of the performance of Directors and senior management of their duties. **Foreign-related risk prevention was strengthened.** The Board paid close attention to legal and compliance risks in overseas operations, required enhanced risk analysis, assessment and response measures for high-risk countries, and endeavored to advance the optimization and refinement of contingency plans to safeguard the personal safety of overseas employees and ensure the safe and stable operation of flights.

Fourthly, the Board attached great importance to the implementation of rectification measures for issues identified in feedback from inspections and audits, and urged thorough follow-up actions to address such issues. It emphasized addressing root causes and pursuing both immediate and long-term solutions by integrating the resolution of common and prominent issues with deepened reforms and institutional improvements. It established mechanisms to support continuous management enhancement and sustained rectification, ensuring comprehensive, thorough, and lesson-driven rectifications, and driving the Company's development to a new level by applying the high-quality rectification outcomes.

In 2026, the Board of Air China remained committed to the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, resolutely implemented the decisions and deployment plans of the CPC Central Committee and the State Council, and consistently fulfilled the requirements of state-owned assets supervision and securities regulation. Anchoring the strategic objective of building a world-class enterprise, the Board will focus on promoting high-quality development and ensure a promising start of the "15th Five-Year Plan" period.

Air China Limited
Remuneration Management System for Directors and Senior Management

Chapter I General Provisions

Article 1 In order to further improve the corporate governance structure of Air China Limited (hereinafter referred to as the "Company"), to establish and perfect the incentive and restraint mechanism for the Company's directors and senior management, to effectively mobilise their work enthusiasm and to enhance the efficiency of the Company's business operation and management, this system is hereby formulated in accordance with the relevant provisions of the Company Law of the People's Republic of China, the Code of Corporate Governance for Listed Companies and other laws and regulations, as well as the Articles of Association, and having regard to the actual circumstances of the Company.

Article 2 This system is applicable to the directors and senior management of the Company.

(1) Directors include independent directors and non-independent directors.

(2) Senior management includes the president, vice presidents, general accountant, secretary to the board, chief pilot, chief legal counsel of the Company and other senior management personnel stipulated in the Articles of Association.

Article 3 The remuneration management of the directors and senior management of the Company shall follow the following principles:

(1) Adhering to the principles of openness, impartiality and fairness.

(2) Adhering to market-oriented remuneration distribution, giving full consideration to factors such as the market and industry remuneration levels, so as to reasonably determine the level of remuneration distribution.

(3) Adhering to the unity of incentive and restraint, and establishing a remuneration distribution mechanism closely linked to performance and commensurate with the responsibilities assumed and risks borne.

(4) Adhering to giving consideration to both efficiency and fairness, and maintaining a reasonable income distribution relationship between the directors, senior management and employees of the Company.

(5) Adhering to strategic orientation and long-term development, and ensuring that remuneration distribution is coordinated with the long-term interests and sustainable development of the Company.

Chapter II Management Organisation and Responsibilities

Article 4 The Remuneration and Appraisal Committee established under the Board of Directors of the Company shall be responsible for formulating the appraisal standards of the directors and senior management and conducting appraisals, and for formulating and reviewing the remuneration policies and plans of the directors and senior management.

Article 5 The Remuneration and Appraisal Committee shall, in accordance with the Company's remuneration management system, formulate the remuneration plan for the directors and senior management on an annual basis, specifying the basis for determining the remuneration and the specific composition thereof. The remuneration plan for the directors shall be decided by the shareholders' meeting and disclosed. The remuneration plan for the senior management shall be approved by the Board of Directors, explained to the shareholders' meeting, and fully disclosed.

Article 6 The performance evaluation of the directors and senior management shall be organised by the Remuneration and Appraisal Committee, and the Company may entrust a third party to carry out the performance evaluation. When the Board of Directors or the Remuneration and Appraisal Committee evaluates any individual director or discusses his/her remuneration, the director concerned shall abstain. The performance of duties and performance evaluation of the directors of the Company shall be implemented in accordance with the relevant provisions to be complied with by the Company and the relevant directors.

Article 7 The Board Office, Human Resources Department and other relevant departments of the Company shall cooperate with a proper division of labour to assist the Remuneration and Appraisal Committee in the concrete implementation of the remuneration plans for the directors and senior management of the Company.

