AIR CHINA

中国国际航空公司

STAR ALLIANCE

Air China Limited

Stock code: 00753 Hong Kong 601111 Shanghai AIRC London

INTERIM REPORT 2026

Air China Limited (short name: Air China) is the only national flag carrier of China.

As the old saying goes, “Phoenix, a bird symbolizing benevolence” and “The whole world will be at peace once a phoenix reveals itself”. The corporate logo of Air China is composed of an artistic phoenix figure, the Chinese characters of “中國國際航空公司” in calligraphy written by Deng Xiaoping, the chief architect of China’s reform and opening-up, and the characters of “AIR CHINA” in English. Signifying good auspices in the ancient Chinese legends, phoenix is the king of all birds. It “flies from the eastern Happy Land and travels over mountains and seas and bestows luck and happiness upon all parts of the world”. Air China advocates the core spirit of phoenix which is to “serve the world, to lead and move forward to higher goals”. By virtue of the immense historical heritage, Air China strives to create a perfect travel experience and keep passengers safe by upholding the spirit of phoenix of being a practitioner, promoter and leader for the development of the Chinese civil aviation industry. The Company is also committed to leading the industrial development by establishing itself as a national brand, at the same time pursuing outstanding performance through innovation and excelling efforts.

Air China was listed on The Stock Exchange of Hong Kong Limited (stock code: 00753) and the London Stock Exchange (stock code: AIRC) on 15 December 2004; and was listed on the Shanghai Stock Exchange (stock code: 601111) on 18 August 2006.

Headquartered in Beijing, Air China has set up branches in Southwest China, Zhejiang, Chongqing, Tianjin, Shanghai, Hubei, Xinjiang, Guangdong, Guizhou, Xizang and Wenzhou. As at the end of the Reporting Period, the major subsidiaries of Air China include Shenzhen Airlines Company Limited (including Kunming Airlines Company Limited), Shandong Aviation Group Company Limited (including Shandong Airlines Co., Ltd.), Air Macau Company Limited, Beijing Airlines Company Limited, Dalian Airlines Company Limited, Air China Inner Mongolia Co., Ltd., Aircraft Maintenance and Engineering Corporation, China National Aviation Finance Co., Ltd., Air China Import and Export Co., Ltd., Chengdu Falcon Aircraft Engineering Service Co., Ltd., Air China Shantou Industrial Development Company; its joint ventures mainly include Sichuan Services Aero-Engine Maintenance Co., Ltd., Beijing Aero-Engine Services Co., Ltd. and GA Innovation China Co., Ltd.; moreover, the associates of Air China include Cathay Pacific Airways Limited and Xizang Airlines Co., Ltd.

With the goal of becoming “the world’s leading airline”, Air China remains committed to the mission of “put safety first, serve passengers with credibility, convenience, comfort and choice, maintain stable development, help employees achieve success and fulfill corporate responsibilities”, advocates the values of “people-oriented, accountable, excelling efforts and enjoyable flights” and positions the brand as “professional and reliable with both international quality and Chinese temperament”. The “Air China Miles” programme of Air China is the oldest frequent flier programme in China, under which all members of the frequent flier programmes of Air China family carriers have been consolidated into the brand of “PhoenixMiles”.

No. 30, Tianzhu Road,
Shunyi District, Beijing, 101312, P.R. China
Tel 86-10-61462799

www.airchina.com.cn

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Corporate Information

REGISTERED CHINESE NAME:

中國國際航空股份有限公司

ENGLISH NAME:

Air China Limited

REGISTERED OFFICE:

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

PRINCIPAL PLACE OF BUSINESS IN HONG KONG:

5th Floor
CNAC House
12 Tung Fai Road
Hong Kong International Airport
Hong Kong

WEBSITE:

www.airchina.com.cn

DIRECTORS:[1]

Mr. Liu Tiexiang
Mr. Qu Guangji
Mr. Cui Xiaofeng
Mr. Lam Siu Por Ronald
Mr. Xiao Peng
Mr. Xu Niansha*
Mr. He Yun*
Ms. Winnie Tam Wan-chi*
Mr. Gao Chunlei*

LEGAL REPRESENTATIVE OF THE COMPANY:

Mr. Liu Tiexiang

COMPANY SECRETARY:

Mr. Xiao Feng

AUTHORISED REPRESENTATIVES:

Mr. Liu Tiexiang
Mr. Xiao Feng

LEGAL ADVISERS TO THE COMPANY:

DeHeng Law Offices
(as to domestic laws)
Jingtian & Gongcheng LLP
(as to overseas laws)

INTERNATIONAL AUDITOR:

KPMG
Certified Public Accountants
Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

H SHARE REGISTRAR AND TRANSFER OFFICE:

Computershare Hong Kong Investor Services Limited
Rooms 1712-1716, 17th Floor, Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

LISTING VENUES:

Hong Kong, London and Shanghai

* *Independent Non-executive Director*

1 For details of changes in Directors of the Company during the Reporting Period, please refer to page 22 of this report.

