



世界品位 东方魅力

乘勢而上 同心遠航



2026

INTERIM REPORT



A joint stock limited company incorporated in the People's Republic of China with limited liability
Stock Code : A Share : 600115 | H Share : 00670

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B-7349

上海博物馆
Shanghai Museum

ST 80
Comp China Eastern Airlines and
as Aerospace

Definitions

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

Traffic capacity

Available tonne-kilometres (ATK)	means the sum of capacity available for the carriage multiplied by the distance flown for every route
Available seat-kilometres (ASK)	means the sum of the maximum number of seats made available for sale multiplied by the distance flown for every route
Available freight tonne-kilometres (AFTK)	means the sum of the maximum tonnes of capacity available for the carriage of cargo and mail multiplied by the distance flown for every route

Traffic scale

Revenue tonne-kilometres (RTK)	means the total traffic volume, the sum of load (passenger and cargo) in tonnes multiplied by the distance flown for every route
Revenue passenger-kilometres (RPK)	means the passenger traffic volume, the sum of the number of passengers carried multiplied by the distance flown for every route
Revenue freight tonne-kilometres (RFTK)	means the freight traffic volume, the sum of cargo and mail load in tonnes multiplied by the distance flown for every route
Weight of freight carried	means the actual weight of freight carried

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Traffic efficiency

Overall load factor	means the ratio of total traffic volume to ATK
Passenger load factor	means the ratio of passenger traffic volume to ASK
Freight load factor	means the ratio of freight traffic volume to AFTK

Unit revenue

Revenue tonne-kilometres yield	means the ratio of the sum of transportation and related revenue to total traffic volume
Passenger-kilometres yield	means the ratio of the sum of passenger traffic and related revenue to passenger traffic volume
Freight tonne-kilometres yield	means the ratio of the sum of freight transportation and related revenue to freight traffic volume



Abbreviation

AFK	means Air France-KLM. Official website: https://www.airfranceklm.com/
Airbus	means Airbus S.A.S. Official website: https://www.airbus.com/en
Audit and Risk Management Committee	means the audit and risk management committee of the Board of the Company
Board	means the board of directors of the Company
Boeing	means Boeing Company. Official website: https://www.boeing.com/
CAAC	means the Civil Aviation Administration of China. Official website: http://www.caac.gov.cn/
CEA Asset	means 東航資產投資管理有限公司 (China Eastern Airlines Assets Investment Management Co., Ltd.), a wholly-owned subsidiary of CEA Holding and a connected person of the Company
CEA Holding	means 中國東方航空集團有限公司 (China Eastern Air Holding Company Limited*), the controlling shareholder and a connected person of the Company
CEA Maintenance	means 東航飛機維修工程(上海)有限公司 (China Eastern Airlines Aircraft Maintenance Engineering (Shanghai) Co., Ltd.*), formerly known as 上海科技宇航有限公司 (Shanghai Technologies Aerospace Co., Ltd.) or STARCO, a wholly-owned subsidiary of the Company
CEA Technic	means 東方航空技術有限公司 (Eastern Airlines Technic Co., Ltd.), a wholly-owned subsidiary of the Company
CES Global	means 東航國際控股(香港)有限公司 (CES Global Holdings (Hong Kong) Limited), a wholly-owned subsidiary of CES Industrial Finance and a shareholder and connected person of the Company
CES Industrial Finance	means 東航產融投資管理有限公司 (China Eastern Industrial Finance Investment Management Co., Ltd.), formerly known as 東航金控有限責任公司 (CES Finance Holding Co., Limited) or CES Finance, a wholly-owned subsidiary of CEA Holding and a shareholder and connected person of the Company
China Cargo Airlines	means 中國貨運航空有限公司 (China Cargo Airlines Co., Limited), a subsidiary of Eastern Logistics and a connected person of the Company
China Eastern Airlines, CEA, or the Company	means 中國東方航空股份有限公司 (China Eastern Airlines Corporation Limited)



Definitions

China United Airlines	means 中國聯合航空有限公司 (China United Airlines Co., Limited), a wholly-owned subsidiary of the Company
COMAC	means 中國商用飛機有限責任公司 (Commercial Aircraft Corporation of China, Ltd.). Official website: http://www.comac.cc/
CSRC	means the China Securities Regulatory Commission. Official website: http://www.csrc.gov.cn/
Delta	means Delta Air Lines Inc, a shareholder of the Company. Official website: https://www.delta.com/
Directors	means the directors of the Company
Eastern Air Jiangsu	means 中國東方航空江蘇有限公司 (China Eastern Airlines Jiangsu Co., Limited*), a subsidiary of the Company
Eastern Air Wuhan	means 中國東方航空武漢有限責任公司 (China Eastern Airlines Wuhan Co., Limited*), a subsidiary of the Company
Eastern Air Yunnan	means 東方航空雲南有限公司 (China Eastern Airlines Yunnan Co., Limited*), a subsidiary of the Company
Eastern Logistics	means 東方航空物流股份有限公司 (Eastern Airline Logistics Co., Limited*), a listed subsidiary of CEA Holding and a connected person of the Company
Eastern Miles	means 東方萬里行, an award scheme for global frequent flyer designed by the Company
End of the Reporting Period	means 30 June 2026
Group	means the Company and its subsidiaries
HKSCC	means Hong Kong Securities Clearing Company Ltd., which is a wholly-owned subsidiary of the Hong Kong Stock Exchange, and the shares held by H share investors are deposited in HKSCC
Hong Kong Stock Exchange	means The Stock Exchange of Hong Kong Limited. Official website: http://www.hkex.com.hk/
IATA	means the International Air Transport Association, a major international organisation formed by airlines of different countries worldwide. Official website: http://www.iata.org/
Juneyao Airlines	means 上海吉祥航空股份有限公司 (Juneyao Airlines Co., Ltd.) (IATA Code: HO), a related party of the Company. Official website: http://www.juneyaoair.com/
Juneyao Hong Kong	means 上海吉祥航空香港有限公司 (Shanghai Juneyao Airline Hong Kong Limited), a wholly-owned subsidiary of Juneyao Airlines and a related party of the Company



Listing Rules	means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
Regional	means Hong Kong, China; Macau, China; and Taiwan, China.
Reporting Period	means from 1 January 2026 to 30 June 2026
Shanghai Airlines	means 上海航空有限公司 (Shanghai Airlines Co., Limited), a wholly-owned subsidiary of the Company
Shanghai Stock Exchange	means the Shanghai Stock Exchange. Official website: http://www.sse.com.cn/
SkyTeam Airline Alliance	means the SkyTeam Alliance, one of the three major international airline alliances in the world. Official website: http://www.skyteam.com/

* *For identification purposes only.*

The Board hereby presents the interim financial results of the Group for the six months ended 30 June 2026 prepared in accordance with IFRS Accounting Standards (which were reviewed and approved by the Board and the Audit and Risk Management Committee on 28 August 2026), with comparative figures for the corresponding period in 2025.

The interim financial results of the Group for the six months ended 30 June 2026 are not necessarily indicative of annual or future results of the Group. Investors should not place undue reliance on the interim financial results of the Group for the six months ended 30 June 2026.



Company Business Introduction

The scope of principal business of the Company includes: domestic and approved international and regional business for air transportation of passengers, cargo, mail, luggage and extended services. In addition, the Company is permitted to carry out the following business operations: general aviation business; maintenance of aviation equipment and machinery; manufacture and maintenance of aviation equipment; agency business for domestic and overseas airlines and other business related to air transportation; insurance-by-business agency services; e-commerce; in-flight supermarket; wholesale and retail of goods.

The Company built up a streamlined and efficient modernised fleet, operating 833 passenger aircraft with an average fleet age of 9.6 years. Surrounding Shanghai core hub, Beijing Daxing main hub and Xi'an and Kunming regional hubs, we provided high-quality and convenient air transport and extended services to worldwide travellers and customers.



Company Profile

Company Information

Chinese name of the Company	中國東方航空股份有限公司
English name of the Company	China Eastern Airlines Corporation Limited
Abbreviated English name of the Company	CEA
Legal representative of the Company	Wang Zhiqing

Basic Profile

Registered address of the Company	66 Airport Street, Pudong International Airport, Pudong New District, Shanghai
Postal code of registered address of the Company	201202
Place of business of the Company	36 Hongxiang 3rd Road, Minhang District, Shanghai
Postal code of place of business of the Company	201100
The Company's website	www.ceair.com
Mobile application (APP)	東方航空
Mobile website	m.ceair.com
Email address	ir@ceair.com
Service hotline	95530
Sina Weibo	http://weibo.com/ceair
Weixin/WeChat mini programme	中國東方航空
Weixin/WeChat public subscription ID	東方航空訂閱號
Weixin/WeChat ID	donghang_gw
Weixin/WeChat QR code	

Shares of the Company

A shares listing venue: The Shanghai Stock Exchange	Abbreviation: CEA	Code: 600115
H shares listing venue: The Stock Exchange of Hong Kong Limited	Abbreviation: China East Air	Code: 00670

Contact person and contact information

Board Secretary, Joint Company Secretary	Li Ganbin
Address	36 Hongxiang 3rd Road, Minhang District, Shanghai
Telephone	021-22330932
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Email	ir@ceair.com



CURRENT

AS OF THE PUBLICATION DATE OF THIS REPORT

DIRECTORS

Wang Zhiqing (Chairman)
Gao Fei (Vice Chairman, President)
Sun Zheng (Independent non-executive Director)
Lu Xiongwen (Independent non-executive Director)
Luo Qun (Independent non-executive Director)
Fung Wing Yee Sabrina (Independent non-executive Director)
Zheng Hongfeng (Independent non-executive Director)
Jie Xiaoqing (Employee Representative Director)

SENIOR MANAGEMENT

Gao Fei (Vice Chairman, President)
Zhou Qimin (Vice President, Chief Financial Officer)
Wan Qingchao (Vice President)
Li Ye (Vice President)
He Xiaoqun (Vice President)
Li Zhiyong (Vice President)
Li Ganbin (Board Secretary, Joint Company Secretary)

JOINT COMPANY SECRETARIES

Li Ganbin
Ngai Wai Fung

AUTHORISED REPRESENTATIVES

Wang Zhiqing
Li Ganbin

LEGAL ADVISERS

Hong Kong, China: Baker & McKenzie
Chinese mainland: Beijing Commerce & Finance Law Office

PRINCIPAL BANKS

Industrial and Commercial Bank of China, Shanghai Branch
China Construction Bank, Shanghai Branch
The Bank of China, Shanghai Branch
Agricultural Bank of China, Shanghai Branch

SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
17M Floor, Hopewell Centre
183 Queen's Road East, Hong Kong

China Securities Depository and Clearing Corporation Limited,
Shanghai Branch
188 South Yanggao Road, Pudong New District, Shanghai

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room D, 19/F, United Centre, 95 Queensway, Hong Kong

BUSINESS LICENCE RELATED INFORMATION

The unified social credit code of business licence of the Company is 913100007416029816



Condensed Consolidated Statement of Profit or Loss

For the six months ended 30 June 2026

	Notes	For the six months ended 30 June	
		2026 RMB million (unaudited)	2025 RMB million (unaudited)
Revenue	4	74,234	66,822
Other operating income and gains	6	4,240	3,391
Operating expenses			
Aircraft fuel		(29,165)	(21,411)
Wages, salaries and benefits		(15,399)	(14,020)
Depreciation and amortisation		(13,990)	(13,328)
Take-off and landing charges		(9,638)	(9,622)
Aircraft maintenance		(3,364)	(3,276)
Food and beverages		(2,459)	(2,274)
Selling and marketing expenses		(2,327)	(2,092)
Civil aviation development fund		(567)	(575)
Impairment losses on financial assets, net		(11)	(30)
Impairment losses on non-financial assets, net		–	(3)
Other operating expenses		(2,737)	(3,098)
Total operating expenses		(79,657)	(69,729)
Operating (loss)/income		(1,183)	484
Share of result of associates		149	143
Share of result of joint ventures		–	17
Finance income		617	41
Finance costs	7	(1,871)	(2,216)
Loss before tax		(2,288)	(1,531)
Income tax expense	9	(128)	(61)
Loss for the period		(2,416)	(1,592)
Loss for the period attributable to:			
Owners of the Company		(2,179)	(1,431)
Non-controlling interests		(237)	(161)
		(2,416)	(1,592)
Loss per share attributable to the owners of the Company:			
– Basic (RMB Yuan)	11	(0.11)	(0.06)



Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2026

	Notes	For the six months ended 30 June	
		2026 RMB million (unaudited)	2025 RMB million (unaudited)
Loss for the period		(2,416)	(1,592)
Other comprehensive (expense)/income			
<i>Item that may be reclassified subsequently to profit or loss</i>			
Fair value loss on hedging instruments designated in cash flow hedges		(29)	(22)
<i>Items that may not be reclassified subsequently to profit or loss</i>			
Fair value (loss)/gain on investments in equity instruments at fair value through other comprehensive income ("FVTOCI")	8	(43)	17
Share of other comprehensive income/(expense) of associates and joint ventures, net of tax		1	(2)
Actuarial loss on the post-retirement benefit obligations, net of tax		(53)	(12)
Other comprehensive expense, net of tax		(124)	(19)
Total comprehensive expense for the period		(2,540)	(1,611)
Total comprehensive expense for the period attributable to:			
Owners of the Company		(2,297)	(1,450)
Non-controlling interests		(243)	(161)
		(2,540)	(1,611)

The notes on pages 15 to 45 are an integral part of this interim condensed consolidated financial information.



Condensed Consolidated Statement of Financial Position

As at 30 June 2026

	Notes	30 June 2026 RMB million (unaudited)	31 December 2025 RMB million (audited)
Non-current assets			
Property, plant and equipment	13	107,369	107,244
Investment properties		101	111
Right-of-use assets	14	126,114	123,709
Intangible assets		11,967	11,944
Advanced payments on acquisition of aircraft		14,395	11,215
Investments in associates		2,443	2,399
Investments in joint ventures		191	191
Equity investments designated at FVTOCI		1,485	1,543
Deferred tax assets	15	7,026	6,996
Other non-current assets		2,569	3,218
		273,660	268,570
Current assets			
Flight equipment spare parts		2,913	2,695
Trade and bills receivables	16	2,934	2,091
Prepayments and other receivables	17	14,627	13,296
Financial assets at fair value through profit or loss ("FVTPL")		86	124
Derivative financial instruments		-	3
Restricted bank deposits		93	63
Cash and cash equivalents		5,507	7,164
		26,160	25,436
Current liabilities			
Trade and bills payables	18	21,988	23,435
Other payables and accruals	19	23,279	22,379
Contract liabilities		13,167	11,396
Current portion of borrowings	20	50,216	49,411
Current portion of lease liabilities		16,373	16,623
Income tax payable		105	29
Derivative financial instruments		63	28
Current portion of provision for lease return costs for aircraft and engines		819	390
		126,010	123,691
Net current liabilities		(99,850)	(98,255)
Total assets less current liabilities		173,810	170,315



Condensed Consolidated Statement of Financial Position

As at 30 June 2026

	Notes	30 June 2026 RMB million (unaudited)	31 December 2025 RMB million (audited)
Non-current liabilities			
Borrowings	20	60,006	52,409
Lease liabilities		62,644	63,680
Provision for lease return costs for aircraft and engines		8,321	8,935
Contract liabilities		994	908
Post-retirement benefit obligations		2,015	1,991
Other long-term liabilities		896	1,301
Deferred tax liabilities	15	1	1
		134,877	129,225
Net assets		38,933	41,090
Equity			
Share capital	21	22,088	22,088
Perpetual bond		25,415	25,067
Reserves		(9,799)	(7,154)
Treasury Shares		(58)	–
Equity attributable to owners of the Company		37,646	40,001
Non-controlling interests		1,287	1,089
Total equity		38,933	41,090

The notes on pages 15 to 45 are an integral part of this interim condensed consolidated financial information.



Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2026

	Attributable to owner of the Company						Non-controlling interests	Total equity
	Share capital	Perpetual bond	Treasury shares	Other reserves	Accumulated losses	Total		
	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million
At 1 January 2026 (audited)	22,088	25,067	-	52,190	(59,344)	40,001	1,089	41,090
Loss for the period	-	-	-	-	(2,179)	(2,179)	(237)	(2,416)
Other comprehensive expense	-	-	-	(118)	-	(118)	(6)	(124)
Total comprehensive expense for the period	-	-	-	(118)	(2,179)	(2,297)	(243)	(2,540)
Distribution to holders of perpetual bond	-	348	-	-	(348)	-	-	-
Repurchase of shares	-	-	(58)	-	-	(58)	-	(58)
Capital injection by non-controlling interests in a subsidiary	-	-	-	-	-	-	441	441
Balance at 30 June 2026 (unaudited)	22,088	25,415	(58)	52,072	(61,871)	37,646	1,287	38,933

	Attributable to owner of the Company						Non-controlling interests	Total equity
	Share capital	Perpetual bond	Treasury shares	Other reserves	Accumulated losses	Total		
	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million
At 1 January 2025 (audited)	22,291	25,067	(20)	52,447	(57,011)	42,774	877	43,651
Loss for the period	-	-	-	-	(1,431)	(1,431)	(161)	(1,592)
Other comprehensive expense	-	-	-	(19)	-	(19)	-	(19)
Total comprehensive expense for the period	-	-	-	(19)	(1,431)	(1,450)	(161)	(1,611)
Distribution to holders of perpetual bond	-	348	-	-	(348)	-	-	-
Repurchase of shares	-	-	(522)	-	-	(522)	-	(522)
Capital injection by non-controlling interests in a subsidiary	-	-	-	-	-	-	500	500
Balance at 30 June 2025 (unaudited)	22,291	25,415	(542)	52,428	(58,790)	40,802	1,216	42,018

The notes on pages 15 to 45 are an integral part of this interim condensed consolidated financial information.



Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2026

	Note	For the six months ended 30 June	
		2026 RMB million (unaudited)	2025 RMB million (unaudited)
Cash flow from operating activities			
Cash generated from operations	25	10,747	12,634
Income tax paid		(50)	(87)
Net cash generated from operating activities		10,697	12,547
Cash flow from investing activities			
Proceeds on disposal of property, plant and equipment and other non-current assets		495	88
Proceeds on disposal of interest in an associate		200	86
Withdrawal of restricted bank deposits		140	–
Dividends received		20	2
Purchase of property, plant and equipment and other non-current assets		(13,742)	(7,808)
Placement of restricted bank deposits		(150)	(38)
Purchase of equity instruments at FVTOCI		–	(132)
Refund of prepayments for financial leasing of aircraft		1,962	3,976
Net cash used in investing activities		(11,075)	(3,826)
Cash flows from financing activities			
Proceeds from draw-down of long-term bank loans		23,091	18,200
Proceeds from draw-down of short-term bank loans		23,004	26,846
Proceeds from issuance of short-term debentures		21,000	10,000
Proceeds of capital injection from non-controlling interests		441	500
Proceeds from issuance of long-term debentures		–	4,000
Repayments of short-term bank loans		(27,600)	(34,707)
Repayments of long-term bank loans		(23,002)	(16,263)
Repayments of principal of lease liabilities		(8,126)	(9,355)
Repayments of short-term debentures		(5,000)	(2,000)
Repayments of long-term debentures		(3,000)	(3,500)
Interest paid		(1,905)	(2,421)
Repurchase of treasury shares		(58)	(522)
Net settlement relating to derivative financial instruments		(35)	7
Net cash used in financing activities		(1,190)	(9,215)
Net decrease in cash and cash equivalents		(1,568)	(494)
Cash and cash equivalents at beginning of the period		7,164	4,072
Exchange differences on cash and cash equivalents		(89)	21
Cash and cash equivalents at the end of the period		5,507	3,599

The notes on pages 15 to 45 are an integral part of this interim condensed consolidated financial information.



Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2026

1 Corporate information

China Eastern Airlines Corporation Limited (the “Company”), a joint stock company limited by shares was established in the People’s Republic of China (the “PRC”) on 14 April 1995. The address of the Company’s registered office is 66 Airport Street, Pudong International Airport, Shanghai, the PRC. The Company and its subsidiaries (together, the “Group”) are principally engaged in the operation of civil aviation, including the provision of passenger, cargo, mail delivery and other extended transportation services.

The holding company and ultimate holding company of the Company is China Eastern Air Holding Company Limited (“CEA Holding”), a state-owned enterprise established in the PRC.

The A shares and H shares of the Company are listed on the Shanghai Stock Exchange and The Stock Exchange of Hong Kong Limited respectively.

These financial statements were approved and authorised for issue by the Company’s Board of Directors (the “Board”) on 28 August 2026.

2 Basis of preparation

The condensed consolidated financial statements have been prepared in accordance with *IAS 34 Interim Financial Reporting* issued by the International Accounting Standards Board (“IASB”) as well as the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

For the six months ended 30 June 2026, the Group incurred net loss of RMB2.42 billion. As at 30 June 2026, the Group’s current liabilities exceeded its current assets by approximately RMB99.85 billion. In preparing the financial statements, the Board has conducted a detailed review over the Group’s going concern ability based on its unutilised banking facilities, financial condition and operating results. The Board has also considered the following factors:

- Sufficient unutilised banking facilities as at 30 June 2026;
- The Group’s sound credit standing and history of cooperation with banks and other financial institutions; and
- The Group’s expected net cash inflows from operating activities.

The Board believes that the Group has sufficient source of financing to enable it to operate, as well as to meet its liabilities as and when they become due, and to support its capital expenditures in the foreseeable future of not less than twelve months starting from the period end of the financial statements. Accordingly, the Board continued to prepare the Group’s financial statements as of and for six months ended 30 June 2026 on a going concern basis.



Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2026

3 Accounting policies

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values.

Other than change in accounting policies resulting from application of amendments to IFRS Accounting Standards, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2026 are the same as those presented in the Group's annual consolidated financial statements for the year ended 31 December 2025.

(a) Application of amendments to IFRS Accounting Standards

In the current interim period, the Group has applied the following amendments to IFRS Accounting Standards issued by the IASB for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2026 for the preparation of the Group's condensed consolidated financial statements:

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards – Volume 11

The application of the amendments to IFRS Accounting Standards in the current interim period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements, except the Group has provided additional disclosures of investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI as required by the amended IFRS 7. Such disclosures are set out in Notes 8.

4 Revenue

An analysis of revenue is as follows:

	For the six months ended 30 June	
	2026 RMB million (unaudited)	2025 RMB million (unaudited)
Revenue from contracts with customers	74,096	66,713
Revenue from other sources		
– Rental income	138	109
	74,234	66,822



Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2026

4 Revenue (continued)

Disaggregated revenue from contracts with customers:

For the six months ended 30 June 2026

	Airline transportation operations RMB million (unaudited)	Others RMB million (unaudited)	Total RMB million (unaudited)
Types of goods or services			
Traffic revenues			
– Passenger	68,594	–	68,594
– Cargo and mail	3,130	–	3,130
Ticket cancellation and commission	1,053	–	1,053
Ground service income	481	–	481
Others	667	171	838
Total revenue from contracts with customers	73,925	171	74,096

For the six months ended 30 June 2025

	Airline transportation operations RMB million (unaudited)	Others RMB million (unaudited)	Total RMB million (unaudited)
Types of goods or services			
Traffic revenues			
– Passenger	61,813	–	61,813
– Cargo and mail	2,577	–	2,577
Ticket cancellation and commission	1,161	–	1,161
Ground service income	417	–	417
Others	573	172	745
Total revenue from contracts with customers	66,541	172	66,713



Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2026

5 Segment information

The chief operating decision maker (“CODM”) is identified as the office of the General Manager, who reviews the Group’s internal reporting in order to assess performance and allocate resources. Operating segments are reported in a manner consistent with the internal reporting provided to the CODM, who has been identified as the office of the General Manager that makes strategic decisions.

The Group has two reportable segments. “Airline transportation operations” mainly comprises the provision of passenger, cargo, mail delivery and ground service.

Other services including primarily tour operations, air catering and other miscellaneous services are not included within the airline transportation operations segment, as their internal reports are separately provided to the CODM. The results of these operations are presented under the “other segments” column.

Inter-segment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

In accordance with IFRS 8, segment disclosure has been presented in a manner that is consistent with the information used by the Group’s CODM. The Group’s CODM monitors the results, assets and liabilities attributable to each reportable segment based on financial results prepared under the PRC Accounting Standards for Business Enterprises (the “PRC Accounting Standards”), which differ from IFRS Accounting Standards in certain aspects. Segment revenue and loss before income tax are the same as the consolidated figures as reported in the interim condensed consolidated financial statement for the six months ended 30 June 2026 and 2025. The difference between reportable segment assets and consolidated figures as reported in the interim condensed consolidated financial statements, arising from different accounting policies is set out in Note (i) below.



Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2026

5 Segment information (continued)

The segment results for the six months ended 30 June 2026 were as follows:

	Airline Transportation operations RMB million (unaudited)	Other segments RMB million (unaudited)	Eliminations RMB million (unaudited)	Unallocate RMB million (unaudited)	Total RMB million (unaudited)
Segment revenue					
Reportable segment revenue					
from external customers	74,063	171	–	–	74,234
Inter-segment sales	–	630	(630)	–	–
Reportable segment revenue	74,063	801	(630)	–	74,234
Reportable segment (loss)/income					
before tax	(2,138)	(375)	–	225	(2,288)
Reportable segment income tax expense	(122)	(6)	–	–	(128)
Reportable segment (loss)/income	(2,260)	(381)	–	225	(2,416)
Other segment information					
Depreciation and amortisation	13,826	164	–	–	13,990
Impairment losses on financial assets, net	11	–	–	–	11
Impairment charges	–	–	–	–	–
Interest income	41	3	(12)	–	32
Interest expenses	1,869	14	(12)	–	1,871
Share of result of associates	–	–	–	149	149
Share of result of joint ventures	–	–	–	–	–



Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2026

5 Segment information *(continued)*

The segment results for the six months ended 30 June 2025 were as follows:

	Airline Transportation operations RMB million (unaudited)	Other segments RMB million (unaudited)	Eliminations RMB million (unaudited)	Unallocate RMB million (unaudited)	Total RMB million (unaudited)
Segment revenue					
Reportable segment revenue					
from external customers	66,650	172	–	–	66,822
Inter-segment sales	–	545	(545)	–	–
Reportable segment revenue	66,650	717	(545)	–	66,822
Segment (loss)/income					
Reportable segment (loss)/income					
before tax	(1,767)	39	–	197	(1,531)
Reportable segment income tax expense	(40)	(21)	–	–	(61)
Reportable segment (loss)/income	(1,807)	18	–	197	(1,592)
Other segment information					
Depreciation and amortisation	13,194	134	–	–	13,328
Impairment losses on financial assets, net	30	–	–	–	30
Impairment charges	3	–	–	–	3
Interest income	49	7	(15)	–	41
Interest expenses	2,209	13	(15)	–	2,207
Share of result of associates	–	–	–	143	143
Share of result of joint ventures	–	–	–	17	17



Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2026

5 Segment information (continued)

The segment assets and liabilities as at 30 June 2026 and 31 December 2025 were as follows:

	Airline transportation operations RMB million (unaudited)	Other segments RMB million (unaudited)	Eliminations RMB million (unaudited)	Unallocated RMB million (unaudited)	Total RMB million (unaudited)
At 30 June 2026					
Reportable segment assets ⁽ⁱ⁾	283,003	4,616	(1,272)	11,231	297,578
Reportable segment liabilities	259,921	2,174	(1,272)	64	260,887
Capital expenditure	25,310	241	(41)	–	25,510

	Airline transportation operations RMB million (audited)	Other segments RMB million (audited)	Eliminations RMB million (audited)	Unallocated RMB million (audited)	Total RMB million (audited)
At 31 December 2025					
Reportable segment assets ⁽ⁱ⁾	277,189	6,264	(2,945)	11,256	291,764
Reportable segment liabilities	253,086	2,746	(2,945)	29	252,916
Capital expenditure	50,934	336	–	–	51,270

- (i) The difference between reportable segment assets and consolidated figures as reported in the consolidated financial statements of RMB2,242 million represents the different measurement of the fair value of acquisition cost of the shares from Shanghai Airlines between the PRC Accounting standards and IFRSs, which results in the different measurement of goodwill.

The Group's business operates in three main geographical areas, even though they are managed on a worldwide basis.

The Group's revenues by geographical area are analysed based on the following criteria:

- (1) Traffic revenue from services within the PRC (excluding the Hong Kong Special Administrative Region ("Hong Kong"), Macau Special Administrative Region ("Macau") and Taiwan) is classified as domestic operations. Traffic revenue from inbound or outbound services among Hong Kong, Macau and Taiwan is classified as regional operations while that with other overseas markets is classified as international operations.



Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2026

5 Segment information *(continued)*

(2) The Group's revenues by geographical area are listed as below:

	For the six months ended 30 June	
	2026	2025
	RMB million	RMB million
	(unaudited)	(unaudited)
Domestic	46,425	44,036
Regional	1,984	1,839
International	25,825	20,947
	74,234	66,822

(3) The major revenue-earning assets of the Group are its aircraft, all of which are registered in the PRC. Since the Group's aircraft are deployed flexibly across its route network, there is no suitable basis of allocating such assets and the related liabilities by geographic area and hence segment non-current assets and capital expenditure by geographic area are not presented. Except the aircraft, most non-current assets (except financial instruments) are registered and located in the PRC.

6 Other operating income and gains

	For the six months ended 30 June	
	2026	2025
	RMB million	RMB million
	(unaudited)	(unaudited)
Co-operation routes income (Note (a))	2,172	2,335
Routes subsidy income (Note (b))	172	96
Other subsidy income (Note (c))	628	692
Gain on disposal of items of property, plant and equipment and right-of-use assets	810	40
Compensation from ticket sales agents	121	142
Gains on disposal of an associate	114	–
Others	223	86
	4,240	3,391

Notes:

- (a) Co-operation routes income represents subsidies granted by various local authorities and other parties, with which the Group developed certain routes to support the development of local economy. The amounts granted are calculated based on the agreements entered into by all parties.
- (b) Routes subsidy income represents subsidies granted by various authorities to support certain international and domestic routes operated by the Group.
- (c) Other subsidy income represents subsidies granted by various local authorities based on certain amounts of tax paid and other government grants.



Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2026

7 Finance costs

	For the six months ended 30 June	
	2026 RMB million (unaudited)	2025 RMB million (unaudited)
Interest relating to lease liabilities	917	1,115
Interest on borrowings	815	1,059
Interest on bonds and debentures	293	190
Interest relating to post-retirement benefit obligations	21	21
Interest relating to interest rate swap contracts	–	(7)
Less: amount capitalised (Note (a))	(175)	(171)
	1,871	2,207
Foreign exchange losses, net (Note (b))	–	9
	1,871	2,216

Notes:

- (a) The weighted average interest rate used for interest capitalisation is 2.57% per annum for the six months ended 30 June 2026 (for the six months ended 30 June 2025: 2.61%).
- (b) The exchange losses primarily related to the translation of the Group's foreign currency denominated borrowings and lease liabilities.

8 Fair value (loss)/gain on investments in equity instruments at FVTOCI

	For the six months ended 30 June	
	2026 RMB million (unaudited)	2025 RMB million (unaudited)
Fair value (loss)/gain during the period arising from investments in equity instruments held at the end of the period	(58)	22
Income tax relating to fair value gain (loss) during the period	15	(5)
Total (loss)/gain on equity instruments at FVTOCI recognised in other comprehensive income	(43)	17



Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2026

9 Income tax expense

The amounts of income tax expense recognised in the consolidated income statements represent:

	For the six months ended 30 June	
	2026	2025
	RMB million	RMB million
	(unaudited)	(unaudited)
Current income tax	133	50
Deferred income tax	(5)	11
	128	61

10 Dividend

No dividends were paid, declared or proposed during the interim period. The Board have determined that no dividend will be paid in respect of the interim period.

11 Loss per share

The basic loss per share for the six months ended 30 June 2026 is calculated by dividing the loss attributable to owners of the Company, after deducted perpetual bond interests, of RMB2,527 million and the weighted average number of shares of 22,087,736,670 in issue during the six months ended 30 June 2026. The Company had no potentially dilutive options or other financial instruments relating to the ordinary shares in issue for the six months ended 30 June 2026 and 2025.

12 Profit appropriation

No appropriation to the statutory reserves has been made for the six months ended 30 June 2026 and 2025. Such appropriations will be made if the Company make profit at year end after offsetting accumulated losses, in accordance with the relevant PRC regulations and the Articles of Association of individual group companies.



Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2026

13 Property, plant and equipment

	Aircraft, engines and flight equipment RMB million (unaudited)	Construction in progress RMB million (unaudited)	Others RMB million (unaudited)	Total RMB million (unaudited)
Carrying amount at 1 January 2026	88,997	3,320	14,927	107,244
Additions	6,565	710	154	7,429
Transfer from construction in progress	–	(42)	42	–
Transfer from investment properties	–	–	3	3
Transfer to intangible assets	–	(13)	–	(13)
Transfer to right-of-use assets (Note 14)	–	(99)	–	(99)
Depreciation charges	(5,799)	–	(603)	(6,402)
Disposals	(2)	(12)	(779)	(793)
Carrying amount at 30 June 2026	89,761	3,864	13,744	107,369
Carrying amount at 1 January 2025	85,683	2,737	14,910	103,330
Additions	3,258	1,085	109	4,452
Transfer from construction in progress	–	(122)	122	–
Transfer from right-of-use assets (Note 14)	4,044	–	–	4,044
Transfer from investment properties	–	–	2	2
Transfer to right-of-use assets (Note 14)	–	(101)	–	(101)
Transfer to intangible Assets	–	(28)	–	(28)
Depreciation charges	(5,501)	–	(571)	(6,072)
Disposals	(41)	(9)	(5)	(55)
Carrying amount at 30 June 2025	87,443	3,562	14,567	105,572

As at 30 June 2026, the Group incurred net loss and the Company performed the impairment tests of aircraft and engines. For the purpose of impairment test, the aircraft and engines and other assets (including property, plant and equipment, right-of-use assets, construction in progress and intangible assets) were all allocated to the CGU of airline transportation operations that the Group operates. The recoverable amount of the CGU has been determined based on the present value of future cash flows.

The key assumptions for revenue growth rates and gross margin rates are based on the past performances and market development expectations. The revenue growth rates within forecast period based on financial budgets approved by managements covering a five-year period. The terminal growth rate beyond the five-year period were extrapolated using a 1.5%. The discount rate used are pre-tax rates which are 10.8%.



Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2026

14 Right-of-use assets

	Aircraft, engines and flight equipment RMB million (unaudited)	Others RMB million (unaudited)	Total RMB million (unaudited)
Carrying amount at 1 January 2026	116,736	6,973	123,709
Additions	9,289	534	9,823
Transfer from construction in progress	–	99	99
Disposals	(82)	(327)	(409)
Depreciation provided during the period	(6,410)	(698)	(7,108)
Carrying amount at 30 June 2026	119,533	6,581	126,114
Carrying amount at 1 January 2025	108,298	4,135	112,433
Additions	11,685	2,379	14,064
Transfer from construction in progress	–	101	101
Transfer to property, plant and equipment (Note 13)	(4,044)	–	(4,044)
Disposals	–	(9)	(9)
Depreciation provided during the period	(6,048)	(716)	(6,764)
Carrying amount at 30 June 2025	109,891	5,890	115,781

15 Deferred tax assets and liabilities

For the purposes of presentation in the condensed consolidated statement of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

	30 June 2026 RMB million (unaudited)	31 December 2025 RMB million (audited)
Deferred tax assets	7,026	6,996
Deferred tax liabilities	1	1
Net deferred income tax assets	7,025	6,995



Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2026

15 Deferred tax assets and liabilities *(continued)*

The deferred tax assets and liabilities (prior to the offsetting of balances within the same tax jurisdiction) were made up of the taxation effects of the following:

	30 June 2026 RMB million (unaudited)	31 December 2025 RMB million (audited)
Deferred tax assets:		
Loss available for offsetting against future taxable profits	4,940	4,940
Lease liabilities	5,569	5,851
Provision for lease return costs for aircraft and engines	1,870	1,900
Impairment provision for receivables	104	102
Impairment provision for flight equipment spare parts	101	101
Other payables and accruals	49	40
Impairment provision for property, plant and equipment	18	18
Derivative financial instruments	16	7
Others	217	209
	12,884	13,168
Deferred tax liabilities:		
Right-of-use assets	(5,822)	(6,028)
Equity investments designated at FVTOCI	(37)	(52)
Derivative financial instruments	–	(1)
Others	–	(92)
	(5,859)	(6,173)
	7,025	6,995

As at 30 June 2026, management carried out an assessment to determine whether future taxable profits will be available to utilise the tax losses and deductible temporary differences. A deferred tax asset of RMB4,940 million (31 December 2025: RMB4,940 million) in respect of tax losses of RMB20,391 million (31 December 2025: RMB20,391 million) has been recognised. No deferred tax asset has been recognised in respect of the remaining tax losses of approximately RMB63,795 million (2025: RMB61,907 million) which relate to the Group that have been loss-making for some years and it is not considered probable that sufficient taxable profits will be available in the near future against which the tax losses can be utilised. The Group's tax losses carried forward will expire between 2026 and 2031.



Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2026

16 Trade and bills receivables

The credit terms given to trade customers are determined on an individual basis.

	30 June 2026 RMB million (unaudited)	31 December 2025 RMB million (audited)
Trade and bills receivables	3,031	2,185
Less: Allowance for credit losses	(97)	(94)
	2,934	2,091

The ageing analysis of the trade and bills receivables, as at the end of the reporting period, based on the invoice/billing date, was as follows:

	30 June 2026 RMB million (unaudited)	31 December 2025 RMB million (audited)
Within 90 days	2,916	2,050
91 to 180 days	35	61
181 to 365 days	15	4
Over 365 days	65	70
	3,031	2,185

17 Prepayments and other receivables

	30 June 2026 RMB million (unaudited)	31 December 2025 RMB million (audited)
Value added tax recoverable	8,872	8,624
Subsidy receivable	2,746	2,173
Relocation and demolition compensation receivable	743	–
Advance to suppliers	378	564
Rebate receivables on aircraft acquisitions	413	512
Amounts due from related parties	593	558
Other deposits	184	170
Prepaid corporate income tax	46	54
Others	1,047	1,029
	15,022	13,684
Provision for impairment of other receivables	(395)	(388)
	14,627	13,296



Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2026

18 Trade and bills payables

The ageing analysis of the trade and bills payables, as at the end of the reporting period, based on the transaction date, was as follows:

	30 June 2026 RMB million (unaudited)	31 December 2025 RMB million (audited)
Within 90 days	14,881	13,031
91 to 180 days	6,052	6,393
181 to 365 days	943	3,813
1-2 years	14	25
Over 2 years	98	173
	21,988	23,435

As at 30 June 2026, bills payables of the Group amounted to RMB17,345 million (31 December 2025: RMB20,513 million).

19 Other payables and accruals

	30 June 2026 RMB million (unaudited)	31 December 2025 RMB million (audited)
Salaries, wages and benefits	2,849	3,617
Take-off and landing charges	2,446	2,607
Expenses related to aircraft overhaul conducted	3,319	1,844
Duties and levies payable	1,352	1,892
Other accrued operating expenses	2,156	2,256
Fuel cost	3,840	2,056
Payable for system services	1,491	1,794
Food and beverages	1,485	1,254
Payable for purchase of property, plant and equipment	344	515
Other deposit	481	496
Pending output value added tax	404	382
Current portion of other long-term liabilities	137	206
Deposits received from ticket sales agents	266	291
Amounts due to related parties	106	108
Current portion of post-retirement benefit obligations	181	188
Others	2,422	2,873
Total	23,279	22,379



Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2026

20 Borrowings

	30 June 2026 RMB million (unaudited)	31 December 2025 RMB million (audited)
Non-current:		
Long-term bank borrowings (Note (a))		
– secured	13,941	14,899
– unsecured	34,565	26,010
Unsecured bonds (Note (b))	11,500	11,500
	60,006	52,409
Current:		
Current portion of long-term borrowings (Note (a))		
– secured	1,852	1,860
– unsecured	5,588	13,065
Guaranteed bonds (Note (b))	4,189	4,262
Current portion of unsecured bonds (Note (b))	100	3,164
Short-term bank borrowings (Note (c))		
– unsecured	17,403	22,038
Short-term debentures (Note (d))	21,084	5,022
	50,216	49,411
	110,222	101,820

Notes:

- (a) Long-term bank borrowings carry interests at 1.70% to 2.60% and are repayable from 2026 to 2045.

As at 30 June 2026, the secured bank borrowings of the Group were secured by the related aircrafts with a net carrying amount of RMB19,966 million (31 December 2025: RMB20,108 million).

- (b) Detailed bonds are listed below:

	Issue date	Principal	Notes	Interest rate
Ten-year corporate bonds	2016/10/24	RMB1,500 million	(i)	3.30%
Ten-year corporate bonds	2021/03/11	RMB3,000 million	(ii)	3.95%
Five-year credit enhanced bonds	2021/07/15	SGD500 million	(iii)	2.00%
Three-year medium-term bonds	2025/02/25	RMB2,000 million	(iv)	1.89%
Three-year medium-term bonds	2025/04/21	RMB2,000 million	(v)	1.74%
Three-year medium-term bonds	2025/11/19	RMB2,000 million	(vi)	1.79%
Three-year medium-term bonds	2025/11/21	RMB2,000 million	(vii)	1.80%
Three-year medium-term bonds	2025/11/24	RMB1,500 million	(viii)	1.80%
Three-year medium-term bonds	2025/12/05	RMB2,000 million	(ix)	1.88%



20 Borrowings (continued)

Notes: (continued)

(b) Detailed bonds are listed below: (continued)

- (i) On 24 October 2016, the Company issued ten-year corporate bonds with a total principal amount of RMB1.5 billion. The bonds bear interest at the rate of 3.30% per annum. Which is payable annually. The principal of the bonds will mature and become repayable on 24 October 2026. CEA Holding has unconditionally and irrevocably guaranteed the due payment and performance of the above bonds (Note 23(d)).
- (ii) On 11 March 2021, the Company issued ten-year corporate bonds with a principal amount of RMB3 billion. The bonds bear interest at the rate of 3.95% per annum which is payable annually. The Company has called the bond on 12 March 2026.
- (iii) On 15 July 2021, Eastern Air Overseas issued five-year credit enhanced bonds with a principal amount of SGD0.5 billion. The bonds bear interest at the rate of 2.00% per annum which is payable semi-annually. The principle of the bonds matured and became repayable on 15 July 2026. The bonds are secured by a standby letter of credit issued by Industrial and Commercial Bank of China Limited Shanghai Municipal Branch.
- (iv) On 25 February 2025, the Company issued three-year medium-term bonds with a principal amount of RMB2.0 billion, at an issue price equal to the face value of the bonds. The bonds bear interest at the rate of 1.89% per annum, which is payable annually. The principal of the bonds will mature and become repayable on 26 February 2028.
- (v) On 21 April 2025, the Company issued three-year medium-term bonds with a principal amount of RMB2.0 billion, at an issue price equal to the face value of the bonds. The bonds bear interest at the rate of 1.74% per annum, which is payable annually. The principal of the bonds will mature and become repayable on 22 April 2028.
- (vi) On 19 November 2025, the Company issued three-year medium-term bonds with a principal amount of RMB2.0 billion, at an issue price equal to the face value of the bonds. The bonds bear interest at the rate of 1.79% per annum, which is payable annually. The principal of the bonds will mature and become repayable on 20 November 2028.
- (vii) On 21 November 2025, the Company issued three-year medium-term bonds with a principal amount of RMB2.0 billion, at an issue price equal to the face value of the bonds. The bonds bear interest at the rate of 1.80% per annum, which is payable annually. The principal of the bonds will mature and become repayable on 24 November 2028.
- (viii) On 24 November 2025, the Company issued three-year medium-term bonds with a principal amount of RMB1.5 billion, at an issue price equal to the face value of the bonds. The bonds bear interest at the rate of 1.80% per annum, which is payable annually. The principal of the bonds will mature and become repayable on 25 November 2028.
- (ix) On 5 December 2025, the Company issued three-year medium-term bonds with a principal amount of RMB2.0 billion, at an issue price equal to the face value of the bonds. The bonds bear interest at the rate of 1.88% per annum, which is payable annually. The principal of the bonds will mature and become repayable on 8 December 2028.

(c) The interest rates relating to the short-term bank borrowings were 0.69% to 2.11%.

(d) As at 30 June 2026, detailed short-term debentures were listed below:

	Principal	Maturity	Issue date	Interest rate
2026 1st Short-term debentures	RMB 2 billion	266 days	2026/1/6	1.55%
2026 2nd Short-term debentures	RMB 3 billion	270 days	2026/1/13	1.56%
2026 3rd Short-term debentures	RMB 2 billion	268 days	2026/1/20	1.56%
2026 4th Short-term debentures	RMB 2 billion	159 days	2026/3/13	1.50%
2026 5th Short-term debentures	RMB 3 billion	160 days	2026/3/17	1.50%
2026 6th Short-term debentures	RMB 3 billion	240 days	2026/5/22	1.35%
2026 7th Short-term debentures	RMB 3 billion	240 days	2026/5/26	1.35%
2026 8th Short-term debentures	RMB 3 billion	245 days	2026/5/27	1.35%



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21 Share capital

	30 June 2026 RMB million (unaudited)	31 December 2025 RMB million (audited)
Registered, issued and fully paid of RMB1.00 each		
A shares listed on The Shanghai Stock Exchange ("A Shares")	17,025	17,025
H shares listed on The Stock Exchange of Hong Kong Limited ("H Shares")	5,063	5,063
	22,088	22,088

	30 June 2025 RMB million (unaudited)	31 December 2024 RMB million (audited)
Registered, issued and fully paid of RMB1.00 each		
A shares listed on The Shanghai Stock Exchange ("A Shares")	17,114	17,114
H shares listed on The Stock Exchange of Hong Kong Limited ("H Shares")	5,177	5,177
	22,291	22,291

Pursuant to articles 31 and 33 of the Company's articles of association, both the listed A shares and listed H shares are registered ordinary shares and carry equal rights.

22 Commitments

The Group had the following capital commitments at the end of the reporting period:

	30 June 2026 RMB million (unaudited)	31 December 2025 RMB million (audited)
Contracted for:		
– Aircraft, engines and flight equipment (Note)	107,587	78,867
– Other property, plant and equipment	3,234	5,152
– Investments	3	3
	110,824	84,022



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For the six months ended 30 June 2026

22 Commitments (continued)

Note:

Contracted expenditures for the above aircraft, engines and flight equipment, including deposits prior to delivery, subject to future inflation increase built into the contracts were expected to be paid as follows:

	30 June 2026 RMB million (unaudited)	31 December 2025 RMB million (audited)
Within one year	27,376	22,548
In the second year	11,578	15,101
In the third year	13,995	24,075
Over three years	54,638	17,143
	107,587	78,867

23 Related party transactions

The Group is controlled by CEA Holding, which directly owns 41.15% of the Company's shares as at 30 June 2026 (31 December 2025: 40.11%). In addition, through CES Global Holdings (Hong Kong) Limited and China Eastern Industrial Finance Investment Management Co., Ltd (formerly known as "CES Finance Holding Co., Limited"), two wholly-owned subsidiaries of CEA Holding, CEA Holding indirectly owns additional shares of the Company of approximately 12.58% and 2.07% respectively as at 30 June 2026 (31 December 2025: 12.58% and 2.07%).

The Company is a state-owned enterprise established in the PRC and is controlled by the PRC government, which also owns a significant portion of the productive assets in the PRC. Related parties of the Company include CEA Holding and its subsidiaries (other than the Group), other government-related entities and their subsidiaries ("Other State-owned Enterprises") or vice versa, other entities and corporations over which the Company is able to control or exercise significant influence and key management personnel of the Company as well as their close family members.

Apart from above transactions with CEA Holding and its subsidiaries, the Company has collectively, but not individually significant transactions with Other State-owned Enterprises, which include but are not limited to rendering and receiving services, sales and purchases of goods, properties and other assets, lease of assets, depositing and borrowing money, and use of public utilities. The transactions between the Company and Other State-owned Enterprises are conducted in the ordinary course of the Group's business within normal business operations. The Company has established its approval process for providing of services, purchase of products, properties and services, purchase of lease service and its financing policy for borrowing. Such approval processes and financing policy do not depend on whether the counterparties are government-related entities or not.

For the purpose of the related party transaction disclosures, the directors of the Company believe that meaningful information in respect of related party transactions has been adequately disclosed.



Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2026

23 Related party transactions *(continued)*

(a) Nature of related parties that do not control or controlled by the Group:

Name of related parties	Relationship with the Group
Eastern Air Group Finance Co., Ltd. ("Eastern Air Finance Company")	Associate of the Company
Shanghai Collins Aviation Maintenance Service Co., Ltd. ("Collins Aviation")	Associate of the Company
Shanghai Pratt & Whitney Aircraft Engine Maintenance Co., Ltd. ("Shanghai P&W")	Associate of the Company
Shanghai Airlines Tours International (Group) Co., Ltd. and its subsidiaries ("Shanghai Airlines Tours")	Associate of the Company
China Eastern Air Catering Investment Co., Limited and its subsidiaries ("Eastern Air Catering")	Associate of the Company
Xi'an Civil Aviation Kaiya Technology Co., Ltd. ("Xian Kaiya")	Associate of the Company
CAE Melbourne Flight Training Pty Limited ("CAE Melbourne")	Joint venture of the Company
Eastern China Kaiya System Integration Co., Ltd. ("China Kaiya")	Joint venture of the Company
Xi An Cea Safran Landing Systems Services Co., Ltd. ("XIESA")	Joint venture of the Company
Eastern Air Logistics Co., Ltd. and its subsidiaries ("Eastern Logistics")	Controlled by the same parent company
China Eastern Airlines Assets Investment Management Co., Ltd. and its subsidiaries ("CEA Asset")	Controlled by the same parent company
CES International Financial Leasing Corporation Limited and its subsidiaries ("CES Lease Company")	Controlled by the same parent company
China Eastern Industrial Finance Investment Management Co., Ltd and its subsidiaries ("CES Industrial Finance")	Controlled by the same parent company
China Eastern Airlines (Hangzhou) Flight Training Co., Ltd. ("CES Hangzhou Training")	Controlled by the same parent company
TravelSky Technology Limited ("TravelSky")	A key management personnel of the Company is a director of Travelsky
Air France-KLM Group ("AFK")	A key management personnel of the Company is a director of AFK
China Aviation Supplies Holding Company and its subsidiaries ("CASC")	A key management personnel of the Company is a director of CASC
Boeing Shanghai Aviation Services Co., Ltd. ("Boeing Shanghai")	A key management personnel of the Company is a director of Boeing Shanghai
Juneyao Airlines Co., Ltd and its subsidiaries ("Juneyao Air")	Shareholder who hold more than 5% of the company's voting shares
Air Ground Internet Technology Co., Ltd. ("Air Ground Internet")	Associate of the parent company

Note:

On 26 December 2025, the Group acquired the 49% equity interest in China Eastern Airlines Aircraft Maintenance Engineering (Shanghai) Co., Ltd. ("CEA Maintenance") formerly known as Shanghai Technologies Aerospace Co., Ltd.) from Singapore Technologies Aerospace Ltd. CEA Maintenance became a wholly-owned subsidiary of the Group.



Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2026

23 Related party transactions (continued)

(b) Related party transactions

Nature of transactions	Related parties	Pricing policy and decision	For the six months ended 30 June	
		Process	2026	2025
			RMB million (unaudited)	RMB million (unaudited)
Purchase of goods and services				
Payments on food and beverages*	Eastern Air Catering	(i)	1,655	1,586
Repairs and maintenance expense for aircraft and engines	Shanghai P&W	(i)	2,525	2,074
	CEA Maintenance	(i)	–	152
	XIESA	(i)	101	101
Payments on conference and training services	CES Hangzhou Training	(i)	6	11
Payments on system services	Xian Kaiya	(i)	–	4
	China Kaiya	(i)	3	–
Equipment maintenance fee*	Collins Aviation	(i)	17	14
Automobile maintenance service, aircraft maintenance, providing transportation automobile and other products*	CEA Asset	(i)	44	48
Property management and green maintenance expenses*	CEA Asset	(i)	77	87
Payments on hotel accommodation service*	CEA Asset	(i)	89	95
	Shanghai Airlines Tours	(i)	36	38
Aviation Internet services*	Air Ground Internet	(i)	67	43
Financial services fees*	Eastern Air Finance Company	(iii)	9	1
Payments on construction and management agent*	CEA Asset	(i)	3	6
Civil aviation information network services**	TravelSky	(i)	337	695



Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2026

23 Related party transactions *(continued)*

(b) Related party transactions *(continued)*

Nature of transactions	Related parties	Pricing policy and decision	For the six months ended 30 June	
		Process	2026	2025
			RMB million (unaudited)	RMB million (unaudited)
Purchase of goods and services <i>(continued)</i>				
Payments on aviation transportation cooperation and support services**	AFK	(i)	4	4
Flight equipment spare parts maintenance and support services	AFK	(i)	29	39
	Boeing Shanghai	(i)	9	–
	CASC	(i)	150	–
Payments on logistics services	Eastern Logistics	(i)	81	74
Cargo terminal business support services*	Eastern Logistics	(i)	250	213
Bellyhold container management	Eastern Logistics	(i)	8	8
Provision of services				
Exclusive operation transportation in relation to the passenger aircraft cargo business*	Eastern Logistics	(i)	3,130	2,577
Freight logistics support services*	Eastern Logistics	(i)	213	154
Provision of services	CEA Asset	(i)	14	–
Aviation transportation cooperation and support services**	AFK	(i)	17	17
	Juneyao Air	(i)	1	5
Flight equipment spare parts maintenance and support services	Juneyao Air	(i)	13	9
Provision of services	Eastern Air Catering	(i)	4	–
Sale of Goods	Eastern Air Catering	(i)	41	23



Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2026

23 Related party transactions (continued)

(b) Related party transactions (continued)

Nature of transactions	Related parties	Pricing policy and decision	For the six months ended 30 June	
		Process	2026	2025
			RMB million (unaudited)	RMB million (unaudited)
Provision of services (continued)				
Software system and support services	Eastern Logistics	(i)	21	10
Transfer of pilots	Eastern Logistics	(i)	136	52
Sale of Internet products	Air Ground Internet	(i)	8	6
Provision of services	Shanghai Airlines Tours	(i)	1	4
	Collins Aviation	(i)	–	5
	CEA Maintenance	(i)	–	7
Provision of aviation material import services	XIESA	(i)	9	14
Rental Income				
Rental income from cargo stations*	Eastern Logistics	(ii)	46	48
Rental income from land and buildings*	Eastern Air Catering	(ii)	12	12
	CASC	(ii)	2	–
	Boeing Shanghai	(ii)	2	–
	Juneyao Air	(ii)	1	2
	CEA Holding	(ii)	–	2
Rental income from intangible assets	Eastern Logistics	(ii)	3	3
Lease Payments				
Lease Payments for land and buildings	CEA Asset	(ii)	54	38
	Eastern Air Catering	(ii)	1	1
	Eastern Logistics	(ii)	1	1
	CEA Holding	(ii)	21	–
Lease payments for special vehicle and equipment	CEA Asset	(ii)	123	82
Settlements of lease liabilities on aircraft and engines	CES Lease Company	(ii)	3,613	3,233



Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2026

23 Related party transactions *(continued)*

(b) Related party transactions *(continued)*

Nature of transactions	Related parties	Pricing policy and decision	For the six months ended 30 June	
		Process	2026	2025
			RMB million (unaudited)	RMB million (unaudited)
Addition in right-of-use assets on new leases				
Aircraft and engines*	CES Lease Company	(ii)	2,373	6,678
Ground assets	CEA Asset	(ii)	150	127
	CEA Holding	(ii)	–	50
Land and buildings	CEA Asset	(ii)	–	32
	CASC	(ii)	–	2
Interest on lease liabilities				
Aircraft and engines*	CES Lease Company	(ii)	299	303
Land and buildings*	CEA Asset	(ii)	1	5
Ground assets*	CEA Asset	(ii)	9	4
Interest expense				
Interest expense on loans	CEA Holding	(iii)	99	51
	Eastern Air Finance Company	(iii)	4	5
Interest income				
Interest income on deposits	Eastern Air Finance Company	(iii)	24	24
Perpetual bond				
Distribution to holders of perpetual bond	CEA Holding	(iii)	348	348
Asset sales or purchases				
Sale of land and buildings	CEA Asset	(i)	134	–
	Eastern Logistics	(i)	138	–
Purchase 49% equity of Shanghai Eastern Supply Chain Management Co., Ltd.	Eastern Logistics	(i)(iv)	200	–
Sale of fixed assets	CEA Holding	(i)	–	83



Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2026

23 Related party transactions *(continued)*

(b) Related party transactions *(continued)*

- (i) The Group's pricing policies on goods and services purchased from and provided to related parties are mutually agreed between contract parties.
- (ii) The Group's pricing policies on related party lease payments are mutually agreed between contract parties.
- (iii) The Group's pricing policies on related party interest rates are mutually agreed based on benchmark interest rates.
- (iv) The Company entered into an equity transfer agreement on 9 February 2026 with Eastern Logistics. Under the agreement, the Company transferred its 49% equity interest of its associate Shanghai Eastern Supply Chain Management Co., Ltd. to Eastern Logistics, at a consideration of RMB200.00 million. This transaction had been completed as at 30 June 2026.
- * These related party transactions also constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").
- ** This related party transaction constitutes a continuing connected transaction pursuant to the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange.