Chapter III Composition of Remuneration

Article 8 Save for the directors and senior management who, in accordance with other arrangements, do not draw remuneration from the Company, the remuneration of the directors of the Company shall be decided by the shareholders' meeting, and the remuneration of the senior management shall be decided by the Board of Directors.

Article 9 Composition of the Remuneration of the Directors of the Company

(1) Internal directors: Directors who have entered into a labour contract or engagement contract with the Company and who serve as senior management or hold other positions in the Company shall be internal directors of the Company. Their remuneration shall be paid in accordance with the relevant remuneration management system of the Company on the basis of the other specific positions and posts held by them in the Company, and no remuneration shall be drawn in respect of their directorship.

(2) Independent directors: Independent directors shall draw remuneration from the Company (including basic remuneration and/or allowances, etc.); however, where the relevant national policies provide otherwise in respect of the remuneration arrangements for independent

directors, such provisions shall apply. The remuneration standards of independent directors who draw remuneration from the Company shall be paid by the Company on a regular basis upon approval by the shareholders' meeting, and no other remuneration or benefits shall be enjoyed save as aforesaid.

(3) External non-independent directors: Directors other than independent directors and internal directors shall be external non-independent directors, and shall not draw remuneration from the Company, save as otherwise approved by the shareholders' meeting.

Article 10 Composition of the Remuneration of the Senior Management of the Company

(1) The remuneration structure of the senior management shall comprise basic annual salary, performance-based annual salary and tenure-based incentive, etc., of which, in principle, the performance-based annual salary shall account for not less than 60% of the total of basic annual salary and performance-based annual salary. The remuneration standards shall be implemented in accordance with the relevant remuneration management system of the Company on the basis of the specific positions and posts held by them in the Company.

(2) In strict compliance with the requirements of the remuneration system applicable to the persons in charge of state-owned enterprises, the remuneration level of the senior management shall be determined on the basis of the industry characteristics, the strategic objectives of the enterprise, business performance, remuneration strategies and other factors.

(3) Other monetary income of the senior management save and except their remuneration shall be implemented in strict accordance with the relevant national requirements applicable to the persons in charge of state-owned enterprises.

Article 11 The remuneration system of the directors and senior management shall serve the development strategy of the Company, and shall be optimised and adjusted in a timely manner in light of the Company's operating condition, industry development, market remuneration levels and regulatory requirements, so as to ensure the reasonableness and competitiveness of the remuneration system.

Chapter IV Payment of Remuneration

Article 12 Remuneration of independent directors shall be paid on a monthly basis.

Article 13 Internal directors shall draw the remuneration corresponding to the posts they hold in accordance with the relevant remuneration management system of the Company applicable to such posts.

Article 14 The payment of remuneration to the senior management shall be implemented in accordance with the relevant remuneration management system of the Company.

(1) Basic annual salary shall be paid on a monthly basis.

(2) Performance-based annual salary shall be paid on a monthly basis in advance, and shall be settled on an annual basis in accordance with the results of the performance appraisal. In accordance with the relevant work requirements of the authorities at the higher level, a deferred payment mechanism for performance-based annual salary shall be established, with a deferred payment period of three years.

(3) Tenure-based incentive shall be paid upon expiration of the tenure on the basis of the results of the tenure appraisal.

(4) The determination and payment of performance-based annual salary and tenure-based incentive shall take the performance evaluation as an important basis, and shall be implemented concretely in accordance with the relevant management system of the Company. A certain proportion of the performance-based annual salary shall be paid after the disclosure of the annual report and the performance evaluation, and such performance evaluation shall be conducted on the basis of audited financial data.

Article 15 In the event of a loss of the Company, a specific explanation shall be given at each stage of the deliberation of the remuneration of the directors and senior management as to whether the changes in the remuneration of the directors and senior management are in compliance with the requirement of linkage with performance.

Article 16 The remuneration of the directors and senior management of the Company shall all be pre-tax amounts. The Company shall, in accordance with law, withhold and remit on their behalf the individual income tax and other expenses to be borne by them personally, and thereafter pay the after-tax amounts.

Article 17 Where any director or senior management of the Company departs from or leaves office by reason of expiration of term, re-election, resignation during tenure or otherwise, his/her remuneration shall be calculated and paid on the basis of his/her actual period of service.