Summary of Financial Information

(RMB'000)	**Six months ended 30 June 2026 (Unaudited)**	Six months ended 30 June 2025 (Unaudited)
Revenue	**89,267,620**	80,757,434
Loss from operations	**(3,065,195)**	(1,696,430)
Loss before taxation	**(3,131,413)**	(2,787,902)
Loss for the period	**(3,427,516)**	(2,710,105)
Loss attributable to non-controlling interests	**(1,139,687)**	(905,285)
Loss attributable to equity shareholders of the Company	**(2,287,829)**	(1,804,820)
EBITDA[1]	**12,740,797**	13,141,208
EBITDAR[2]	**13,662,762**	13,849,545
Loss per share attributable to equity shareholders of the Company (RMB)	**(0.13)**	(0.11)
Loss on equity attributable to equity shareholders (%)	**(3.82)**	(4.23)

Notes:

(1) EBITDA represents earnings before finance income and finance costs, exchange gains/losses, income tax, share of profits or losses of associates and joint ventures, depreciation and amortization as computed under IFRS Accounting Standards.

(2) EBITDAR represents EBITDA before deducting aircraft and engine lease expense as well as other lease expenses.

(3) EBITDA and EBITDAR are non-IFRS measures employed by the management to monitor business performance and may not be comparable to similar measures presented by other companies.

(4) The EBITDA for the Reporting Period represents earnings before finance income of RMB159 million, finance costs of RMB2,409 million, exchange gains of RMB652 million, income tax expense of RMB296 million, share of profits of associates and joint ventures of RMB1,532 million, depreciation and amortization of RMB15,806 million, adjusted from the loss for the period of RMB3,428 million computed under IFRS Accounting Standards. EBITDAR for the Reporting Period represents the above EBITDA before deducting aircraft and engine lease expenses of RMB604 million as well as other lease expenses of RMB318 million.

(RMB'000)	**30 June 2026 (Unaudited)**	31 December 2025 (Audited)
Total assets	**352,213,718**	343,010,455
Total liabilities	**295,436,232**	303,815,731
Non-controlling interests	**(3,051,210)**	(3,320,062)
Equity attributable to equity shareholders of the Company	**59,828,696**	42,514,786
Equity attributable to equity shareholders of the Company per share (RMB)	**2.92**	2.44

Summary of Operating Data

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

	January to June 2026	January to June 2025	Increase/(decrease)
Capacity			
ASK (million)	**180,676.14**	177,576.14	1.75%
International	**53,560.98**	51,445.77	4.11%
Chinese Mainland	**122,153.53**	121,132.50	0.84%
Hong Kong SAR, Macau SAR and Taiwan, China	**4,961.63**	4,997.87	(0.73%)
AFTK (million)	**6,391.97**	6,425.74	(0.53%)
International	**3,214.41**	3,055.74	5.19%
Chinese Mainland	**3,054.55**	3,246.51	(5.91%)
Hong Kong SAR, Macau SAR and Taiwan, China	**123.00**	123.50	(0.41%)
ATK (million)	**22,674.46**	22,428.25	1.10%
Traffic			
RPK (million)	**153,109.27**	143,336.58	6.82%
International	**44,838.51**	39,337.74	13.98%
Chinese Mainland	**104,372.59**	100,349.17	4.01%
Hong Kong SAR, Macau SAR and Taiwan, China	**3,898.17**	3,649.66	6.81%
RFTK (million)	**2,499.16**	2,408.59	3.76%
International	**1,674.86**	1,560.66	7.32%
Chinese Mainland	**790.28**	817.46	(3.33%)
Hong Kong SAR, Macau SAR and Taiwan, China	**34.02**	30.47	11.67%
Passengers carried (thousand)	**79,698.35**	77,114.33	3.35%
International	**9,581.64**	8,939.31	7.19%
Chinese Mainland	**67,599.78**	65,835.77	2.68%
Hong Kong SAR, Macau SAR and Taiwan, China	**2,516.93**	2,339.26	7.59%
Cargo and mail carried (tonnes)	**735,728.28**	735,334.14	0.05%
Kilometres flown (million)	**934.55**	922.72	1.28%
Block hours (thousand)	**1,469.66**	1,465.36	0.29%
Number of flights	**503,561**	504,285	(0.14%)
International	**54,346**	56,194	(3.29%)
Chinese Mainland	**431,631**	430,131	0.35%
Hong Kong SAR, Macau SAR and Taiwan, China	**17,584**	17,960	(2.09%)
RTK (million)	**16,007.19**	15,050.36	6.36%
Load factor			
Passenger load factor (RPK/ASK)	**84.74%**	80.72%	4.02 ppt
International	**83.71%**	76.46%	7.25 ppt
Chinese Mainland	**85.44%**	82.84%	2.60 ppt
Hong Kong SAR, Macau SAR and Taiwan, China	**78.57%**	73.02%	5.54 ppt