(c) Balances with related parties

(i) Amounts due from related parties

	30 June 2026 RMB million (unaudited)	31 December 2025 RMB million (audited)
Trade receivables		
Eastern Logistics	970	687
Eastern Air Catering	28	30
Juneyao Air	4	6
Others	14	21
	1,016	744
Prepayments and other receivables		
Eastern Air Finance Company	353	332
TravelSky	201	219
Eastern Air Catering	32	–
Others	7	7
	593	558
Other Non-current Assets		
XIESA	1	4



Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2026

23 Related party transactions (continued)

(c) Balances with related parties (continued)

(ii) Amounts due to related parties

	30 June 2026 RMB million (unaudited)	31 December 2025 RMB million (audited)
Trade and bills payables, Other payables and accruals		
TravelSky	1,391	1,895
Eastern Air Catering	1,338	508
Shanghai P&W	880	851
CEA Asset	231	250
Air Ground Internet	116	99
XIESA	18	22
CASC	15	–
Collins Aviation	14	13
CES Hangzhou Training	7	–
Shanghai Airlines Tours	2	–
Juneyao Air	1	1
Others	1	6
	4,014	3,645
Lease liabilities		
CES Lease Company	37,195	37,666
CEA Asset	661	699
CEA Holding	66	65
Eastern Logistics	2	3
Eastern Air Catering	2	3
	37,926	38,436
Perpetual bond		
CEA Holding	25,415	25,067
Other long-term liabilities		
Eastern Air Catering	76	76
Contract liabilities		
CASC	2	–

Except the amounts due to CES Lease Company, which are related to the aircraft under leases, all other amounts due to related parties are interest-free and payable within normal credit terms given by trade creditors.



23 Related party transactions *(continued)*

(c) Balances with related parties *(continued)*

(iii) Short-term deposits, loan and borrowings with related parties

	Average interest rate			
	For the six months			
	ended 30 June		30 June	31 December
	2026	2025	2026	2025
			RMB million	RMB million
	(unaudited)	(unaudited)	(unaudited)	(audited)
Short-term deposits (included in cash and cash equivalents)				
Eastern Air Finance Company	0.20%	0.20%	3,525	4,172
Short-term borrowings				
Eastern Air Finance Company	2.08%	–	–	1,500
Long-term borrowings				
CEA Holding	1.78%	2.00%	10,172	12,500

(d) Guarantees by the holding company

As at 30 June 2026, bonds of the Group guaranteed by CEA Holding amounted to RMB1,535 million (31 December 2025: RMB1,510 million).

24 Fair value measurement of financial instruments

(a) Fair value hierarchy

The Group determines the appropriate valuation techniques and inputs for fair value measurements. In estimating the fair value, the Group uses market-observable data to the extent it is available. The Group establish the appropriate valuation techniques and inputs to the model. The fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable. The table below analyses the Group's financial instruments carried at fair value as at 30 June 2026 and 31 December 2025 by level of the inputs to valuation techniques used to measure fair value. Such inputs are categorised into three levels within a fair value hierarchy as follows:

Level 1: Fair value measurements are based on quoted prices (unadjusted) in active market for identical assets or liabilities that the entity can access at the measurement date;

Level 2: Fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: Fair value measurements are those derived from valuation techniques that include the lowest level inputs which are significant to the fair value measurement for the asset or liability that are not based on observable market data (significant unobservable inputs).



Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2026

24 Fair value measurement of financial instruments *(continued)*

(a) Fair value hierarchy *(continued)*

As at 30 June 2026 and 31 December 2025, the Group had certain financial assets carried at fair value, including equity investments designated at FVTOCI, listed equity investments recorded as financial assets at FVTPL, and the derivative financial instruments.

As at 30 June 2026

	Quoted prices in active markets (Level 1) RMB million (unaudited)	Fair value measurement using Significant observable inputs (Level 2) RMB million (unaudited)	Significant unobservable inputs (Level 3) RMB million (unaudited)	Total RMB million (unaudited)
Assets				
Equity investments designated at FVTOCI	150	–	1,335	1,485
Financial assets at FVTPL	86	–	–	86
Total	236	–	1,335	1,571
Liability				
Derivative financial instruments – Foreign exchange swaps	–	63	–	63

As at 31 December 2025

	Quoted prices in active markets (Level 1) RMB million (audited)	Fair value measurement using Significant observable inputs (Level 2) RMB million (audited)	Significant unobservable inputs (Level 3) RMB million (audited)	Total RMB million (audited)
Assets				
Equity investments designated at FVTOCI	198	–	1,345	1,543
Derivative financial instruments – Jet fuel hedging	–	3	–	3
Financial assets at FVTPL	124	–	–	124
Total	322	3	1,345	1,670
Liability				
Derivative financial instruments – Foreign exchange swaps	–	28	–	28



24 Fair value measurement of financial instruments *(continued)*

(a) Fair value hierarchy *(continued)*

The Group enters into derivative financial instruments, including foreign exchange swaps and jet fuel hedging with various counterparties, principally financial institutions with high credit ratings.

Derivative financial instruments are measured using valuation techniques similar to swap models and using present value calculations. The models incorporate various market observable inputs including the foreign exchange spot and forward rates and interest rate curves. The carrying amounts of forward currency contracts and interest rate swaps are the same as their fair values.

As at 30 June 2026, the marked to market value of the derivative asset position is net of a credit valuation adjustment attributable to derivative counterparty default risk. The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationship and other financial instruments recognised at fair value.

The fair values of listed equity investments are based on quoted market prices. The fair values of unlisted equity investments designated at FVTOCI have been estimated using a market-based valuation technique based on assumptions that are not supported by observable market prices or rates. The valuation requires the directors to determine comparable public companies (peers) based on industry, size, leverage and strategy, and calculates an appropriate price multiple, such as enterprise value to earnings before interest, taxes, depreciation and amortisation ("EV/EBITDA") multiple and price to earnings ("P/E") multiple, for each comparable company identified. The multiple is calculated by dividing the enterprise value of the comparable company by an earnings measure. The trading multiple is then discounted for considerations such as illiquidity and size differences between the comparable companies based on company-specific facts and circumstances. The discounted multiple is applied to the corresponding earnings measure of the unlisted equity investments to measure the fair value. The directors believe that the estimated fair values resulting from the valuation technique, which are recorded in the consolidated statement of financial position, and the related changes in fair values, which are recorded in other comprehensive income, are reasonable, and that they were the most appropriate values at the end of the reporting period.

	Valuation technique	Significant unobservable input	Range
Unlisted equity investments	Valuation multiples	Discount for lack of marketability	30 June 2026: 21% (31 December 2025:21%)

The discount for lack of marketability represents the amounts of premiums and discounts determined by the Group that market participants would take into account when pricing the investments.



Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2026

24 Fair value measurement of financial instruments *(continued)*

(a) Fair value hierarchy *(continued)*

The following table presents the changes in level 3 items for the six months ended 30 June 2026:

	Equity investments designated at FVTOCI RMB million
Opening balance as at 31 December 2025 (audited)	1,345
Recognised in other comprehensive income – net	(10)
Closing balance as at 30 June 2026 (unaudited)	1,335

The following table presents the changes in level 3 items for the six months ended 30 June 2025:

	Equity investments designated at FVTOCI RMB million
Opening balance as at 31 December 2024 (audited)	1,213
Recognised in other comprehensive income – net	155
Closing balance as at 30 June 2025 (unaudited)	1,368

During the period, there were no transfers among levels of the fair value hierarchy.

(b) Fair values of other financial instruments (unrecognised)

The Group also has a number of financial instruments which are not measured at fair value in the balance sheet.

Management has assessed that the fair values of cash and cash equivalents, restricted bank deposits, trade receivables, trade and bills payables, financial assets included in prepayments and other receivables, financial liabilities included in other payables and accruals, short-term bank borrowings and Short-term debentures approximate to their carrying amounts largely due to the short-term maturities of these instruments.

Differences were identified for the following instruments as at 30 June 2026:

	Carrying amount RMB million (unaudited)	Fair value RMB million (unaudited)
Financial liabilities - Long-term borrowings	60,006	60,494

The fair values of long-term borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities.



Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2026

25 Cash generated from operations

(a) Reconciliation of loss before income tax to net cash generated from operations

	For six months ended 30 June	
	2026 RMB million (unaudited)	2025 RMB million (unaudited)
Loss for the year before tax	(2,288)	(1,531)
Adjustments for:		
Depreciation of property, plant and equipment (Note 13)	6,402	6,072
Depreciation of right-of-use assets (Note 14)	7,108	6,764
Depreciation of investment properties	5	5
Amortisation of other long-term assets	399	409
Amortisation of intangible assets	76	78
Gains on disposals of property, plant and equipment and other long-term assets, net	(806)	(34)
Fair value losses/(gains) on financial assets at FVTPL	38	(35)
Losses allowance for trade and other receivables	11	30
Provision for impairment of flight equipment spare parts	–	3
Interest expenses	1,871	2,207
Disposal of an associate	(114)	–
Net foreign exchange gains	(585)	(49)
Share of results of joint ventures and associates	(149)	(160)
Dividend income from Equity investments designated at FVTOCI	–	(2)
Changes in working capital:		
Increase in flight equipment spare parts	(218)	(311)
Increase in Trade and bills receivables; Prepayments and other receivables;	(1,454)	(1,807)
Increase in Contract liabilities; Trade and bills payables; Other payable and accruals; Other long-term liabilities; Post-retirement benefit obligations; Provision for lease return costs for aircraft and engines	451	995
Cash generated from operations	10,747	12,634
Income tax paid	(50)	(87)
Net cash generated from operating activities	10,697	12,547



Summary of Operating Data

	For the six months ended 30 June		
	2026	2025	Change
Passenger transportation data			
ASK (available seat-kilometres) (millions)	157,720.13	155,023.17	1.74%
– Domestic routes	101,325.60	101,529.18	-0.20%
– International routes	53,284.03	50,303.49	5.93%
– Regional routes	3,110.51	3,190.50	-2.51%
RPK (passenger traffic volume, revenue passenger-kilometres) (millions)			
	137,119.90	131,478.14	4.29%
– Domestic routes	88,307.04	87,716.91	0.67%
– International routes	46,156.03	41,146.42	12.18%
– Regional routes	2,656.83	2,614.82	1.61%
Number of passengers carried (thousands)			
	72,762.88	73,163.53	-0.55%
– Domestic routes	60,397.48	61,279.35	-1.44%
– International routes	10,443.13	10,011.67	4.31%
– Regional routes	1,922.28	1,872.51	2.66%
Passenger load factor (%)			
	86.94	84.81	2.13pts
– Domestic routes	87.15	86.40	0.75pts
– International routes	86.62	81.80	4.82pts
– Regional routes	85.41	81.96	3.45pts
Passenger-kilometres yield (RMB) ^{Note}			
	0.516	0.488	5.74%
– Domestic routes	0.514	0.488	5.33%
– International routes	0.507	0.474	6.96%
– Regional routes	0.735	0.696	5.60%



	For the six months ended 30 June		
	2026	2025	Change
Freight transportation data			
AFTK (available freight tonne-kilometres) (millions)	5,241.85	5,223.19	0.36%
– Domestic routes	1,808.34	1,953.93	-7.45%
– International routes	3,356.16	3,185.12	5.37%
– Regional routes	77.34	84.13	-8.07%
RFTK (freight traffic volume, revenue freight tonne-kilometres) (millions)	2,183.67	1,932.34	13.01%
– Domestic routes	488.74	466.44	4.78%
– International routes	1,682.44	1,452.24	15.85%
– Regional routes	12.49	13.66	-8.57%
Weight of freight carried (million kg)	574.95	530.63	8.35%
– Domestic routes	319.44	306.40	4.26%
– International routes	244.83	212.97	14.96%
– Regional routes	10.68	11.26	-5.15%
Freight load factor (%)	41.66	37.00	4.66pts
– Domestic routes	27.03	23.87	3.16pts
– International routes	50.13	45.59	4.54pts
– Regional routes	16.15	16.24	-0.09pts
Freight tonne-kilometres yield (RMB) ^{Note}	1.433	1.334	7.42%
– Domestic routes	0.665	0.682	-2.49%
– International routes	1.624	1.513	7.34%
– Regional routes	5.765	4.539	27.01%



Summary of Operating Data

	For the six months ended 30 June		
	2026	2025	Change
Consolidated data			
ATK (available tonne-kilometres) (millions)	19,436.66	19,175.27	1.36%
– Domestic routes	10,927.65	11,091.56	-1.48%
– International routes	8,151.72	7,712.43	5.70%
– Regional routes	357.29	371.28	-3.77%
RTK (total traffic volume, revenue tonne-kilometres) (millions)	14,258.57	13,505.91	5.57%
– Domestic routes	8,255.97	8,184.63	0.87%
– International routes	5,756.41	5,078.39	13.35%
– Regional routes	246.20	242.88	1.37%
Overall load factor (%)	73.36	70.43	2.93pts
– Domestic routes	75.55	73.79	1.76pts
– International routes	70.62	65.85	4.77pts
– Regional routes	68.91	65.42	3.49pts
Revenue tonne-kilometres yield (RMB) ^{Note}	5.183	4.940	4.92%
– Domestic routes	5.541	5.270	5.14%
– International routes	4.538	4.274	6.18%
– Regional routes	8.229	7.745	6.25%

Note: In calculating unit revenue index, the relevant revenue includes incomes generated from co-operation routes and fuel surcharge.



Fleet Structure

The Group implements its green development philosophy while continuously optimising its fleet structure. In the first half of 2026, the Group centered around the new major models, introduced a total of 17 aircraft and had 10 aircraft retired. As the world's first user of the domestic C919 passenger aircraft, the Group operated a total of 17 C919 aircraft as at 30 June 2026, helping accumulate experience in large-scale operation of domestically manufactured large aircraft.

As at 30 June 2026, the Group operated a total of 833 aircraft.

Fleet structure as at 30 June 2026

								(Units)
No.	Model	Manufacturer	Net increase in the first half of 2026	Sub-total	Self-owned	Under finance lease	Under operating lease	Average fleet age (years)
1	B777-300ER	Boeing	0	20	12	8	0	10.4
2	B787 Series	Boeing	1	18	3	15	0	4.5
3	A350-900	Airbus	0	20	7	13	0	5.1
4	A330 Series	Airbus	0	56	36	15	5	12.6
Total number of wide-body aircraft			1	114	58	51	5	9.6
5	A320 Series	Airbus	3	393	169	139	85	9.4
6	B737 Series	Boeing	-1	277	130	52	95	11.2
7	C919	COMAC	3	17	5	12	0	1.5
Total number of narrow-body aircraft			5	687	304	203	180	9.9
8	C909	COMAC	1	32	15	17	0	3.0
Total number of regional passenger aircraft			1	32	15	17	0	3.0
Total number of aircraft			7	833	377	271	185	9.6

Notes:

1. A330 Series include A330-200, A330-300 and other aircraft models;
2. A320 Series include A319, A320, A320NEO, A321, A321NEO and other aircraft models;
3. B787 Series include B787-9 and other aircraft models;
4. B737 Series include B737-700, B737-800, B737-8 and other aircraft models;
5. COMAC added the commercial name of C909 to ARJ21 aircraft model.



Management's Discussion and Analysis

Industry Development Status

In the first half of 2026, the international landscape remained complex and volatile, with global economic growth experiencing an overall slowdown. Ongoing conflicts in the Middle East continued to affect energy supplies, exerting a negative impact on the global economy. The disruption of certain international routes and persistently elevated aviation fuel prices severely undermined the profitability of the aviation industry. The International Air Transport Association (IATA) significantly revised downwards the profit forecasts for global airlines.

Against a challenging external environment, China's economy sustained an overall stable development trend towards innovation and high quality, demonstrating strong resilience and vitality. China's civil aviation industry overcame adverse market headwinds and delivered overall safe and sound operational performance. In the first half of the year, the industry completed a total traffic volume of 83,370 million tonne-kilometres, served 380 million passengers, and realized a cargo and mail transportation volume of 5.073 million tonnes, representing a year-on-year increase of 6.4%, 1%, and 6% respectively.