Chapter V Suspension of Payment and Clawback of Remuneration

Article 18 Where the Company retrospectively restates its financial reports by reason of financial fraud or other misstatement, it shall promptly re-appraise the performance-based remuneration and medium-to-long-term incentive income, etc. of the directors and senior management, and correspondingly claw back the over-paid portions.

Article 19 Where any director or senior management of the Company causes loss to the Company by breach of his/her duty of loyalty or duty of diligence, or is at fault in respect of any illegal or non-compliant act such as financial fraud, misappropriation of funds or non-compliant guarantees, etc., the Company shall, according to the seriousness of the circumstances, reduce or suspend the payment of the unpaid performance-based remuneration and medium-to-long-term incentive income, etc., and claw back, in whole or in part, the performance-based remuneration and medium-to-long-term incentive income, etc. already paid during the period in which the relevant act occurred.

Article 20 Where, during the tenure of any director or senior management, circumstances arise under which he/she shall not serve as a director or senior management in accordance with the relevant provisions, or he/she seriously damages the interests of the Company or causes material economic loss to the Company, or where the disciplinary inspection and supervisory authorities or judicial authorities determine upon examination and investigation that there are facts of serious violation of discipline or law, or where the Board of Directors of the Company determines that there has been a serious violation of the relevant regulations of the Company or other such circumstances, the Company shall have the right, at its discretion, to deduct or withhold payment of the then-current performance-based remuneration or allowances, etc., and to claw back, in whole or in part, the performance-based remuneration and allowances, etc. already paid during the relevant period.

Chapter VI Supplementary Provisions

Article 21 The Company shall, in accordance with the policy spirit and work requirements of the authorities at the higher level, establish and perfect a mechanism for determining wages and achieving normal growth thereof that is basically compatible with the labour market and linked to the economic efficiency and labour productivity of the enterprise, and the specific implementation shall be in accordance with the relevant total wages management system of the Company.

Article 22 Matters not covered in this system shall be implemented in accordance with the relevant national laws, administrative regulations, departmental rules, normative documents and the Articles of Association. Where this system conflicts with the provisions of the relevant national laws, regulations, normative documents or the Articles of Association, the provisions of the relevant national laws, regulations, normative documents and the Articles of Association shall prevail.

Article 23 This system shall be interpreted by the Board of Directors of the Company.

Article 24 This system shall take effect from the date on which it is considered and approved by the shareholders' meeting of the Company.

In accordance with the relevant provisions of the Company Law of the People's Republic of China, the Code of Corporate Governance for Listed Companies and other laws and regulations, departmental rules, normative documents and the Articles of Association, and taking into account the actual circumstances of the Company, the Company has formulated the remuneration plan for Directors and senior management for 2026. The details are set out below:

I. APPLICABLE PERSONS

Directors and senior management of the Company.

II. APPLICABLE PERIOD

The remuneration plan for Directors shall be effective from the date on which it is considered and approved at the Shareholders' meeting until the date on which a new remuneration plan is approved; the remuneration plan for senior management shall be effective from the date on which it is considered and approved by the Board of Directors until the date on which a new remuneration plan is approved.

III. REMUNERATION PLAN

(I) Remuneration Plan for Directors

1. Independent Directors

(1) The remuneration of independent Directors shall consist of annual basic remuneration, allowances for meetings of the Board of Directors and allowances for meetings of special committees of the Board of Directors.

(2) Where a person in charge of a central enterprise who has retired from his/her current position serves as an independent Director, the relevant provisions in the documents of the SASAC shall apply.

(3) Where relevant state policies provide otherwise for the remuneration of independent Directors, such relevant provisions shall apply.

2. External Non-independent Directors

External non-independent Directors of the Company shall not receive remuneration from the Company, unless otherwise approved by the Shareholders' meeting.

3. Internal Directors

Internal Directors of the Company shall be subject to the relevant remuneration management system of the Company according to the specific duties and positions held by them in the Company, and no separate Directors' remuneration shall be paid.