	January to June 2026	January to June 2025	Increase/(decrease)
Cargo and mail load factor (RFTK/AFTK)	**39.10%**	37.48%	1.62 ppt
International	**52.10%**	51.07%	1.03 ppt
Chinese Mainland	**25.87%**	25.18%	0.69 ppt
Hong Kong SAR, Macau SAR and Taiwan, China	**27.66%**	24.67%	2.99 ppt
Overall load factor (RTK/ATK)	**70.60%**	67.10%	3.49 ppt
Utilisation			
Daily utilisation of aircraft (block hours per day per aircraft)	**8.59**	8.76	(0.17 hours)
Yield			
Yield per RPK (RMB)	**0.5247**	0.5107	2.74%
International	**0.5064**	0.4889	3.58%
Chinese Mainland	**0.5253**	0.5134	2.32%
Hong Kong SAR, Macau SAR and Taiwan, China	**0.7173**	0.6683	7.33%
Yield per RFTK (RMB)	**1.7387**	1.4853	17.06%
International	**2.0134**	1.7344	16.09%
Chinese Mainland	**1.0671**	0.9419	13.29%
Hong Kong SAR, Macau SAR and Taiwan, China	**3.8146**	3.3024	15.51%
Unit cost			
Operating expenses per ASK (RMB)	**0.5291**	0.4791	10.44%
Operating expenses per ATK (RMB)	**4.2163**	3.7930	11.16%

Note: Any discrepancies in the numerical figures shown in this report are due to rounding.

Development of Fleet

During the first half of 2026, the Group introduced a total of 17 aircraft, including 11 A320 series aircraft, four B737 series aircraft and two C919 aircraft; and phased out nine aircraft, including one A330 series aircraft, seven A320 series aircraft and one B737 series aircraft. As at the end of the Reporting Period, the Group had a total of 972 aircraft with an average age of 10.60 years, of which the Company operated a fleet of 536 aircraft in total with an average age of 10.16 years. During the Reporting Period, the Company introduced eight aircraft and phased out five aircraft.

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

	30 June 2026				
	Sub-total	Self-owned	Finance leases	Operating leases	Average age (years)
Airbus	**452**	**196**	**142**	**114**	**10.17**
A320	373	167	118	88	10.23
A330	49	19	4	26	12.84
A350	30	10	20	–	5.13
Boeing	**471**	**201**	**101**	**169**	**11.78**
B737	420	162	94	164	11.76
B747	9	7	2	–	15.25
B777	28	22	3	3	12.21
B787	14	10	2	2	9.36
COMAC	**46**	**29**	**17**	**–**	**2.64**
C909	35	23	12	–	3.19
C919	11	6	5	–	0.89
Business jets	**3**	**1**	**–**	**2**	**10.31**
Total	**972**	**427**	**260**	**285**	**10.60**

	Introduction Plan			Phase-out Plan		
	2026	2027	2028	2026	2027	2028
Airbus	**17**	**11**	**29**	**17**	**8**	**10**
A320	17	11	29	16	8	10
A330	–	–	–	1	–	–
Boeing	**12**	**23**	**36**	**5**	**5**	**3**
B737	10	13	33	5	5	3
B787	2	10	3	–	–	–
COMAC	**10**	**10**	**15**	**–**	**–**	**–**
C919	10	10	15	–	–	–
Total	**39**	**44**	**80**	**22**	**13**	**13**

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

SAFE OPERATIONS

The Group fully implemented the holistic approach to national security, strengthened the fulfilment of safety responsibilities with resolute political commitment, and remained steadfast in upholding the principle of "safety first". It continued to improve its safety accountability system and ensured that political responsibilities for safety were fulfilled at every level. Adhering to the concept of "guidance by one overarching philosophy, consolidating the foundation through four major systems, strengthening the foundation through seven key teams, and forging a shield through comprehensive safety", the Group systematically advanced its critical operation-safety campaign. Focusing on enhancing safety management effectiveness, it rigorously implemented all tasks designated for the "Year of Efficiency Enhancement" under the three-year action plan to strengthen fundamental operation safety, further developed the four major systems, exercised rigorous operation safety management and control, reinforced the cultivation of sound work practices among safety personnel, made full use of modern information technology, and enhanced risk early-warning, prevention and control capabilities to drive a shift in work safety efforts towards "proactive root-cause management". During the Reporting Period, the Group achieved 1.470 million safe flight hours and successfully completed major transportation support missions, including those for the Milano Cortina Olympic Winter Games, "Two Sessions" and evacuation operations in the Middle East.