Review of Operations

In the first half of 2026, the Group consistently adhered to the philosophy of safe development, further advanced the strategy of "Three Flights", firmly adhered to the guidelines of "flying farther, flying internationally and flying to emerging markets", continuously optimized its route network layout, and steadily strengthened its market position in core hub markets, thereby maintaining sound development fundamentals. Faced with severe challenges arising from the volatile situation in the Middle East, the Group promptly established a dedicated task force to address high fuel prices. Acting adaptively to prevailing circumstances, the Group adjusted and optimized flight operations, implemented refined revenue management, increased the utilization of fuel-efficient aircraft, executed comprehensive cost and expense reduction measures, and revitalized existing assets. Through a series of pragmatic initiatives above, the Group effectively safeguarded the stability of its development fundamentals. In the first half of the year, the Group completed a total traffic volume of 14,259 million tonne-kilometres, served 72.7629 million passengers, and realized a cargo and mail transportation volume of 0.5750 million tonnes, representing a year-on-year increase of 5.57%, a year-on-year decrease of 0.55%, and a year-on-year increase of 8.35% respectively. In the first half of the year, the Group realized a revenue of RMB74,234 million, representing a year-on-year increase of 11.09%.



➔ Overall Stability in Safe Operation

The Group has always firmly upheld the bottom line of safe development. In the first half of the year, the Group advanced the development of its safety system, improved the risk prevention and control mechanisms, strengthened the development of the safety workforce and conducted safety culture promotion and implementation, thereby precisely preventing and mitigating various safety risks and ensuring overall stable and safe operations.

Advancing the development of the safety system. The Company implemented the “Ten Stringent Measures” for Work Safety of State-owned Assets Supervision and Administration Commission of the State Council, formulated 28 specific measures and fully strengthened work safety accountability across all levels. It advanced the three-year action plan for tackling root causes and making fundamental improvements in work safety, and promoted the implementation of 20 long-term tasks and 5 closing-phase tasks under the plan. The Company also carried out initiatives to enhance the effectiveness of safety performance management, and established targeted and measurable quality control standards. For standardized governance, the Company established its internal standard management committee and updated the Safety Operation Management Manual for Domestic Civil Aircraft (《國產民機安全運營管理手冊》).

Improving the risk prevention and control mechanisms. The Company extended the dual prevention work mechanism to frontline operational levels. It regularized the advancement of special initiatives including cross-departmental interface management, change in risk management, and enhancement of frontline teams’ capability in hazard identification and remediation. Targeted inspections and supervision over terminal management and special rectification campaigns for apron operation safety were conducted, whilst coordinated remediation of risks and hazards was progressed across areas including aviation security, ground operations, catering safety, cyber and information security.

Strengthening the development of the safety workforce. The Company refined the measures for developing a safety workforce featuring “strong political competence, high business proficiency, excellent work style and strict discipline”. It promulgated an implementation plan for the development of a flight training system and advanced its implementation, improved the full-lifecycle pilot competency management system, and implemented integrated management of “training, management, support and cultivation” for flight trainees.

Conducting safety culture promotion and implementation. The Company thoroughly carried out a series of activities under the “Safety Culture Year” campaign, completed the construction of the Company’s safety education center and put it into operation, and fully incorporated the promotion and implementation of safety culture, as well as the cultivation of safety awareness, into its annual safety education and training system.

➔ Resilient Production and Operations

In the face of a complex operating environment, the Group has remained committed to optimizing its route network, strengthening hub capabilities, increasing revenue, expanding revenue streams, building an ecosystem, and reinforcing synergy. It proactively addressed challenges arising from elevated fuel prices, and delivered stable production and operating performance with sustained quality improvement.

Optimizing route network layout and expanding market footprint. The Group implemented the “Three Flights” strategy. Regarding international routes, the Group launched 14 new routes, resumed 4 routes, and increased flight frequencies on 5 routes primarily for intercontinental routes from Shanghai Pudong to Geneva, Venice, Barcelona, Frankfurt and other core destinations, further consolidating its advantages in international route network. Regarding domestic routes, the Group launched 41 new routes, increased flight frequencies in key regions including Xinjiang and Northeast China, and expanded the domestic “Air Express” routes to 47, continuously enhancing route network accessibility and coverage of key markets.

Deepening hub development to increase market share. The Group strengthened its transit support capabilities at hubs, pioneered inter-airline transit, and enhanced the seamless transit experience. In the first half of the year, the Group handled 5.953 million transit passengers at Shanghai Pudong International Airport, representing a year-on-year increase of 9.4%, of which international transit passengers amounted to 5.313 million, representing a year-on-year increase of 10.8%. Market share at hubs including Beijing Daxing, Xi’an and Kunming recorded continuous growth, further consolidating its hub advantages.

Expanding sales and distribution channels and strengthening revenue management. The Group enhanced the development of direct sales channels, achieving a 0.82 percentage point year-on-year reduction in domestic agency commission rate. It strengthened cooperation among airlines, with revenue from reciprocal ticket sales increasing by 34% year-on-year. It precisely identified and addressed customer needs and launched customized products, including the Reunion Card (團圓卡) and a dedicated section for elderly passengers (長者專區). The Group also optimized cabin class configuration and lifted the proportion of mid-to-premium cabin capacity, in response to high-end travel demand. In the first half of the year, the Group’s revenue per available seat kilometre, excluding fuel surcharges, increased by 4.24% year-on-year, of which the number of passengers travelling in first and business class increased by 6.2% year-on-year, and revenue from first and business class increased by 18.8% year-on-year.



Deepening cross-industry collaboration and jointly developing an industrial ecosystem. Focusing on the “aviation + culture, tourism, business, sports and exhibition” model, the Company strengthened its cooperation with partners including Starbucks and Shanghai Jiushi Corporation while engaging in in-depth collaboration with enterprises including VFS Global and Shanghai Media Group to develop distinctive products and services, including visa and audio-visual offerings. Building on its existing well-established cooperative partnerships with the National Museum of China and the Shanghai Museum, the Company further collaborated with Sanxingdui Museum and the Palace Museum to launch new cultural tourism and travel products. The Company also supported the WorldSkills Competition via the launch of themed painted aircraft. It continued to expand multimodal transport services, including Air-rail, Air-bus and Air-water services. In the first half of the year, the Company served more than 2.46 million passengers, representing a year-on-year increase of 21.2%.

Strengthening the integration of passenger and cargo services and fully tapping into bellyhold revenue. Adhering to the strategy of “simultaneous development, linkage, and integration of passenger and cargo services”, the Company precisely captured air cargo market opportunities, and continuously optimized the loading of bellyhold cargo and route resource allocation mechanisms to enhance the operational efficiency of passenger aircraft bellyholds. In the first half of the year, the passenger aircraft bellyhold revenue amounted to RMB3,130 million, representing a year-on-year increase of 21.46%.

➔ **Enhancement and Upgrading of Brand Services**

The Company adheres to its service philosophy of “attentive, precise, refined and meticulous”, and remains committed to optimizing its service system, enhancing service quality, upgrading service offerings and building a strong service brand to meet passengers’ aspirations for a better travel experience. During the first half of the year, both the on-time operational performance of flight operations and customer satisfaction with inflight services, as measured by the cabin service system, improved year on year.

Optimizing the service management system. With the objective of building a world-class airline, 78 benchmarking enhancement initiatives were formulated. The Company strengthened capacity building for the three dedicated professional teams covering customer service, operation and maintenance, and service support, reinforced coordination among the marketing, operations and service systems, and established an efficient closed-loop service support mechanism.

Strengthening service quality control. The Company refined its multi-dimensional service quality evaluation system to enable quantitative performance assessment and precision governance over service quality. It further leveraged digital technologies to enhance service delivery by implementing digital tools, including intelligent service assurance, digital-human customer service and intelligent quality inspection, and enhanced the capabilities in proactive service risk forecasting and efficient handling of complaint work orders, delivering material improvement to service response efficiency and case resolution quality.

Developing featured service products. By accurately addressing the differentiated travel needs of mass-market and premium customer segments, the Company established the service benefit systems of “Oriental Travel (東方暢行)” and “Oriental Premium (東方尊享)”. Complimentary in-flight Wi-Fi was rolled out across all wide-body aircraft flights. The innovative “15-Minute Boarding”¹ (一刻行) service was launched, while deployment of the digital terminals was promoted. The Company optimized its specialized services including in-cabin pet travel, cloud-based meal selection, unaccompanied passenger support, real-time simultaneous language interpretation for online customer service, and door-to-door baggage delivery, thereby offering passengers a more comfortable and convenient travel experience.

➔ **Targeted Measures for Cost Control and Efficiency Enhancement**

The Group has consistently adopted cost leadership as its core competitive strategy. Subject to ensuring adequate investment in safety, the Group has systematically implemented various cost control measures, continuously unlocked cost reduction potential, and persistently consolidated the foundation for its business operations and development.

¹ 15-Minute Boarding: an express boarding service of the Group designed for passengers with no checked baggage, which allows passengers traveling on designated domestic flights of the Group to board the flight provided that they complete check-in and security screening and arrive at the boarding gate 15 minutes before the scheduled departure time.



Reducing core costs across the entire operational chain. Rigorous lean cost control was enforced across all operational segments including flight fuel-saving initiatives, aircraft maintenance and ground support, to achieve targeted cost reductions. Fuel cost savings were achieved via measures including arbitrage-based fuel uplift, pre-fueled flight arrangements, and rational adjustment and reduction of low-revenue routes. The Company deepened the three-way matching of “aircraft – crew – route”, driving structural improvement in unit costs through enhanced operational efficiency. The Company optimized aircraft spare parts procurement and support models, improved inventory turnover, and strengthened capacity building for centralized repairs and in-house maintenance, thereby reducing outsourced repair expenditure.

Continuously reducing financing costs. The Group completed registration for a new tranche of debt financing instruments, capitalized on favorable market conditions for bond issuance, and issued 8 tranches of ultra-short-term financing bills, raising total financing proceeds of RMB21.0 billion. It fully leveraged the cost advantage of bill financing, with total bill discounting volume reaching RMB24.5 billion in the first half of the year. It also fully leveraged available national financing support policies to achieve effective reduction in overall financing costs. In the first half of 2026, the Group’s interest expenses decreased by RMB336 million.

Strengthening the cost control philosophy among all employees. The Company organized sharing sessions on exemplary cases of lean cost management. A total of 1,486 rational proposals for cost control were solicited, among which 152 high-quality proposals have been successfully implemented, fostering a stronger organization-wide culture and awareness of cost discipline.

➔ **In-depth Advancement of Reform and Innovation**

The Company has focused on the objective of high-quality development, pursued reforms to break through development bottlenecks and resolve material operational challenges, and made solid progress in key initiatives including reforms in key areas, digital and intelligent transformation, technological innovation and green development, thereby continuously invigorating the Company’s endogenous drivers of development.

Deepening reforms in key areas. The Company implemented the requirements for further deepening the reform of state-owned assets and state-owned enterprises and formulated key reform initiatives in nine priority areas. With a focus on ensuring operational safety and enhancing efficiency, the Company achieved the integrated operation of Eastern Airlines Yunnan. It advanced internal market-oriented reforms in a thorough and penetrating manner, achieving full coverage of second-tier entities and extending such reforms to third-tier business units. It also formulated implementation plans for the reform of the three systems to stimulate operational vitality through market-oriented reforms.

Accelerating the progress of digital and intelligent transformation. Focusing on key business areas including safe operation, marketing, passenger services and business-finance integration, the Company advanced the development of 70 high-value “AI+” application scenarios, and launched 34 mobile applications, driving the rapid adoption of AI applications. The Company also launched a data asset management platform and completed its first data asset transaction. It continued to advance the development of its process system, driving organizational transformation via process re-engineering, thereby consolidating the foundation for its digital and intelligent transformation.

Promoting green and low-carbon transition and development. The Group introduced new-generation fuel-efficient aircraft and phased out old and inefficient aircraft as well as fuel-powered ground vehicles in an orderly manner. It actively participated in the development of the sustainable aviation fuel (SAF) sustainable certification standard system for China’s civil aviation, and promoted the application of sustainable aviation fuel. In the first half of the year, fuel consumption per unit turnover decreased by 5.4% year-on-year, while carbon emissions per unit turnover decreased by 5.1% year-on-year.



➔ Continuous Enhancement of Corporate Governance

The Company has continued to refine the modern corporate system with Chinese characteristics, and thoroughly advanced the modernization of its governance system and governance capabilities, realizing continuous improvement in its capacities for risk control and compliance, corporate legal governance development and market value management.

Enhancing the development of the corporate governance system. The Company dynamically optimized the coordination mechanisms among various governance bodies, and continuously refined the governance structure featuring statutory and transparent powers and responsibilities, coordinated operation, and effective checks and balances. It gave full play to the Board's functions in strategy formulation, decision-making and risk prevention, with emphasis on strengthening the supervisory function and continuously enhancing the governance effectiveness of the Board.

Fortifying risk prevention and control safeguards. The Company improved its internal control and risk management systems, and updated and refined risk monitoring indicators to enable dynamic monitoring and precise early warning of risks in key areas. It established a penetrating intelligent audit platform to conduct audit projects efficiently. It also placed emphasis on prevention and mitigation of all categories of risks including operational and compliance risks, firmly upholding the bottom line for the development.

Deepening the development of a law-compliant enterprise. The Company conducted the promotion and implementation of the new Civil Aviation Law as well as compliance benchmarking, and continuously improved its full-process compliance management system. With a focus on international operations, the Company established a legal compliance risk analysis mechanism for newly launched routes and new operating jurisdictions, and enhanced compliance management in areas including anti-monopoly and overseas employment, to ensure the compliant and sound operation of its overseas business.

Solidifying and optimizing market value management. The Company continuously enhanced the quality of information disclosure, strengthened investor communication through multiple channels, and proactively addressed market concerns. It launched a new round of share repurchase program with a total value ranging from RMB500 million (inclusive) to RMB1 billion (exclusive), and facilitated its controlling shareholder, CEA Holding to complete its RMB1 billion increase in shareholding, effectively stabilizing capital market expectations and bolstering investor confidence.

Financial Overview

Operating Revenue

In the first half of 2026, the Group's revenue amounted to RMB74,234 million, representing an increase of 11.09% from the same period last year. In particular, traffic revenue amounted to RMB71,724 million, representing an increase of 11.39% from the same period last year, and other revenue amounted to RMB2,510 million, representing an increase of 3.21% from the same period last year.

The Group's traffic revenue includes passenger revenue and cargo revenue.

In the first half of 2026, the Group's passenger revenue amounted to RMB68,594 million, representing an increase of 10.97% from the same period last year, and accounted for 95.64% of the Group's traffic revenue. The passenger traffic volume was 137,119.9 million passenger-kilometres, representing an increase of 4.29% from the same period last year.

The passenger revenue of domestic routes amounted to RMB43,843 million, representing an increase of 6.19% from the same period last year, and accounted for 63.92% of the passenger revenue. The passenger traffic volume was 88,307.04 million passenger-kilometres, representing an increase of 0.67% from the same period last year.

The passenger revenue of international routes amounted to RMB22,839 million, representing an increase of 21.81% from the same period last year, and accounted for 33.29% of the passenger revenue. The passenger traffic volume was 46,156.03 million passenger-kilometres, representing an increase of 12.18% from the same period last year.

The passenger revenue of regional routes amounted to RMB1,912 million, representing an increase of 7.60% from the same period last year, and accounted for 2.79% of the passenger revenue. The passenger traffic volume was 2,656.83 million passenger-kilometres, representing an increase of 1.61% from the same period last year.

In the first half of 2026, the Group's cargo revenue amounted to RMB3,130 million, representing an increase of 21.46% from the same period last year, and accounted for 4.36% of the Group's traffic revenue. The cargo and mail traffic volume was 2,183.67 million tonne-kilometres, representing an increase of 13.01% from the same period last year. The increase in the Group's cargo revenue was mainly due to the growth in freight turnover as a result of strong demand for international air cargo during the Reporting Period.





Operating Expenses

In the first half of 2026, the Group's operating expenses were RMB79,657 million, representing an increase of 14.24% from the same period last year. In the first half of 2026, the analysis of the changes in the Group's operating expenses is set out as follows:

In the first half of 2026, the Group's aircraft fuel costs were RMB29,165 million, representing an increase of 36.22% from the same period last year, and was primarily due to the increase in the average price of aircraft fuel by 36.80% from the same period last year, leading to an increase in aircraft fuel costs by RMB7,846 million; and the decrease in volume of refuelling by 0.43% from the same period last year, leading to a decrease in aircraft fuel costs by RMB92 million.

In the first half of 2026, the Group's take-off and landing charges amounted to RMB9,638 million, representing an increase of 0.17% from the same period last year, and was primarily due to the year-on-year increase in the number of international long-haul flight take-offs and landings and the number of passengers.

In the first half of 2026, the Group's depreciation and amortisation amounted to RMB13,990 million, representing an increase of 4.97% from the same period last year, and was primarily due to the increase in the size of its fleet.

In the first half of 2026, the Group's wages, salaries and benefits amounted to RMB15,399 million, representing an increase of 9.84% from the same period last year, and was primarily due to the increase in headcount of our workforce and the natural growth in employee grades and social insurance contributions.

In the first half of 2026, the Group's aircraft maintenance expenses amounted to RMB3,364 million, representing an increase of 2.69% from the same period last year, and was primarily due to the increase in the size of its fleet, and the increase in the aircraft and daily engine maintenance expenses.

In the first half of 2026, the Group's catering supply expenses amounted to RMB2,459 million, representing an increase of 8.14% from the same period last year, and was primarily due to a year-on-year increase in the number of long-haul route passengers to destinations such as Europe and the Americas.

² For details, please refer to the Announcement in relation to the Expropriation of Certain Land Parcels, Properties and Other Assets by the Government published by the Company on the website of the Hong Kong Stock Exchange on 26 September 2025.

³ For details, please refer to the Announcement in relation to Disposal of the Properties by a Subsidiary and Connected Transaction and the Announcement in relation to Disposal of Property Assets by a Subsidiary and Connected Transaction published by the Company on the website of the Hong Kong Stock Exchange on 5 January and 19 January 2026 respectively.

In the first half of 2026, the Group's sales and marketing expenses amounted to RMB2,327 million, representing an increase of 11.23% from the same period last year, and was primarily due to the increase in sales volume of international routes, resulting in a year-on-year increase in commission fee from international agency services.