(II) Remuneration Plan for Senior Management

The senior management of the Company shall strictly comply with the requirements of the remuneration system for persons in charge of state-owned enterprises, and their remuneration level shall be determined based on factors such as industry characteristics, the enterprise's strategic objectives, operating results and remuneration strategy. The remuneration standards shall be implemented in accordance with the relevant remuneration management system of the Company according to the specific duties and positions held by them in the Company. The remuneration structure shall consist of basic annual salary, performance-based annual salary, term incentive and other items, among which, in principle, the proportion of performance-based annual salary shall not be less than 60% of the total of basic annual salary and performance-based annual salary. Basic annual salary shall be determined mainly based on factors such as job responsibilities, operating responsibilities and risks assumed; performance-based annual salary shall be determined in close connection with factors such as assessment and evaluation results, performance of duties in the position and performance contribution.

IV. OTHER EXPLANATIONS

1. Matters such as the payment, suspension of payment, recovery and recourse of remuneration of Directors and senior management of the Company shall be handled in accordance with the provisions of national laws and regulations, departmental rules, normative documents and the relevant remuneration management systems of the Company.

2. The determination and payment of performance-based remuneration of senior management shall take performance evaluation as an important basis. A certain proportion of performance-based annual salary shall be paid after disclosure of the annual report and performance evaluation, and the performance evaluation shall be carried out based on audited financial data.

3. The remuneration of Directors and senior management of the Company shall be pre-tax amounts. After withholding and paying, in accordance with the laws, expenses such as individual income tax that shall be borne by them personally, the Company shall pay the after-tax amounts.

4. Where Directors or senior management of the Company leave office or employment due to reasons such as expiration of term and re-election or resignation during the term of office, their remuneration shall be calculated and paid according to their actual period of service.

5. Matters not covered in the above plans shall be handled in accordance with the provisions of national laws and regulations, departmental rules, normative documents and the Articles of Association.

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)

NOTICE OF ANNUAL SHAREHOLDERS' MEETING

NOTICE IS HEREBY GIVEN that an annual shareholders' meeting (the "**AGM**") of Air China Limited (the "**Company**") will be held at 11 a.m. on Thursday, 28 May 2026 at The Conference Room C313, No. 30 Tianzhu Road, Shunyi District, Beijing, the PRC to consider and, if thought fit, to pass the following resolutions. Unless otherwise indicated, capitalised terms used herein shall have the same meaning as those defined in the circular of the Company dated 6 May 2026.

ORDINARY RESOLUTIONS

1. To consider and approve the 2025 work report of the Board.

2. To consider and approve the audited consolidated financial statements of the Company for the year 2025 prepared under the PRC Accounting Standards and the IFRS Accounting Standards.

3. To consider and approve the profit distribution proposal for the year 2025.

4. To consider and approve the re-appointment of KPMG as the Company's international auditor and KPMG Huazhen LLP as the Company's domestic auditor and internal control auditor, respectively for the year ending 31 December 2026, and to authorize the Audit and Risk Management Committee (the Supervision Committee) of the Board to determine their remunerations for the year 2026.

5. To consider and approve the resolution on the unrecovered losses of the Company exceeding one-third of the total amount of its paid-up share capital.

SPECIAL RESOLUTION

6. To consider and approve the issue of debt financing instruments (including, but not limited to, ultra-short-term commercial papers, short-term commercial papers, mid-term notes, corporate bonds, domestic targeted debt financing instruments, overseas debt financing instruments and overseas bonds/notes denominated in RMB or foreign currencies) within the cap amount of bond issuance stipulated in the applicable laws in one or multiple tranches (the "**Issuance**"), and generally and unconditionally authorise the Board to deal with the followings in accordance with the specific needs of the Company and other market conditions:

(i) to determine the issuer, issue size, type, specific instruments, detailed terms, conditions and other matters relating to the Issuance (including, but not limited to, the specific issue size, actual principal amount, currency, issue price, interest rate or mechanism for determining the interest rate, issue place, issue timing, term, whether or not to issue in multiple tranches and number of tranches, whether or not to set put-back or redemption terms, credit rating, guarantee, repayment term, detailed fund-raising arrangements within the scope of use approved by the shareholders' meeting, detailed placing arrangements, underwriting arrangements and all other matters relating to the issuance);

(ii) to carry out all necessary and ancillary actions and procedures relating to the Issuance (including, but not limited to engaging underwriters, lawyers, auditors, rating agencies, financial advisers and other intermediary institutions, handling all approval, registration and filing procedures with the relevant regulatory authorities in connection with the Issuance on behalf of the Company, executing all necessary legal documents in connection with the Issuance, selecting bonds trustee manager for the Issuance, formulating rules for the bondholders' meeting and handle any other matters relating to the issuance and trading);