OPERATIONAL PERFORMANCE

Pursuing its full-year operating targets, the Group made every effort to enhance quality and efficiency. It steadfastly implemented the "Four Maximizations" principle of production organization, aligned its fleet capacity with market demand amid high oil prices, and increased the scale of effective investment in capacity. The Group deepened the development of its hub network, seized the opportunities arising from the development of the "3+7+N" international aviation hubs and various opportunities presented by changes in the international landscape, continuously optimized its route network, and increased its share of the Asia-Europe flight transit market. It actively supported high-standard opening-up and prioritized the development of markets in Belt and Road Initiative partner countries. The Group developed multi-dimensional customer segments to unlock the potential value of high-value customers; launched a new Gold and Silver Card Challenge, optimized products in its "Business Travel Prime Zone", and continuously innovate digital assets; deepened brand promotion for the Beijing hub, developed a hub promotion matrix and deployed overseas online advertising programs across six major regions; and diversified revenue boosting measures, further tapped the consumption potential of customer groups for branded fare products, launched new products such as paid meals and expanded sales channels. It focused on developing direct sales channels and conducted live-streaming activities on a regular basis; optimized mobile functions, upgraded its AI capabilities, and achieved notable performance in marketing effectiveness through digital and intelligent empowerment. The Group continued to deepen synergistic development and advanced the coordination and integration of resources among Air China family carriers. It continued to promote the regular cost management and control, implemented cost reduction and efficiency enhancement throughout the entire operational chain, focused on core costs such as jet fuel, maintenance, take-off and landing charges and labor to further enhance targeted initiatives, further unlocked cost-saving potential and increased contributions to performance. The Group continued to strengthen fund coordination and debt risk management and control, enhanced capital utilization efficiency while ensuring fund security, and reduced finance costs.

QUALITY SERVICE

Adhering to a passenger-centric approach and guided by its 4C-based service philosophy, the Group further upgraded its service quality. It deepened coordination between service and marketing, established a full-process management mechanism for marketing and service products, thereby developing five major product portfolios, including "Smart Enjoyment". The Group launched the convenient "Stress-free Journey, Enjoyable Boarding" service. Automatic check-in services achieved full coverage across all principal bases and branches, and the number of transfer points offering interline through check-in services increased to 26. The Group enriched its in-flight meal offerings and promoted the catering reservation system, providing passengers with a wider range of choices. It accelerated large-scale retrofitting for air-ground connectivity, with eight aircraft retrofitted and put into operation. Smart services were applied more extensively. The Group iteratively optimized mobile functions to enhance user experience, expanded self-service scenarios, and fully deployed 15 AI agents. It introduced 11 convenient in-app services, including paid seat selection for multiple passengers and meal opt-out for multiple meal types, introduced a self-service refund and change calculator, and optimized both the booking process and the Air China Travel Assistant. The Group further deepened the development of its service quality management system, making multi-dimensional efforts in standards optimization, quality improvement and team building to steadily enhance the end-to-end travel experience for passengers. It continued to optimize service standards by systematically rationalizing the hierarchy of standards and completing the supporting framework, with a total of 45 service standards documents optimized. Two AI agents for service knowledge Q&A and compensation and reimbursement enquiries were launched, covering approximately 50,000 frontline employees and effectively improving frontline service response efficiency and execution accuracy. The Group strengthened proactive control of service risks and, through its internal platform, pushed 30-second quick-reference service tips to frontline staff, ensuring rapid reach across frontline operations; it conducted tiered and category-based training on service standards, skills and professionalism, and continuously strengthened the service capabilities of frontline staff, thereby reinforcing team foundation for steady improvements in service quality.

DIGITAL TRANSFORMATION

Focusing on "developing systems, governing data and deploying AI", the Group advanced the digital and intelligent transformation. In terms of system development, it focused on key areas such as safe operations and marketing services, strengthened business digitalization, and promoted online synergies across core business operations. In safe operations, the Group established unified flight data management and application capabilities, integrated QAR data, and enhanced flight quality analysis capabilities across Air China family carriers. It launched the "Smart Flight – Digital Task Sheet" system, enabling paperless task management for all personnel across four major occupational categories – flight crew, cabin crew, aviation security officers and aircraft maintenance personnel. In terms of marketing services, the meal selection and opt-out services under the passenger in-flight catering reservation management system covered 854 domestic and international routes with catering services. The Group launched 17 paid in-flight products in five categories, including "Yunxiang Light Beverages", and expanded new in-flight service scenarios to key domestic and international routes departing from Beijing Capital International Airport for destinations including Chengdu Shuangliu International Airport and John F. Kennedy International Airport, New York, driving the transformation of in-flight services from the traditional support model to one that meets passengers' personalized needs. In terms of data governance, the Group strengthened fundamental data capabilities and unlocked the value of data resources. It delivered a unified Group-level data base, accelerated data governance and application in the service areas, and supported precision marketing and precision services. In terms of AI deployment, the Group deepened the application of AI and accelerated the intelligent transformation of its business. In response to actual business needs, it advanced the exploration and incubation of AI application scenarios in an orderly manner, launched 15 scenario-based applications including intelligent contract review and the "Yiyutong" AI-powered broadcasting system, accelerated the development of Wing of Air China 5.0, and continued to enhance the level of digital and intelligent development across all areas.