Other Operating Income and Gains

In the first half of 2026, the Group's other operating income and gains amounted to RMB4,240 million, representing an increase of 25.04% from the same period last year, and was primarily attributable to the expropriation compensation received by the Company as a result of the government expropriation of certain land parcels and properties to facilitate the Phase IV Expansion Project of Shanghai Pudong International Airport², as well as the gains on disposal of assets generated from the disposal of certain properties³, etc.

Finance Income/Costs

In the first half of 2026, the Group's finance income amounted to RMB617 million, representing an increase of 1,404.88% from the same period last year, which was mainly attributable to exchange gains of RMB585 million for the period as a result of the appreciation of Renminbi against U.S. dollars in the first half of the year. Finance costs amounted to RMB1,871 million, representing a decrease of 15.57% from the same period last year, and was primarily due to the Group's ongoing efforts to optimize its debt structure, resulting in a decrease in interest expenses by RMB336 million.

Net Loss

In the first half of 2026, net loss attributable to equity holders of the Company amounted to RMB2,179 million and in the first half of 2025, net loss attributable to equity holders of the Company amounted to RMB1,431 million. The loss per share attributable to equity holders of the Company was RMB0.11.

Liquidity and Capital Structure

As at 30 June 2026, the Group had total assets of RMB299,820 million, representing an increase of 1.98% from 31 December 2025. Its asset-to-liability ratio was 87.01%, representing an increase of 0.99 percentage point from 31 December 2025.

Management's Discussion and Analysis

In particular, the total current assets amounted to RMB26,160 million, which accounted for 8.73% of the total assets and represented an increase of 2.85% from 31 December 2025. Non-current assets amounted to RMB273,660 million, which accounted for 91.27% of the total assets and represented an increase of 1.90% from 31 December 2025.

As at 30 June 2026, the Group had total liabilities of RMB260,887 million, comprising current liabilities of RMB126,010 million which accounted for 48.30% of total liabilities, and non-current liabilities of RMB134,877 million which accounted for 51.70% of total liabilities.

Among the current liabilities, interest-bearing liabilities (short-term bank borrowings, super short-term debentures, long-term bank borrowings due within one year, bonds payable due within one year and lease liabilities due within one year) amounted to RMB66,338 million, representing an increase of 0.80% from 31 December 2025.

Among the non-current liabilities, interest-bearing liabilities (long-term bank borrowings, bonds payable and lease liabilities) amounted to RMB122,655 million, representing an increase of 5.63% from 31 December 2025.

In the first half of 2026, in order to deal with exchange rate fluctuations, the Group actively optimised the currency structure of the Group's liabilities and reduced exchange rate risks. As at 30 June 2026, the breakdown of the Group's interest-bearing obligations by currencies is as follows:

Currency	Unit: RMB million				
	As at 30 June 2026		RMB equivalent		Movement (%)
	Amount	Proportion (%)	As at 31 December 2025	Proportion (%)	
RMB	168,998	89.42	158,899	87.34	6.36
USD	17,246	9.13	20,204	11.11	-14.64
Others	2,749	1.45	2,825	1.55	-2.69
Total	188,993	100	181,928	100	3.88

As at 30 June 2026, the Group's interest-bearing liabilities included long-term and short-term bank borrowings, bonds payable and super short-term debentures equivalent to RMB109,923 million, representing an increase of 8.27% from RMB101,528 million as at 31 December 2025. The breakdown by currencies is as follows:

Currency	Unit: RMB million		
	RMB equivalent		Movement (%)
	As at 30 June 2026	As at 31 December 2025	
RMB	107,293	97,815	9.69
USD	–	984	-100
SGD	2,630	2,729	-3.63
Total	109,923	101,528	8.27

As at 30 June 2026, the lease liabilities included in the Group's interest-bearing liabilities amounted to RMB79,070 million, representing a decrease of 1.65% from RMB80,400 million as at 31 December 2025. The breakdown by currencies is as follows:

Currency	Unit: RMB million		
	RMB equivalent		Movement (%)
	As at 30 June 2026	As at 31 December 2025	
RMB	61,705	61,084	1.02
USD	17,246	19,220	-10.27
HKD	2	2	–
JPY	18	21	-14.29
SGD	–	1	-100
Others	99	72	37.50
Total	79,070	80,400	-1.65

Interest Rate Fluctuation

The interest-bearing liabilities of the Group include short-term interest-bearing liabilities and long-term interest-bearing liabilities, of which the proportion of interest-bearing liabilities with fixed interest rates is 47.13%, and the proportion of interest-bearing liabilities with floating interest rates is 52.87%. The Group's total interest-bearing liabilities as at 30 June 2026 and 31 December 2025 were equivalent to RMB188,993 million and RMB181,928 million (including long-term and short-term bank borrowings, lease liabilities, bonds payable and super short-term debentures), of which short-term interest-bearing liabilities accounted for 35.10% and 36.18%, respectively.



The Group's interest-bearing liabilities were primarily denominated in USD and RMB. As at 30 June 2026 and 31 December 2025, the Group's interest-bearing liabilities denominated in USD accounted for 9.12% and 11.11%, respectively, of total interest-bearing liabilities while the Group's interest-bearing liabilities denominated in RMB accounted for 89.42% and 87.34%, respectively, of total interest-bearing liabilities. Fluctuations in the USD and RMB interest rates have a relatively significant impact on the Group's finance costs. Through interest rate swap contracts, the Group may lock in interest rates to reduce the exposure to fluctuations in floating rate of the USD-denominated debts.

In the first half of 2026, the Group made careful assessments based on the derivatives market conditions and did not enter into any new interest rate swap contract transactions. As at 30 June 2026, the outstanding interest rate swap contracts held by the Group amounted to a notional amount of approximately USD0 million. As at 31 December 2025, the notional amount was approximately USD0 million.

Exchange Rate Fluctuation

As at 30 June 2026, the Group's total interest-bearing liabilities denominated in foreign currencies amounted to RMB19,995 million, of which interest-bearing liabilities denominated in USD accounted for 86.25% of all interest-bearing liabilities denominated in foreign currencies. In the case of significant fluctuations in the USD exchange rate, USD assets and liabilities will generate a larger amount of foreign exchange gains and losses, which will affect the Group's profitability and assets and liabilities. The Group can lock the exchange rate through forward currency contracts to hedge against the impact of fluctuations in the USD exchange rate.

As at 30 June 2026, the Group held outstanding forward currency contracts with a notional amount of approximately USD309 million, all of which will expire within 2026. As at 31 December 2025, such amount was approximately USD438 million.

Fluctuation of Jet Fuel Prices

As one of the largest operating costs of the Group, the fluctuation of jet fuel prices has a significant impact on the efficiency of the Group. The Group can lock in jet fuel costs through crude oil swap contracts, crude oil call options, collar options portfolios, crude oil futures contracts etc., to reduce the adverse impact of jet fuel price fluctuations.

In the first half of 2026, the Group made careful assessments based on the derivatives market conditions and carried out jet fuel hedging transactions. As at 30 June 2026, the Group had no outstanding jet fuel hedging contracts.

Pledges on Assets and Contingent Liabilities

As at 30 June 2026, the value of the Group's assets used to secure certain bank loans was RMB34,519 million, representing an increase of 5.84% from RMB32,613 million as at 31 December 2025.

As at 30 June 2026, the Group had no significant contingent liabilities.

Human Resources

As at 30 June 2026, the Group had a headcount of 88,384, the majority of whom were located in China. The wages of the Group's employees primarily consisted of basic salaries and performance bonuses.

Compliance with the Relevant Laws and Regulations Which May Have a Significant Impact on the Group

As at 30 June 2026, the Board was not aware of any significant matters which may cause impact on the Group or any non-compliance with the laws and regulations which may have a significant impact on the Group.



Management's Discussion and Analysis

Investment in securities

Unit: RMB million

Type of securities	Stock code	Stock abbreviation	Initial investment cost	Source of capital	Carrying amount at the beginning of the period	Profit and loss from changes in fair value in the period	Cumulative fair value changes included in equity	Purchase during the period	Sale during the period	Investment profit and loss for the period	Carrying amount at the end of the period	Accounting item
Share	00696	TravelSky	18.50	Equity acquisition	197.92	-47.70	131.72	-	-	-	150.22	Other equity instrument investments
Share	600000	Pudong Development Bank	122.14	Equity replacement	121.79	-37.49	-	-	-	-	84.30	Held-for-trading financial assets
Share	600221	Hainan Airlines Holding	0.07	Debt-to-equity swap	2.33	-0.57	-	-	-	-	1.76	Held-for-trading financial assets
Total	/	/	140.71	/	322.04	-85.76	131.72	-	-	-	236.28	/

Financial assets measured at fair value

Unit: RMB million

Type of assets	Amount at the beginning of the period	Profit and loss from changes in fair value in the period	Cumulative fair value changes included in equity	Impairment provision for the period	Purchase during the period	Sale/redemption during the period	Other changes	Amount at the end of the period
Interest rate swap contracts	-	-	-	-	-	-	-	-
Foreign exchange swap contracts	-28.31	-34.20	-62.51	-	-	-	-	-62.51
Fuel oil futures contracts	3.75	-3.75	-	-	-	-	-	-
Held-for-trading financial assets	124.12	-38.06	-	-	-	-	-	86.06
Other equity instrument investments	1,543.27	-58.05	151.51	-	-	-	-	1,485.22
Total	1,642.83	-134.06	89.00	-	-	-	-	1,508.77



Analysis on major controlled subsidiaries and affiliates

Name of company	Unit: RMB million					
	Eastern Air Jiangsu	Eastern Air Wuhan	Eastern Air Yunnan	Shanghai Airlines	China United Airlines	CEA Technic
Date of establishment	1993	2002	2010	2010	1984	2014
Registered capital (RMB100 million)	40	67.5	36.62	100	33.2	46.52
Main operations	Air passenger and cargo transportation	Air passenger and cargo transportation	Air passenger and cargo transportation	Air passenger and cargo transportation	Air passenger and cargo transportation	Aviation maintenance and engineering
Share holdings (%)	62.56	60	65	100	100	100
Revenue (RMB million)	5,313	2,462	5,824	7,103	3,709	6,435
Change on YoY (%)	4.71	4.63	7.41	8.00	11.45	4.96
Operating profit during the reporting period (RMB million)	-227.80	-235.42	-323.30	66.11	9.83	74.89
Net profit during the reporting period (RMB million)	-176.33	-195.23	-271.35	38.81	50.11	26.41
Net profit during the previous reporting period (RMB million)	-252	2	-192	103	-28	-72
Total assets (RMB million)	12,183	7,397	12,056	26,617	9,782	16,717
Net assets (RMB million)	-2,502	4,032	2,864	538	2,078	1,485
RPK (million)	10,545	4,501	10,820	13,124	8,920	—
Change on YoY (%)	3.22	-3.70	1.44	3.61	2.32	—
Number of passengers carried (million)	7.07	3.71	6.83	7.26	5.64	—
Change on YoY (%)	1.40	-7.76	-1.42	-5.04	0.70	—
Fleet size (units)	73	38	75	90	60	—



Core Competitiveness

1. Advantages of Located in Prosperously Developed Shanghai and the Yangtze River Delta Area

The Group enjoys relatively strong location advantages, with the headquarters and main operation base located in the super-sized international city — Shanghai. As China's key economic centre and international shipping centre, the Yangtze River Delta, where Shanghai is located, is one of the most economically vibrant regions in China with the highest degree of openness and the strongest innovative capacity as well as the key intersection of the "Belt and Road" and "Yangtze River Economic Belt". The Group holds the largest market share in the Yangtze River Delta and continues to maintain a steady upward trend.

Shanghai has very close economic and trade connection with the Asia-Pacific region, Europe and America. The time it takes to fly from Shanghai to major Asian cities is about 2 to 5 hours, and to Europe and the west coast of North America is about 10 to 12 hours. In 2025, Shanghai served over 135 million air passengers, making it China's largest aviation market. As the primary hub carrier of Shanghai international airlines, the Group holds the largest market share of 43% in Shanghai. By continuously developing and optimising its route network centred on Shanghai as the core hub, the Group has established an efficient transit service system that serves the entire country and connects to the world. Leveraging the strategic partnership between the Shanghai municipal government and CEA Holding, the Company's controlling shareholder, the Group has achieved more favourable strategic synergies in areas such as route network resource allocation and the development of multimodal transport systems, thereby providing critical support for the building of Shanghai as a comprehensive, multi-functional international aviation hub and development of international air transportation in Shanghai.

2. Flight Hub and Network Layout with Unique Advantages

The Group adheres to serving national strategies, with its route network planning and resource allocation deeply integrated into major national initiatives such as the "Belt and Road" initiative, the coordinated development of Beijing-Tianjin-Hebei, the integrated development of the Yangtze River Delta Region, the construction of the Guangdong-Hong Kong-Macao Greater Bay Area, and the construction of the Chengdu-Chongqing Economic Circle, thereby fully leveraging its role as a leading force in the national aviation sector.

The Group has built its route network system around four major hubs: Shanghai, Beijing, Kunming, and Xi'an. Shanghai, the Group's core hub, serves as a composite international gateway hub connected to the world-class Yangtze River Delta urban cluster, and ranks first in China in terms of passenger volume, international transfer efficiency, and the quality of business passengers. Beijing Daxing, the Group's main hub, is a new national gateway hub. As the main airline based there, the Group exclusively enjoys the hub synergy advantages of the "SkyTeam Airline Alliance" at Beijing Daxing. Kunming, the Group's regional hub, serves as a hub radiating to South and Southeast Asia and is a key node on the "Belt and Road" air silk road. Xi'an, the Group's regional hub, possesses irreplaceable geographical advantages as a hub connecting Central Asia and the Middle East along the Silk Road Economic Belt.

The Group's domestic route network covers all provincial capitals and major cities in China. Its "Air Express" product boasts industry-leading coverage and frequency density, providing high-frequency hinterland passenger source for transit hubs. In terms of the international market, the Group operates 207 routes across six continents, covering 88 international destinations in 42 countries, making it the domestic airline covering the most international destinations. It also maintains a strong presence in traditional high-yield international markets such as Japan and South Korea. As a member of the SkyTeam Airline Alliance, the Group's route network reaches 945 destinations in 145 countries and regions worldwide.



3. Green and Efficient Modern Internet Fleet

Adhering to the concept of green development, the Group is committed to building a modern fleet system that is green and efficient, featuring advanced technology and highly adaptable to the aviation network. The Group operated 833 aircraft, including the C919, A350, B787, A320, B737 series. It is phasing out older aircraft models in an orderly manner, steadily introducing a new generation of high-performance aircraft, and continuously optimising the alignment between its fleet and route network. As the world's largest operator of the domestically manufactured C919 civil aircraft, the Group strengthens its brand recognition. Through safe, comfortable, and efficient operations and service quality, it continues to be the top choice for domestic and international passengers, with metrics such as daily utilisation and passenger load factor for the C919 fleet steadily improving. In the in-flight internet field, the Group has established its unique competitive advantage by leveraging on the triple features of "technology + scale + ecology". By the first half of 2026, all wide-body aircraft of the Group achieved full coverage of free Wi-Fi on domestic flights. The Group ranks "No. 1 in China and leading in Asia" in terms of fleet size, flight volume and number of users of its interconnected fleet, and is accelerating the planning and implementation of in-flight connectivity projects for its entire fleet.

4. A Brand with Strong Oriental Characteristics and High-quality Services

Closely aligned with its strategic goal of becoming a "World-Class" airline, the Group continues to integrate leading elements of information technology, lifestyle, and quality standards into its services. It strives to create safe, comfortable, and unique high-quality travel experiences for global passengers, while focusing on shaping its core brand value of "World-class Standards with Oriental Charm".

The Group continuously optimises internal control processes, strengthens complex weather alerts, and deepens air-ground coordination, resulting in a flight on-time rate exceeding the industry average. It has launched an AI travel assistant for one-click planning, developed a lost-and-found system, and upgraded through-check-in and multimodal transport services to enhance the convenience of travel experience through digitalisation. By focusing on special scenarios such as passengers with autism, unaccompanied children, the elderly, and those travelling with pets, the Group ensures that special care becomes a vivid embodiment of its warm service. The Group has established a privacy protection system covering the entire data lifecycle, strictly safeguarding the security of passenger information. It has optimised complaint handling and satisfaction evaluation rules, and continuously improved service assurance mechanisms, driving steady improvements in core service metrics. It has created distinctive in-flight dining IPs such as "MU Noodles (東航那碗麵)" and "MU Tea (東航那杯茶)", and collaborated with museums and Disney to launch themed painted aircraft, conveying the charm of oriental culture through immersive experiences.

For many consecutive years, the Group has been honoured with numerous accolades, including "BrandZ Top 100 Most Valuable Chinese Brands" of the global brand communication group WPP and "Top 50 Most Valuable Global Airline Brands" of Brand Finance. It has also received numerous international and domestic awards in areas such as operation quality and service experience.



5. High Quality Customer Cluster and Outstanding Partners

Taking the frequent flyer club “Eastern Miles” as its core customer platform, the Group focuses on high-quality customer operation and value creation, and is committed to building an aviation ecosystem for all scenarios. The Group has innovated a “revenue-based” membership system and membership rating model. With “innovation + branding” at its core, it has established a “six-in-one” membership marketing matrix to continuously enhance membership operational efficiency and precision service capabilities. The loyalty, spending contribution and asset value of high-value business and high-frequency travel customer cluster have continued to increase. As at 30 June 2026, the number of the Group’s “Eastern Miles” members had exceeded 80 million.

The Group actively promotes cooperation with internal and external partners of SkyTeam Airline Alliance, and has established a more stable and close comprehensive strategic cooperation relationship with Delta and AFK in the European and American markets through capital and business collaboration. Through carrying out strategic cooperation with Juneyao Airlines, the competitiveness of the Group’s Shanghai main base has been further enhanced. The Group has entered into a bilateral frequent flyer partnership with Etihad Airways, enabling the exchange of points in the membership systems of both parties.