(iii) to approve and confirm any action or procedure relating to the Issuance as mentioned above already taken by the Company;

(iv) to make adjustments to the relevant matters such as the specific proposals for the Issuance in accordance with the comments from the regulatory authorities or the prevailing market conditions within the authority granted at the shareholders' meeting of the Company, except where a new vote at a shareholders' meeting of the Company is required by relevant laws and regulations and the Articles of Association of Air China Limited;

(v) to determine and handle relevant matters relating to the listing of the issued debt financing instruments upon the completion of the issuance;

(vi) in the case of issuance of corporate debt financing instruments, during the term of the corporate debt financing instruments, to determine not to distribute profits to the shareholders to safeguard repayment of debts as required under the relevant laws and regulations in the event that the Company expects to, or does fail to pay the principal and interests as they fall due;

(vii) to approve, execute and dispatch any announcements or circulars relating to the Issuance and make any related disclosure in accordance with the listing rules of the relevant jurisdictions where the shares of the Company are listed;

(viii) to authorize the Board to further delegate the authorizations set forth in items (i) to (vi) above to the president and/or the general accountant of the Company upon obtaining the authorization at the shareholders' meeting; and

(ix) to authorize the Board to further delegate the authorization set forth in item (vii) above to the secretary of the Board upon obtaining the authorization at the shareholders' meeting.

ORDINARY RESOLUTIONS

7. To consider and approve the resolution on the entering into of the Air China Financial Services Agreement between the Company and CNAF and the application for the annual caps of the transactions thereunder for the years from 2027 to 2029.

8. To consider and approve the resolution on the entering into of the CNAHC Financial Services Agreement between CNAF and CNAHC and the application for the annual caps of the transactions thereunder for the years from 2027 to 2029.

9. To consider and approve the resolution on the entering into of the ACC Financial Services Agreement between CNAF and Air China Cargo and the application for the annual caps of the transactions thereunder for the years from 2027 to 2029.

10. To consider and approve the resolution on formulating the Remuneration Management Policy for Directors and Senior Management.

11. To consider and approve the resolution on 2026 Directors' Remuneration Plan.

For details of the foregoing resolutions, please refer to the circular.

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

Beijing, the PRC, 6 May 2026

As at the date of this notice, 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*

Notes:

1. Closure of register of members and eligibility for attending and voting at the AGM

The register of members of H shares of the Company will be closed from Friday, 22 May 2026 to Thursday, 28 May 2026 (both days inclusive), during which time no transfer of H shares of the Company will be effected and registered. In order to qualify for attendance and voting at the AGM, H Shareholders must lodge the instruments of transfer accompanied by share certificates and other appropriate documents with the Company's H share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-16, 17/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, by 4:30 p.m. on Thursday, 21 May 2026.

H Shareholders whose names appear on the register of members of H shares of the Company at the close of business on Thursday, 21 May 2026 are entitled to attend and vote at the AGM.

2. Proxy

Every shareholder who has the right to attend and vote at the AGM is entitled to appoint one or more proxies, whether or not they are members of the Company, to attend and vote on his/her behalf at the AGM.

A proxy shall be appointed by an instrument in writing. Such instrument shall be signed by the appointor or his attorney duly authorized in writing. If the appointor is a legal person, then the instrument shall be signed under a legal person's seal or signed by its director or an attorney duly authorized in writing. The instrument appointing the proxy for holders of H Shares shall be deposited at the Company's H share registrar not less than 24 hours before the time specified for the holding of the AGM (or any adjournment thereof). If the instrument appointing the proxy is signed by a person authorized by the appointor, the power of attorney or other document of authority under which the instrument is signed shall be notarized. The notarized power of attorney or other document of authority shall be deposited together and at the same time with the instrument appointing the proxy at the Company's H share registrar.

3. Other businesses

(i) The AGM is expected to last for no more than half of a working day. Shareholders and their proxies attending the meeting shall be responsible for their own traveling and accommodation expenses.

(ii) The address of Computershare Hong Kong Investor Services Limited is:

17M Floor
Hopewell Centre 183 Queen's Road
East Wanchai
Hong Kong
Tel No.: (852)28628628
Fax No.: (852)28650990