BRAND BUILDING

Anchoring its efforts to the goal of building a "world-renowned brand" as part of the accelerated development into a world-class enterprise, the Group focused on building a world-class brand. It defined the overall approach, principal tasks and supporting measures for brand building during the 15th Five-Year Plan period, further improved brand management related systems and systematically developed an annual brand communication framework. Fully leveraging the core strengths of the Beijing international aviation hub and its portfolio of overseas social media platforms, the Group innovated the promotion of distinctive content featuring the culture and tourism of various cities, significantly increasing content exposure and user engagement rates and steadily enhancing its brand influence in overseas markets. The Group coordinated integrated online and offline communications. During the Spring Festival travel rush, it held special themed events at Beijing Capital International Airport, effectively converting strong passenger flows into momentum for brand communication. The Group also actively participated in leading domestic and international exhibitions, including IMEX Frankfurt, Germany, the 8th Western China International Fair for Investment and Trade, and the 9th China-Eurasia Expo. Through a coordinated communication network integrating internal and external efforts, the Group continued to enhance its brand image as the national flag carrier.

REVIEW OF ENHANCING QUALITY AND EFFICIENCY AND MAXIMIZING RETURNS

During the Reporting Period, the Group seized market opportunities, actively responded to the new norm of industry development, expedited the enhancement of quality and efficiency of its principal business operations, and further promoted quality improvement and efficiency enhancement. During the Reporting Period, the Group's cumulative available seat kilometers (ASK) reached 180.676 billion, representing a year-on-year increase of 1.75%. The Group transported 79.6983 million passengers, representing a year-on-year increase of 3.35%, which resulted in an increase in passenger load factor of 4.02 percentage points. The Group recorded revenue of RMB89,268 million, representing a year-on-year increase of RMB8,510 million.

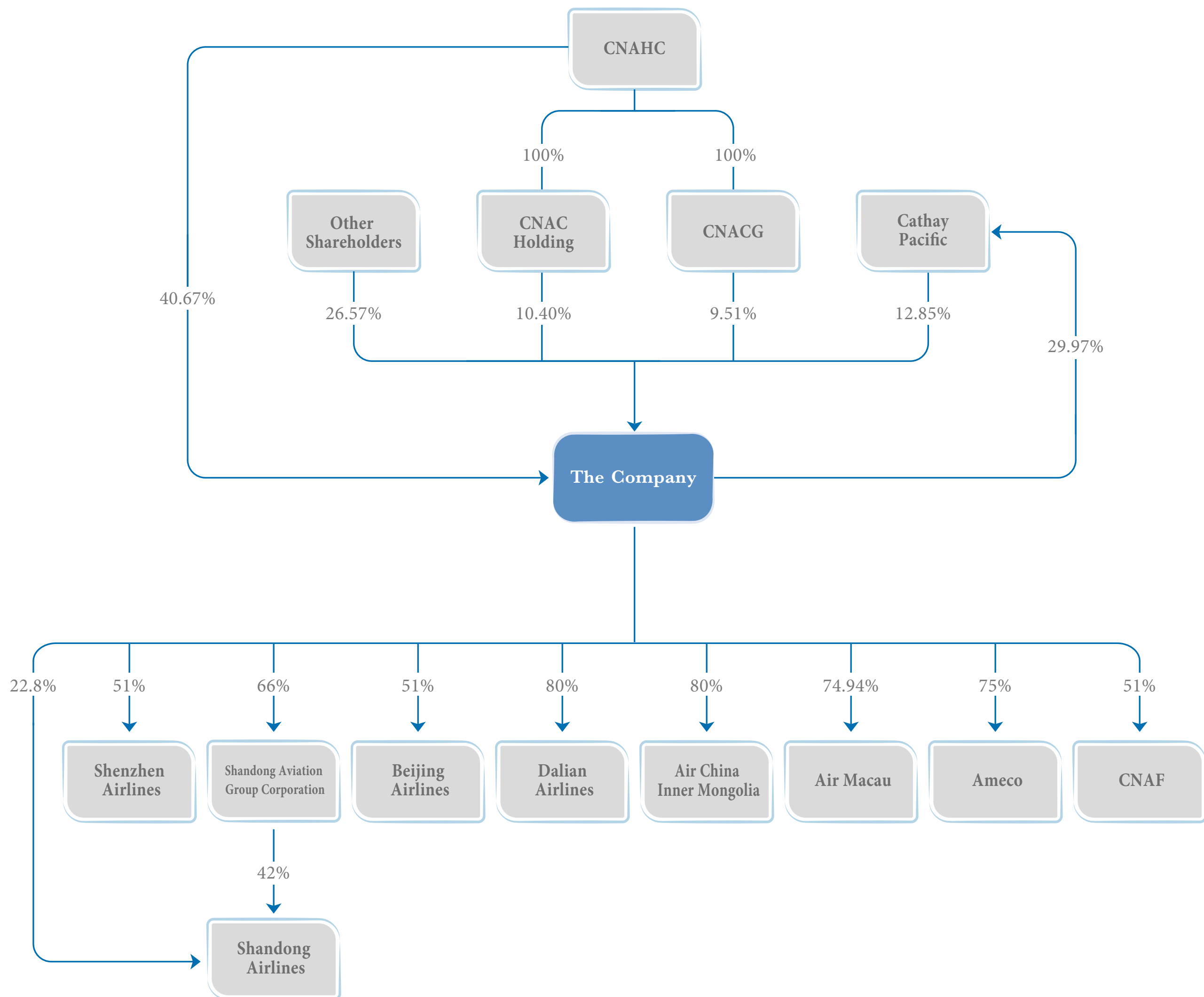
The production organization was optimized to enhance the efficiency of core resource utilization. The Company fully tapped the potential of engine resources, accelerated the introduction of key components, and implemented a range of measures to increase aircraft availability. It improved maintenance quality, optimized the operations in "three aspects", and further enhanced the utilization rate of available aircraft. It strengthened the market layout optimization and the capacity synergy of Air China family carriers, upgraded and expanded express routes and main routes, and concentrated flight capacity to enhance investments in hubs, principal operating bases and strategic markets with high potential. It actively expanded international routes along the "Belt and Road". Air China launched or resumed services on seven international routes, expanding its "Belt and Road" route network to 77 routes serving 32 countries. The Company implemented refined revenue management to expand revenue streams. By systematically managing the relationship between capacity and pricing, it deepened synergies within the Air China family carriers to foster a competitive alliance. Additionally, it established an aviation ecosystem through multi-dimensional and cross-industry collaborations to fully tap the market potential. It optimized existing products based on market demand and proactively developed innovative products to boost revenue from ancillary businesses. It adhered to the mechanism of the integration of passenger and cargo operations to fully utilize bellyhold cargo capacity, thus expanding diverse revenue streams. During the Reporting Period, yield per RPK increased by 2.74% year-on-year, and the efficiency of production and investment was further improved. It further focused its efforts on cost control to lower the cost level. Firmly upholding the principle of "living frugally", and on the basis of ensuring investments in safety, it systematically established a cost control system covering all employees, all processes and the entire value chain, striving to achieve tangible results in cost optimization.