The Group has actively expanded the brand cooperation with world-renowned enterprises in the upstream and downstream of the aviation industry chain, and expedited digital-intelligent transformation, building a multi-dimensional, ecosystem-based, and mutually beneficial cooperation network. The Group collaborated with the artificial intelligence platform Qwen (阿里千问) to launch a full-process AI flight ticketing service. In collaboration with China State Railway Group Co., Ltd., the Group realised one-stop booking of “air ticket + train ticket”. By deepening the cross-industry synergy of “aviation + culture, tourism, business, sports and exhibition”, the Group carried out cross-sector collaboration with the National Museum of China, the Shanghai Museum, the Sanxingdui Museum, the Palace Museum and Disney, among others, achieving a comprehensive upgrade spanning from products to IP and from transportation to cultural dissemination. Through in-depth cooperation with Shanghai Jiushi Corporation, the Group established an integrated model of “aviation + sports events + culture and tourism”, thereby forming a complete closed loop of consumption.

Risk Analysis

1. Risk Related to Economic and Trade Environment, Geopolitical Situation and Public Health Affairs

The aviation industry is closely connected to the economic and trade environment. The civil aviation industry is more sensitive to macro-economic climate, which directly affects the development of economic activities, disposable income of residents and changes in the amount of import and export activities. These factors will in turn affect the demand for air transportation. Meanwhile, international economic and trade relations, geopolitical conflicts or wars will have a relatively significant impact on the demand of aviation market in such location and its surrounding areas and on the bilateral air traffic rights and time slot resources allocation. In addition, above-mentioned risks may drive large fluctuations in the prices of jet fuel and other commodities, thereby affecting the global economic activities and causing greater impacts on the Group’s operating results and financial condition. Public health emergencies may have a great impact on the demand for air travel and normal operation of the Group.

The Group pays close attention to the impacts caused by changes in the domestic and overseas macro-economic situation, international economic and trade relations, the geopolitical situation, public health emergencies and related policies, and maintains effective communication with civil aviation regulatory bodies both domestically and internationally and flexibly adjusts its transportation capacity deployment and market sales, so as to actively respond to such impacts.

2. Policy and Regulation Risk

Airlines have business operations around the world. Hence, the aviation industry is largely affected by domestic and overseas economic policies and laws and regulations. The adjustments of and changes in relevant domestic and foreign laws and regulations, industrial policies, and regulatory policies may bring certain uncertainties to the future business development and operating results of the Company. At the same time, as the Company is a public company listed in Shanghai and Hong Kong, the changes in the securities regulatory laws and regulations of the places of listing may have impact on and bring uncertainties to the shareholder structure as well as liquidity, price and continuity of the shares of the Company.

With respect to industrial policies and regulations, the Group has played an active role in relevant discussions concerning their formulation and revision, and promptly analysed and considered their latest changes and impact on the Group, so as to seize the development opportunities arising from such updates and prudently respond to the risks, challenges and uncertainties arising from the changes in policies and regulations.





3. Operational Safety Risk

Flight safety is the pre-condition and foundation for aviation companies to maintain normal operations and good reputation. Bad weather, mechanical failure, human errors, aircraft defects, domestic and international terrorism and other force majeure events may have an adverse impact on the flight safety, aviation security and operational safety of the Group.

The Group solidly promoted the construction of safe work practices, strictly executed rules, regulations and operating standards, implemented the accountability system for safe operation, strengthened the investigation and management of security risks, enhanced its safety and risk prevention and control system, and strengthened safety management and control capabilities, so as to actively respond to operational safety risk.

4. Core Resources Risk

The rapid growth of the industry may place air transportation enterprises under the risk of insufficient reserves in air traffic rights and time slot resources at important domestic and overseas destinations, as well as core resources such as management personnel in key positions and professional technical personnel, which may constrain the efforts of the Group to achieve its projected development goals or have a material adverse impact on the production and operations of the Group.

The Group reserves slot resources in core markets by proactively engaging with regulators and participating in the market-based competition for time slot resources. The Group has proactively developed a core backup workforce through promoting the building of corporate culture of "Love at CEA", improving its incentive scheme for core technical staff, providing training programmes for a pool of multi-tier backup management personnel and launching a core technical staff recruitment scheme.

5. Competition Risk

Along with the opening-up of the domestic aviation market, development of low-cost airlines and increased investment in transportation capacity for the Chinese market by international airlines, future competition in the domestic and overseas aviation industry may intensify, which may bring uncertainties to the Group's air traffic rights and time slot resources, ticket price level and market share, and therefore have an impact on the Group's operating results. In addition, there is a certain level of substitutability between railway, highway and ship transportation and air transportation in certain markets. Certain routes of the Group may experience higher competitive pressure.

The Group has actively responded to industry competition, proactively strived for new air traffic rights and time slot resources in hub markets and core markets, continuously refined its route network, and steadily improved and consolidated its market share in the hubs and core markets. In response to the relevant national policies on rectifying involution competition, the Group further strengthened its competitiveness through innovating its service products and improving service quality to enhance passenger experience.

6. Risks Associated with the Fluctuation of Jet Fuel Prices, Exchange Rates, and Interest Rates

Jet fuel cost is one of the major expenses of the airlines. Significant fluctuations of international oil prices will significantly impact jet fuel costs and the revenue from fuel surcharge, and accordingly the Group's results.

The majority of the Group's liabilities are attributable to USD-denominated liabilities and RMB-denominated liabilities generated from introduction of aircraft, engines and aviation equipment, etc. Fluctuations in the exchange rate of USD against RMB will give rise to foreign exchange gains and losses. The adjustment in interest rates of USD and RMB will cause changes in the borrowing costs of the Group's loans that carry floating interest rates, as well as future financing costs, which in turn may affect the Group's finance expenses.

As at 30 June 2026, the impacts of changes in jet fuel prices, exchange rates, and interest rates on the Group are as follows:

Sensitivity analysis on the changes in jet fuel prices, exchange rates, and interest rates				
	Effect on total profit		Effect on other comprehensive income	
	Increase	Decrease	Increase	Decrease
Increase or decrease by 1% in average jet fuel prices	-292	292	-	-
Increase or decrease by 25 basis points in floating interest rates	-250	250	-	-
Appreciation or depreciation by 1% of USD against RMB	-153	153	1	-1

Unit: RMB million

In terms of the risk associated with the fluctuation of jet fuel prices, the Group has implemented lean management to save fuel through measures such as fleet renewal, route optimisation, single-engine taxiing and fuselage weight reduction, and has optimised its transportation capacity deployment, strengthened marketing and increased passenger load factor and unit yield level, so as to respond to the pressure of rising jet fuel prices. The Group has also proactively analysed the trend of oil prices, and prudently conducted jet fuel hedging activities. Exposure to jet fuel price fluctuations may be partially offset for the airlines by the implementation of fuel surcharge mechanism in China's civil aviation industry.

In terms of the exchange rate fluctuation risk, the Group pays close attention to the exchange rate market and further optimises the mix of currency denomination of the debts by means of issuing super short-term debentures and corporate bonds and acquiring RMB borrowings, so as to reduce exchange rate volatility risks. Against the backdrop of the Group's promotion of international business, the Group will adopt various measures, such as local income and expenditure currency matching in the overseas market, to minimise the impact arising from exchange rate fluctuations.

In terms of the interest rate fluctuation risk, the Group will enter into derivative transactions to further optimise the Group's proportion of floating-rate debts to the USD-denominated debts in the future. At the same time, the Group will seize the opportunity to issue super short-term debentures and corporate bonds to strive to minimise RMB financing costs.

7. Data and Information Security Risk

The development of various businesses during the Group's operation is closely related to the information network system. If there is any design defect, operational failure in the information network system of the Group or inadequate training and education on compliance and lack of security awareness on the part of internal staff, or if the system experiences external network attacks, or if there is a failure in the information network system, the Group's business and operations may be affected, and customer data and information of the Group may be leaked. The occurrence of any of the foregoing may have an adverse impact on the operating results and brand image of the Group.

The Group has continuously promoted the construction of information and network security projects, iteratively modified rules and regulations such as the "Network Security Management Manual", established a sound information and network security-related technical protection and security management mechanism, and strengthened information network security management capabilities. The Group has appointed a "data protection officer" and established a customer data system based on identification information such as ID cards, so as to improve data and information security protection capabilities.

8. Development and Transformation Risk

During the process of expanding into new international markets, conducting external investments, mergers and acquisitions and restructuring existing businesses and assets, the Group may face risks associated with decision-making, management, law, regulation and interference of competitors, which may affect the results of the development strategies of the Group. There remain certain risks that some transformation projects or business adjustments may fail to achieve their expected objectives in the future.

The Group has made continuous improvements to the monitoring and management of the whole process of external investment, and will enhance the research of projects, strictly monitor various investment activities and refine its risk management mechanism through due diligence and asset valuation during its expansion into new international markets, commencement of external investments, mergers and acquisitions and restructuring of existing businesses and assets.

9. Supply Chain Risk

The operation of air transportation enterprises requires essential facilities and equipment including aircraft, engines and aviation equipment, as well as systems that meet the qualifications for flight, maintenance and operation and core technologies for their normal operations. If there is any abnormality in the operation of the Group's suppliers for essential facilities and equipment and core technologies in the supply chain, or under special circumstances, the suppliers are unable to provide essential facilities and equipment and core technological services support required for the Group's operations normally, the Group's normal operations may be adversely affected.



The Group regularly assesses the contractual performance capacity of suppliers of essential facilities and equipment and core technological services that are closely related to its supply chain of business and operations. The Group has also continuously paid close attention to the changes in the price, the policies and regulations and the substitution of domestically produced products for the introduction of essential facilities and equipment and core technological services, and proactively responds to the risks related to the suppliers of essential facilities and equipment and core technological services in respect of the supply chain.

10. Securities Market Fluctuation Risks

The share price of a listed company is dependent not only on the Company's current results and projection for future operations, but also on factors including laws and requirements of the place of listing, policy environment, macro-economics, flow of market capital and investor structure and sentiment, etc. The Company's share price may be subject to significant changes due to the aforementioned factors, which may directly or indirectly result in loss to the investors.

The Company has continuously enhanced its corporate governance standards, earnestly fulfilled its obligations of information disclosure, constantly improved its operational management capability and striven for outstanding operating results. The Company has studied and formulated the Market Value Management System to monitor the Company's share price, public sentiment, and capital market trends on a daily basis, strengthened the communication with capital markets and investors, and, based on the actual situation, comprehensively implemented measures such as share repurchases and increase in shareholding by substantial shareholders to manage the market value, guide the capital market to reasonably reflect the Company's valuation, and protect the legitimate rights and interests of the Company, investors, and other stakeholders.

11. Risk Associated with the Changes in Environmental Policy

The increasing importance attached to environmental policies including carbon emissions and noise control globally and changes in consumption behaviour caused by

passengers' low carbon travel may impose restrictions on airline operations. In order to meet the changing regulatory requirements of environmental policies, airlines may increase their investment in issues related to saving energy and reducing emissions and noise control, which in turn increases operating costs.

The Group adheres to the basic concept of sustainable development while strictly abiding by relevant policies and regulations on environmental protection. It implements refined management and control of jet fuel saving through the introduction of advanced fuel-saving and noise-reducing models, and promotes the use of ground facilities and equipment to replace auxiliary power units and the "diesel-to-electric" transformation plan of ground vehicles, while actively conducting works related to saving energy and reducing emissions as well as noise control through continuously promoting energy-saving and environmental protection technologies. The Group abides by international and domestic carbon emission regulatory requirements by participating in EU carbon emission trading mechanism and Shanghai local pilot carbon trading mechanism, with an aim to fulfil carbon emission obligations through market-oriented mechanisms, and explore ways to improve carbon emission management capabilities. In addition, the Group continues to study the application of sustainable aviation fuel and explores the carbon emission reduction model of the aviation industry, with an aim to continuously improve the level of ecological environment governance and green and low-carbon development.

12. Other Force Majeure and Unforeseeable Risks

The aviation industry is highly sensitive to external factors. Apart from above-mentioned risks, natural disasters and the restrictive policies imposed by relevant countries on air traffic or personnel movement may also affect market demand and the normal operation of airlines. Flight suspension, decrease in passenger volume and income, as well as increase in safety and insurance costs may adversely affect the business and operations of the Group.

The Group has strengthened risk management and control and actively responded to unexpected risks to minimise the relevant losses and protect the interests of the shareholders of the Company.



Outlook for the Second Half of 2026

In the second half of 2026, the Group will remain steadfast and unwavering in pursuing its annual operating plan, maintain strategic focus, maintain strong confidence in development, and concentrate on the following key tasks:

✈️ **Resolutely strengthening the safety bottom line and consolidating the foundation for high-quality development**

Adhering to the principles of “a rigorous approach, meticulous measures, a pragmatic style, and unwavering resilience” in safety management, we endeavor to ensure “Two Absolute Safeties” through concrete actions. **Enhance the awareness of safety responsibilities.** We will promote all units at all levels to consistently conduct reviews against the “seven reflections” on safety, strengthen safety accountability at every level, implement targeted measures, establish a closed-loop mechanism, and achieve tangible results. **Steadily advance key tasks.** We will fully implement the “Ten Stringent Measures” for Work Safety of State-owned Assets Supervision and Administration Commission of the State Council (SASAC), and strictly ensure that the 28 detailed measures are fully implemented and deliver tangible results. We will continue to advance the three-year action plan for tackling root causes and making fundamental improvements in work safety, and consolidate the achievements of work safety rectification. **Deepen the development of the safety system.** We will intensively promote the three-year action plan for the development of four major systems, namely, safety management system, training system, operational control system and aircraft maintenance system, and effectively enhance safety governance efficiency through integrated system-building. **Further strengthen the safety workforce.** We will continue to build a safety workforce with “strong political competence, high business proficiency, excellent work style and strict discipline”, and strengthen the close linkage between appraisal results on safety-related work and the performance of management personnel. **Strengthen safety culture development.** We will implement the Administrative Measures for the Development of Civil Aviation Safety Culture 《民航安全文化建設管理辦法》, continue to carry out the “Safety Culture Year” activities, conduct regular warning education, and foster a positive safety culture atmosphere.

✈️ **Making every effort to enhance efficiency and profitability, and improving operational performance and value creation**

We will place equal emphasis on revenue growth and cost control to steadily enhance operational performance. **Strengthen the aviation hub and route network construction.** Adhering to the “Three Flights” strategy of “flying farther, flying internationally and flying to emerging markets”, we will build an international air transfer corridor centered on Shanghai and increase flight frequencies on international routes departing from Shanghai Pudong. We will also increase resource input in the “Four Poles and Two Zones”, consolidate market footprint in Xinjiang, Northeast China and other regions, and strengthen coordinated operation across regional markets. **Strengthen channel and revenue management.** We will continue to promote “increasing direct sales and reducing agency sales”, expand overseas sales channels, and promote reciprocal ticket sales among airlines. We will closely monitor market characteristics to enhance sales of first and business class products and revenue from transit passengers. **Fully unlock cost reduction and efficiency improvement potential.** We will roll out dedicated cost control measures, closely monitor jet fuel price volatility, and identify cost saving opportunities across all operational links including fuel consumption, aircraft maintenance, take-off and landing services, and operational turnaround cycles, and strictly control various expenses.



✈ **Continuing to improve service quality and enhance awareness of the China Eastern Airlines brand**

Adhering to the “Four Fines” service philosophy of offering “attentive, precise, refined and meticulous” services, we will focus on upgrading passenger experience to build a world-class service brand. **Refine standards and strengthen process control.** We will optimize and improve the Cabin Service Manual 《服務手冊》, and promote the effective implementation of benchmarking measures. We will strengthen the analysis and research of service data to enhance the response speed to passenger demands. **Innovate products and enhance value creation.** We will optimize distinctive service offerings such as “In-cabin Pet Travel”, Unaccompanied Minor (UM) services, and in-flight IP offerings, continuously expanding ancillary revenue channels. **Upgrade the experience and polish the brand image.** We will release the Brand Guidelines of China Eastern Airlines 《東航服務品牌識別手冊》, upgrade and optimize first-and business-class and transit services, drive full rollout of the “Oriental Premium (東方尊享)” membership program, enrich the content and value proposition of the “Oriental Travel (東方暢行)” service brand, and continuously enhance brand reputation and market competitiveness.

✈ **Enhancing corporate governance effectiveness and elevating modernised management standards**

We will continuously improve the modern enterprise system with Chinese characteristics to safeguard the high-quality development of the Company through high-level governance. **Optimize governance mechanisms.** We will dynamically clarify the boundaries of rights and responsibilities among various governance bodies and continuously optimize the coordinated operation framework. **Fortify the compliance baseline.** We will strengthen compliance management, rigorously conduct legality and compliance reviews for major decisions, intensify research on country-specific laws and policies as well as rules of international law, and enhance the localized legal and compliance capabilities of our overseas branches. **Strengthen risk management and control.** We will refine internal control evaluation standards, optimize the whole-chain audit and supervision mechanism, and conduct special-purpose audit and supervision focusing on key areas such as flight training and business outsourcing.

✈ **Accelerating reform and innovation to unleash new drivers of development**

We will place reform and innovation at an elevated strategic priority, using reform to break new ground and innovation to empower development. **Continuously strengthen strategic guidance.** We will, by closely aligning with the requirements and arrangements of the “15th Five-Year Plan” and the policy direction of the civil aviation industry, establish the Company’s strategic objectives and key tasks for the “15th Five-Year Plan” period on a scientific basis. **Expedite digital-intelligent transformation.** We are aiming to complete the development and deployment of 49 role-based AI assistants, and continuously increase the penetration rate of AI applications. **Advance scientific and technological innovation in a solid manner.** We will formulate the Company’s special action plan for scientific and technological innovation for the “15th Five-Year Plan” period, further strengthening the top-level design for technological innovation. We will continuously advance the construction of the C919-800 Joint Innovation Centre (C919-800聯創中心), thereby enabling the mutual reinforcement of the development and operation of domestically manufactured civil aircraft. **Accelerate green and low-carbon transformation.** We will scale up the application of sustainable aviation fuel and continuously advance initiatives such as the auxiliary power unit (APU) substitution and the use of new energy special-purpose vehicles. **Tackle critical challenges in key reforms.** We will formulate a new round of reform plan for state-owned assets and state-owned enterprises to promote industrial layout optimization and structural adjustment. We will deepen reform of internal market-oriented mechanisms to enhance value creation momentum. We will implement reform in labour system, personnel system and distribution system to invigorate organizational vitality.