The Company continued to refine its corporate governance mechanism pursuing "statutory authority and accountability, transparency of authority and accountability, coordinated operations, and effective checks and balances", as well as a modern corporate system with Chinese characteristics, consistently transforming its institutional strengths into governance effectiveness. Firstly, the corporate governance system has been further refined. The Company optimized 16 corporate governance regulations centered on the Articles of Association, and based on the rules of procedure with ancillary working rules. Secondly, the development of the Board has been continuously strengthened. The independent Directors of the Company faithfully and diligently fulfilled their duties, playing the role of participation in decision-making, oversight with checks and balances, and professional consultation. Thirdly, the Board has operated in a standardized and efficient manner. By continuously optimizing its decision-making processes, refining oversight mechanisms and standardizing delegations, the Board consistently enhanced its standardized and effective operations. As of the end of the Reporting Period, the Board convened eight meetings, considered and approved 38 resolutions, and heard 11 special reports. Fourthly, the Board has effectively fulfilled its functions and roles. Adhering to its functional role in devising strategies, making decisions and preventing risks, the Board continuously enhanced its capabilities in strategic leadership, scientific decision-making, and risk prevention and control, playing such functions and roles to steer high-quality development and the building of a world-class enterprise. All information regarding the Company's production and operations, as well as those that could have a material impact on its share price was disclosed in a truthful, accurate, complete and timely manner, ensuring that all shareholders have equal access to the information of the Company and safeguarding the rights and interests of investors. During the Reporting Period, the Company completed the preparation and disclosure of periodic reports, ad hoc announcements and circulars to shareholders with high quality. The Company's information disclosure performance for the year 2024-2025 was rated as Grade A by the Shanghai Stock Exchange, marking excellence in information disclosure.

The Group actively advanced investor relations work and built a communication bridge with the capital market. During the Reporting Period, the Company proactively and orderly hosted a series of investor relations management activities under a multi-dimensional "online + offline" approach. With the goal of maintaining market capitalization and a focus on enhancing communication, these efforts promoted the market recognition of the Company and the realization of its value. Results briefings were held following the disclosure of the annual report and the first quarterly report with continued high engagement by the Chairman, President, Chief Accountant, independent Directors and Secretary to the Board of the Company. The Company also organized various results conference calls and held results briefings at the Shanghai Stock Exchange Roadshow Centre to engage with investors online, through which it conveyed its core values positively to the market, responded to market concerns and properly guided market expectations. Meanwhile, the Company actively launched domestic and overseas roadshows with refined procedures and itineraries to encourage participation and exchange among investors. The Secretary to the Board and leaders of the office of the Board actively participated in strategy meetings, and organized online and physical research meetings to thoroughly engage with institutional investors, with a view to advocating a reasonable and positive industry mindset in the market and guiding investors to develop a rational understanding of the Company's values. Through platforms such as the SSE e-interaction and the investor relations webpage on the Company's official website, it actively replied to questions of concern of investors and timely updated various corporate information, thereby facilitating a more thorough understanding of the Company's status among small and medium investors and enhancing their recognition of the Company.