Fleet Plan

Introduction and Retirement Plan of Aircraft for the Second Half of 2026 and Beyond

Model	Second Half of 2026		2027		2028		(Units)
	Introduction	Retirement	Introduction	Retirement	Introduction	Retirement	
C919	3	0	6	0	10	0	
C909	3	0	0	0	0	0	
Total number of COMAC aircraft	6	0	6	0	10	0	
A350-900	0	0	0	0	0	0	
A320 Series	19	14	16	14	22	5	
Total number of Airbus aircraft	19	14	16	14	22	5	
B787 Series	1	0	2	0	5	0	
B737 Series	4	8	25	9	6	14	
Total number of Boeing aircraft	5	8	27	9	11	14	
Total number of aircraft	30	22	49	23	43	19	

Note:
The Group does not rule out that the aircraft introduction and retirement plans will be optimised and adjusted in a timely manner based on changes in the external environment and market conditions and the capacity planning of the Group and an announcement will be made in accordance with the Listing Rules.



Significant Events

- As at 30 June 2026 and the publication date of this report, the shareholding structure of the Company is set out as follows:

	Total number of shares	Approximate percentage in shareholding (%)
I A shares	17,024,964,893	77.08
1. Listed shares with trading moratorium	0	0
2. Listed shares without trading moratorium	17,024,964,893	77.08
II H shares	5,062,771,777	22.92
1. Listed shares with trading moratorium	0	0
2. Listed shares without trading moratorium	5,062,771,777	22.92
III Total number of shares	22,087,736,670	100.00

- Total Number of Shareholders**

As at 30 June 2026, the total number of registered shareholders of the Company was 178,245.

- Substantial Shareholders**

So far as the Directors are aware, as at 30 June 2026, the following persons (other than the Directors and the Chief Executive Officer of the Company) had interests or short positions in the shares and/or underlying shares of the Company which were required to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO, or as otherwise notified to the Company and the Hong Kong Stock Exchange:

Name of substantial shareholder	Class of shares	Number of shares held	Capacity	Percentage in the relevant class of issued shares	Percentage in total issued shares
CEA Holding	A shares	9,088,242,173(L) ^{Note 2}	Beneficial owner	53.38%(L)	41.15%(L)
		457,317,073(L) ^{Note 2}	Interests of controlled corporation	2.69%(L)	2.07%(L)
CES Global	H shares	2,778,396,000(L) ^{Note 3}	Interests of controlled corporation	54.88%(L)	12.58%(L)
		2,778,396,000(L) ^{Note 3}	Beneficial owner	54.88%(L)	12.58%(L)
Juneyao Group	H shares	556,705,777(L) ^{Note 5}	Interests of controlled corporation	11.00%(L)	2.52%(L)
Juneyao Airlines	A shares	808,441,233(L) ^{Note 4}	Beneficial owner	4.75%(L)	3.66%(L)
	H shares	2,000,000(L) ^{Note 5}	Beneficial owner	0.04%(L)	0.01%(L)
		554,705,777(L) ^{Note 5}	Interests of controlled corporation	10.96%(L)	2.51%(L)
Juneyao Hong Kong	H shares	554,705,777(L) ^{Note 5}	Beneficial owner	10.96%(L)	2.51%(L)
Wang Junjin	A shares	808,441,233(L) ^{Note 4}	Interests of controlled corporation	4.75%(L)	3.66%(L)
	H shares	556,705,777(L) ^{Note 5}	Interests of controlled corporation	11.00%(L)	2.52%(L)
Wang Han	A shares	808,441,233(L) ^{Note 4}	Interests of controlled corporation	4.75%(L)	3.66%(L)
	H shares	556,705,777(L) ^{Note 5}	Interests of controlled corporation	11.00%(L)	2.52%(L)
Ye Jinqi	A shares	808,441,233(L) ^{Note 4}	Interests of spouse	4.75%(L)	3.66%(L)
	H shares	556,705,777(L) ^{Note 5}	Interests of spouse	11.00%(L)	2.52%(L)



Management's Discussion and Analysis

Notes:

1. The letter (L) denotes a long position. The data disclosed above is mainly based on the information provided on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) and by China Securities Depository and Clearing Corporation Limited.
2. 9,088,242,173 A shares were held directly by CEA Holding; and 457,317,073 A shares were held directly by CES Industrial Finance, which in turn was entirely held by CEA Holding. Therefore, CEA Holding is deemed to be interested in the 457,317,073 A shares held directly by CES Industrial Finance.
3. CES Global directly held 2,778,396,000 H shares in the capacity of beneficial owner through HKSCC, and CEA Holding indirectly owned the entire interests of CES Global through CES Industrial Finance. Therefore, CEA Holding is deemed to be interested in the 2,778,396,000 H shares held directly by CES Global.

As at 30 June 2026, CES Global had pledged 2,370,000,000 H shares. For details, please refer to the announcement of the Company published on the website of the Hong Kong Stock Exchange on 18 July 2023.

4. Based on the information provided by China Securities Depository and Clearing Corporation Limited, 808,441,233 A shares were held directly by Juneyao Airlines. Mr. Wang Han and Mr. Wang Junjin were interested in 71.90% of shares of Juneyao Group; and Juneyao Group is the controlling shareholder of Juneyao Airlines. Ms. Ye Jinqi is the spouse of Mr. Wang Junjin. Therefore, Juneyao Group is deemed to be interested in 808,441,233 A shares held by Juneyao Airlines; each of Mr. Wang Han and Mr. Wang Junjin is deemed to be interested in 808,441,233 A shares held directly by Juneyao Airlines; and Ms. Ye Jinqi is deemed to be interested in 808,441,233 A shares held indirectly by Mr. Wang Junjin.
5. Juneyao Airlines directly held 2,000,000 H shares; and Juneyao Hong Kong directly held 554,705,777 H shares in the capacity of beneficial owner through HKSCC. Mr. Wang Han and Mr. Wang Junjin were interested in 71.90% of shares of Juneyao Group; Juneyao Group is the controlling shareholder of Juneyao Airlines; and Juneyao Airlines owned the entire equity interests of Juneyao Hong Kong. Ms. Ye Jinqi is the spouse of Mr. Wang Junjin. Therefore, Juneyao Group, Mr. Wang Han and Mr. Wang Junjin are deemed to be interested in 2,000,000 H shares and 554,705,777 H shares held directly by Juneyao Airlines and Juneyao Hong Kong; Juneyao Airlines is deemed to be interested in 554,705,777 H shares held directly by Juneyao Hong Kong; and Ms. Ye Jinqi is deemed to be interested in 556,705,777 H shares held indirectly by Mr. Wang Junjin.

Shareholders who are interested in 5% or more of any class of voting shares in the Company are obliged to disclose their interests, and short positions, in voting shares of the Company when (but not limited to) there is any change in the percentage of their respective share interests or the nature of their interests pursuant to the SFO.

4. Shareholdings of Directors and Senior Management

As at 30 June 2026, none of the Directors, chief executive or members of senior management of the Company and their associates had any interest or short position in the shares, underlying shares and/or debentures (as the case may be) of the Company and/or any of its associated corporations (within the meaning of Part XV of the SFO) which was required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the SFO (including any interest or short position which were taken or deemed to have under such provisions of the SFO), or recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code as set out in the Appendix C3 to the Listing Rules.



5. Dividends

The Board does not recommend the payment of a dividend for the half year ended 30 June 2026.

6. Purchase, Sale or Redemption of Securities

Pursuant to the Proposal on the Implementation of the Share Repurchase and Cancellation Plan by the Company that was considered and approved at the 2026 first extraordinary general meeting of the Company held on 29 April 2026, for the six months ended 30 June 2026, the Company repurchased a total of 15,052,100 A shares with a par value of RMB1.00 per share on the Shanghai Stock Exchange at a repurchase price ranging from RMB3.76 to RMB4.02 per A share for a total repurchase price of approximately RMB58,004,658 (excluding transaction fees). All such shares will be canceled in accordance with laws.

Save as disclosed above, during the six months ended 30 June 2026, the Group did not purchase, sell or redeem any of its listed securities ("**securities**", having the meaning ascribed thereto under section 1 of Appendix D2 to the Listing Rules).

7. Material Litigation

During the six months ended 30 June 2026, the Group was not involved in any material litigation, arbitration or claim.

8. Corporate Governance

The Board has reviewed the relevant provisions under the Corporate Governance Code (the "**Code**") as set out in Appendix C1 to the Listing Rules and the corporate governance practices adopted by the Company, and took the view that the Company's corporate governance standards for the six months ended 30 June 2026 met the requirements of the code provisions under the Part 2 of the Code.

To further strengthen the awareness of compliance among the directors (the "**Directors**") and senior management of the Company, and to enhance their understanding and application of the relevant rules, the Company has comprehensively reviewed and implemented written monitoring rules for the operation of listed companies promulgated by regulatory bodies including the China Securities Regulatory Commission, the Shanghai Stock Exchange and the Hong Kong Stock Exchange, as well as the latest development of the relevant laws, rules and regulations regarding the duties and responsibilities of directors and senior management of a listed company, and arranged training and learning sessions.

During the six months ended 30 June 2026, the Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules as the securities transactions code for the Directors. Having made specific enquiries to all the Directors, it is the Company's understanding that the Directors have complied with the requirements as set forth in the Model Code regarding Directors' securities transactions.

9. Audit and Risk Management Committee

The Audit and Risk Management Committee has reviewed the accounting principles and methods adopted by the Group with the management of the Group, and has discussed with the Board the internal controls and financial reporting issues, including a review of the consolidated results for the six months ended 30 June 2026 prepared in accordance with IFRS Accounting Standards.

The Audit and Risk Management Committee has no disagreement on the accounting principles and methods adopted by the Group.



Management's Discussion and Analysis

10. Changes in Personnel

Name	Position(s) held	Change	Reason for Change	Date of Change
Cheng Guowei	Director Chairman and member of the Planning, Development and Digitalization Committee of the Board	Cessation	Work adjustment	30 July 2026

11. Change of Particulars of Directors under Rule 13.51B(1) of the Listing Rules

Name	Name of other entities	Position(s) held	Date of appointment	Date of cessation
Cheng Guowei	CEA Holding	Vice party secretary	November 2024	July 2026
	CEA Holding	Director	January 2025	September 2026
	CEA Maintenance	Chairman of the Board	January 2020	May 2026

12. Provision of Guarantees

Guarantees provided by the Company and its subsidiaries for subsidiaries

Unit: RMB million

Total amount of guarantees provided for subsidiaries at the end of the Reporting Period	–
Total amount of guarantees for subsidiaries outstanding at the end of the Reporting Period	668.63

Total amount of guarantees of the Company (including those provided for subsidiaries)

Total amount of guarantees	668.63
Total amount of guarantees as a percentage of the Company's net assets (%) including:	1.89
Guarantees provided for shareholders, de facto controllers and related parties	–
Amount of debt guarantees provided directly or indirectly for companies with debt ratio of over 70%	668.63
The amount of guarantees in excess of 50% of the net assets	–
Total amount of the above three guarantee items	668.63

As at the date of disclosure of this report, guarantees provided by the Company to SPV companies are as follows:

Serial no.	Established SPV companies	Guaranteed amounts (in USD million)
1	東津天一(天津)飛機租賃有限公司 (Dongjin Tian One (Tianjin) Company Limited*)	35.25
2	東津天五(天津)飛機租賃有限公司 (Dongjin Tian Five (Tianjin) Company Limited*)	8.91
3	東滬天一(上海)飛機租賃有限公司 (Donghu Tian One (Shanghai) Company Limited*)	23.79
4	東滬天六(上海)飛機租賃有限公司 (Donghu Tian Six (Shanghai) Company Limited*)	30.22
Total		98.17

As at the end of the Reporting Period, the actual amount of guarantees provided by the Company to the above SPVs was USD98.17 million, which was approximately RMB669 million based on the exchange rate of US dollar to RMB of 6.8109. The amount of guarantees is within the mandate limit granted at the general meeting.

Note: The debt guarantees provided by the Company directly or indirectly for companies with debt ratio of over 70% as described above amounted to approximately RMB669 million and were provided by the Company to its wholly-owned SPV companies. Please refer to the table below for details. The amount of guarantees is within the mandate limit granted at the general meeting.



13. Future Plans for Material Investments and Capital Assets

As at 30 June 2026, the Company did not have any plan for material investments or acquisition of capital assets.

14. Miscellaneous

The Company wishes to highlight the following information:

- (1) On 19 November 2025, the twelfth meeting of the Board of the Company in 2025 considered and approved the Resolution in relation to the Disposal of the Properties at the Shanghai Airlines Hongqiao Base on Suining Road. On 5 January 2026, Shanghai Airlines, a wholly-owned subsidiary of the Company, entered into the Real Estate Sale and Purchase Agreement with China Cargo Airlines Co., Limited ("**China Cargo Airlines**"), pursuant to which, Shanghai Airlines agreed to transfer the Shanghai Airlines Hongqiao Base held by it to China Cargo Airlines at a consideration of RMB137,601,800. For details, please refer to the announcements of the Company published on the website of the Hong Kong Stock Exchange on 19 November 2025 and 5 January 2026.
- (2) On 19 November 2025, the twelfth meeting of the Board of the Company in 2025 considered and approved the Resolution in relation to the Transfer of 49% Equity Interests in Eastern Supply Chain Held by Eastern Import & Export to Eastern Logistics. On 9 February 2026, China Eastern Import & Export Co., Ltd. ("**Eastern Import & Export**"), a wholly-owned subsidiary of the Company, entered into the Equity Transfer Agreement with Eastern Logistics, pursuant to which, Eastern Import & Export agreed to transfer 49% equity interests in Shanghai Eastern Supply Chain Management Co., Ltd. (上海東航供應鏈管理有限公司) to Eastern Logistics at a consideration of approximately RMB199,846,500. For details, please refer to the announcements of the Company published on the website of the Hong Kong Stock Exchange on 19 November 2025 and 9 February 2026.
- (3) On 2 December 2025, the thirteenth meeting of the Board of the Company in 2025 considered and approved the Resolution in relation to the Disposal of Property Owned by Shanghai Airlines in the Catic Building. On 19 January 2026, Shanghai Airlines, a wholly-owned subsidiary of the Company, entered into the physical asset transaction contract with Shanghai Eastern Air Property Co., Ltd. ("**Eastern Air Property**"), pursuant to which, Shanghai Airlines transferred its Shanghai Airlines property and ancillary equipment assets it held in the Catic Building to Eastern Air Property at a transaction price of approximately RMB134.29 million. For details, please refer to the announcements of the Company published on the website of the Hong Kong Stock Exchange on 2 December 2025 and 19 January 2026.
- (4) On 13 March 2026, the Company published an announcement regarding the plan to increase its shareholding of the Company by CEA Holding. As of 21 May 2026, the shareholding increase plan had been fully implemented. CEA Holding had cumulatively increased its shareholding by 229,278,900 A shares of the Company, representing 1.04% of the total issued share capital of the Company, with an aggregate purchase amount of approximately RMB999.8 million for the shareholding increase. The proportion of the total shares in the Company held by CEA Holding and parties acting in concert to the total share capital of the Company increased from 54.76% to 55.80%. For details, please refer to the relevant announcements published by the Company on the website of the Hong Kong Stock Exchange on 13 March 2026 and 21 May 2026.
- (5) The Company held the second meeting of the Board in 2026 and the 2025 annual general meeting on 25 March 2026 and 28 May 2026, respectively, at which the Resolution in Relation to Aircraft Purchase was considered and approved, proposing to introduce 101 A320NEO series aircraft from Airbus. On 26 June 2026, the Company held the fifth meeting of the Board in 2026, at which the Resolution on the Introduction of Wide-Body Aircraft by the Company was considered and approved, proposing to introduce 25 A330NEO series aircraft from Airbus. For details, please refer to the relevant announcements published by the Company on the website of the Hong Kong Stock Exchange on 25 March 2026, 28 May 2026, and 26 June 2026.



Management's Discussion and Analysis

- (6) The estimated transaction caps for the continuing connected transactions, which were considered and approved by the Board and at the general meetings of the Company, and their actual amounts incurred up to 30 June 2026, are set out as follows:

Transactions	Unit: million Currency: RMB	
	Actual amount incurred in the first half of 2026	2026 estimated transaction caps
Financial services – maximum balance of deposits per day	6,321	18,500
Financial services – maximum balance of comprehensive credit line per day	800	18,500
Financial services – total amounts of the service fees of other financial services	9	40
Factoring services – maximum balance of factoring services per day ¹	–	510
Aircraft and engines lease and related services – total amount for leasing of aircraft and engines – amount paid ²	1,075	USD3,310 million or equivalent RMB
Aircraft and engines lease and related services – sale of aircraft and engines – amount received	–	2,340
Aircraft and engines lease and related services – total value of right-of-use assets of aircraft leases ³	1,154	USD2,760 million or equivalent RMB
Catering support services – catering-related services and on-board supplies support services – amount paid	1,655	4,200
Businesses related to catering support services – annual rent of properties leasing of the Company as a lessor and catering support services – amount received	57	200
Businesses related to catering support services – annual rent of properties leasing of the Company as a lessee – amount paid	1	9
Businesses related to catering support services – total value of right-of-use assets of properties leasing of the Company as a lessee	17	68
Aviation ancillary services – amount paid	278	1,368
Aviation ancillary services – total value of right-of-use assets ⁴	63	1,801
Properties leasing and construction and management agency services – annual rent of properties leasing of the Company as a lessor – amount received	–	9
Properties leasing and construction and management agency services – annual rent of properties leasing of the Company as a lessee and fees for construction and management agency services – amount paid	94	358
Properties leasing and construction and management agency services – total value of right-of-use assets of properties leasing of the Company as a lessee ⁵	156	890
Freight logistics support services – freight logistics business support services – amount received	419	1,170
Freight logistics support services – cargo terminal business support services – amount paid	340	871
Exclusive operating service for passenger aircraft cargo business – transportation service fees under the exclusive operating service for passenger aircraft cargo business – amount received	3,130	7,200
Aviation internet services – amount paid	67	138
Aviation internet services – sales and cooperation of aviation internet products – amount received	8	37
Aviation information technology services – amount paid	337	1,166
AIR FRANCE-KLM aviation transportation cooperation and support services – amount paid	33	425
AIR FRANCE-KLM aviation transportation cooperation and support services – amount received	17	182
Aviation material support services – amount paid	150	340

Notes:

- Maximum balance of factoring services per day includes the factoring handling and consulting service fees;
- The total amount includes the total lease amount, interest and arrangement charge for the newly introduced finance lease aircraft, operating lease aircraft and engines;
- The total value of right-of-use assets for the newly introduced finance lease aircraft, operating lease aircraft and engines for the Reporting Period;
- The total value of right-of-use assets for the involved vehicle equipment leasing at the end of the Reporting Period;
- The total value of right-of-use assets for the involved property leasing under properties leasing and construction and management agency services at the end of the Reporting Period.