The Company strengthened the responsibilities of the "critical minority" to drive the steady development of the Company. During the Reporting Period, the Company formulated a remuneration management system and remuneration plan for the Directors and senior management. The Company strictly implemented a distribution mechanism, under which salary was closely linked to the operation performance and matched with the responsibilities and risks assumed. The Company's controlling shareholder, CNAHC and CNACG, remain optimistic about the long-term prospects of China's aviation industry. Based on their confidence in the Company's future development prospects and recognition of its intrinsic investment value, they committed not to reduce their holdings of the Company's tradable shares not subject to selling restrictions in any manner for a period of 18 months starting from 8 April 2025. The Company continued to advance its market capitalization management. Through organic integration of investor relations, corporate governance and information disclosure, the Company clearly communicated its long-term strategies, competitive strengths and other relevant matters to effectively stabilize the capital market expectations and guide its market capitalization to restore its intrinsic value. It implemented capital operation projects including equity financing in a prompt and prudent manner, fully leveraged the financing and resource allocation functions of the listing platforms, and took multiple measures to enhance the development quality of the controlling listed company. Additionally, major shareholders actively supported the development of the listed company, and the Company completed the issuance of shares to its controlling shareholder and a subsidiary controlled by it in June 2026, with the proceeds amounting to RMB20,000 million.

MAJOR SUBSIDIARIES AND ASSOCIATE AND THEIR OPERATING RESULTS



Notes:

1. As at the end of the Reporting Period, CNACG and CNAC Holding are wholly-owned subsidiaries of CNAHC. Accordingly, CNAHC is directly and indirectly interested in 60.58% of the shares of the Company.

2. Shenzhen Airlines, a subsidiary of the Company, carried out an equity financing with a total financing amount of RMB16 billion. The Company participated in the financing of Shenzhen Airlines by making capital contribution proportionate to its equity interests, with the total capital contribution to Shenzhen Airlines not exceeding RMB8.16 billion. For details, please refer to the announcements published by the Company on 28 August 2025, 18 December 2025, 5 June 2026 and 12 June 2026.

3. On 24 February 2026, Cathay Pacific completed the repurchase of the equity interest in Cathay Pacific held by Qatar Airways. Following the completion of the repurchase and the cancellation of the repurchased shares, the 1,822,436,334 shares of Cathay Pacific held by the Company accounted for 29.97% of the total share capital of Cathay Pacific of 6,081,128,038 shares.

During the Reporting Period, the operating results of the Company's major subsidiaries, as well as the associate whose impact on the Company's net profit was 10% or more were as follows:

	Shenzhen Airlines	Shandong Aviation Group Corporation	Beijing Airlines	Dalian Airlines	Air China Inner Mongolia	Air Macau	Ameco	CNAF	Cathay Pacific
Company Type	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Associate
Year of establishment	1992	1995	2011	2011	2013	1994	1989	1994	1946
Place of domicile	Shenzhen	Shandong	Beijing	Dalian	Inner Mongolia	Macau	Beijing	Beijing	Hong Kong
Principal business	Air passenger and air cargo services	Air passenger and air cargo services	Business charter and public air passenger and air cargo services	Air passenger and air cargo services	Air passenger and air cargo services	Air passenger and air cargo services	Repair and overhaul of aircraft, engines and components	Provision of financial services to CNAHC Group and the Group	Air passenger and air cargo services
Registered capital	RMB21,239,811,353.53	RMB10,454,489,846.24	RMB1,000,000,000	RMB3,000,000,000	RMB2,000,000,000	MOP2,379,415,900	USD300,052,800	RMB1,127,961,864	6,081,128,038 shares in issue
Percentage of shareholding by the Company	51%	66%	51%	80%	80%	74.94%	75%	51%	29.97%
Total assets (RMB100 million)	669.39	345.45	11.03	29.94	26.87	52.95	82.40	143.58	1,586.52
Net assets (RMB100 million)	(78.16)	(0.24)	3.39	19.99	19.17	9.30	19.19	20.90	503.98
Revenue (RMB100 million)	176.74 (on a consolidated basis)	106.51 (on a consolidated basis)	2.52	10.10	7.16	17.43	74.48	0.89	602.94 (on a consolidated basis)
Year-on-year changes (%)	7.76	6.11	8.62	2.75	(9.25)	16.05	14.62	12.66	20.81
Profit/(loss) attributable to parent company (RMB100 million)	(10.49)	(4.09)	(0.73)	(1.78)	(0.01)	(3.31)	2.00	0.36	55.31
Profit/(loss) attributable to parent company in the corresponding period of last year (RMB100 million)	(8.33)	(3.08)	(0.48)	(0.83)	0.09	(3.86)	1.91	0.27	33.55

The fleet information and operating data of the major subsidiaries and associate of the Company were as follows:

As at the end of the Reporting Period/ During the Reporting Period	Shenzhen Airlines	Shandong Airlines	Beijing Airlines*	Dalian Airlines	Air China Inner Mongolia	Air Macau	Cathay Pacific
Fleet size (unit)	242 (on a consolidated basis)	142	6	13	10	23	235 (on a consolidated basis)
Average age (years)	10.71	11.86	13.45	12.73	10.95	9.64	12.3
ASK (100 million)	389.41	235.56	4.67	21.94	17.07	34.52	746.62
Year-on-year changes (%)	0.78	(0.45)	14.92	1.77	0.66	(0.12)	11.8
RPK (100 million)	338.65	204.57	3.38	18.35	13.83	27.04	653.34
Year-on-year changes (%)	3.50	3.68	21.36	7.55	4.79	3.31	15.3
Passengers carried (10 thousand)	2,088.31	1,334.15	30.30	125.61	95.40	168.86	1,600.6
Year-on-year changes (%)	2.51	0.54	18.3	1.97	(4.95)	7.88	17.5
Average passenger load factor (%)	86.96	86.84	72.47	83.61	81.03	78.34	87.5
Year-on-year changes (ppt)	2.29	3.46	3.85	4.49	3.19	2.60	2.7

*Note: As at the end of the Reporting Period, Beijing Airlines operated a fleet of two entrusted business jets and one self-owned business jet with an average age of 10.31 years. During the Reporting Period, in terms of business charter services, Beijing Airlines completed 85 flights, representing a year-on-year decrease of 27.35%; it completed 348.54 flying hours, representing a year-on-year decrease of 35.58%; it transported a total of 804 passengers, representing a year-on-year decrease of 37.77%.

EMPLOYEES

As at the end of the Reporting Period, the Group had a total of 107,645 employees, and the subsidiaries of the Company had a total of 58,665 employees.

REMUNERATION POLICY

The Company upholds the concept of "compensation based on job value, individual competence as well as performance appraisal". During the Reporting Period, the Company further strengthened management and supervision at all levels of total payroll, remuneration of heads of subsidiaries and employee remuneration. It further emphasized performance-driven compensation distribution, formulated specific incentive policies and promoted the distribution of salary resources to core and key talents in the field of scientific and technological innovation and those who have made outstanding contributions, as well as front-line positions involving arduous, dirty, hazardous and high-intensity work. With continuous efforts in deepening the reform of gross payroll management, the Company improved the remuneration and welfare systems for enterprise heads at all levels to promote more rational and orderly income distribution.

The training programs of the Company are the same as those disclosed in the 2025 annual report of the Company published on 24 April 2026.

Management Discussion and Analysis

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

REVENUE

During the Reporting Period, the Group's revenue was RMB89,268 million, representing a year-on-year increase of RMB8,510 million or 10.54%. Among them, air traffic revenue was RMB84,675 million, representing a year-on-year increase of RMB7,901 million or 10.29%; other operating revenue was RMB4,593 million, representing a year-on-year increase of RMB609 million or 15.28%.

REVENUE CONTRIBUTED BY GEOGRAPHICAL SEGMENTS

	For the six months ended 30 June				
	2026		2025		
(in RMB'000)	**Amount**	**Percentage**	Amount	Percentage	Change
International	**26,080,548**	**29.22%**	21,940,162	27.17%	18.87%
Chinese Mainland	**60,261,001**	**67.50%**	56,277,430	69.69%	7.08%
Hong Kong SAR, Macau SAR and Taiwan, China	**2,926,071**	**3.28%**	2,539,842	3.14%	15.21%
Total	**89,267,620**	**100.00%**	80,757,434	100.00%	10.54%

AIR PASSENGER REVENUE

During the Reporting Period, the Group recorded an air passenger revenue of RMB80,330 million, representing a year-on-year increase of RMB7,134 million. Among the air passenger revenue, the increase of capacity resulted in an increase in revenue of RMB1,278 million, and the increase of passenger load factor resulted in an increase in revenue of RMB3,713 million, while the increase of passenger yield resulted in an increase in revenue of RMB2,143 million. The capacity, passenger load factor and yield per RPK of air passenger business during the Reporting Period are as follows:

	For the six months ended 30 June		
	2026	2025	Change
Available seat kilometres (million)	**180,676.14**	177,576.14	1.75%
Passenger load factor (%)	**84.74**	80.72	4.02 ppt
Yield per RPK (RMB)	**0.5247**	0.5107	2.74%

AIR PASSENGER REVENUE CONTRIBUTED BY GEOGRAPHICAL SEGMENTS

	For the six months ended 30 June				
	2026		2025		
(in RMB'000)	**Amount**	**Percentage**	Amount	Percentage	Change
International	**22,708,371**	**28.27%**	19,233,312	26.28%	18.07%
Chinese Mainland	**54,825,280**	**68.25%**	51,523,843	70.39%	6.41%
Hong Kong SAR, Macau SAR and Taiwan, China	**2,796,281**	**3.48%**	2,439,221	3.33%	14.64%
Total	**80,329,932**	**100.00%**	73,196,376	100.00%	9.75%

AIR CARGO AND MAIL REVENUE

During the Reporting Period, the Group's air cargo and mail revenue was RMB4,345 million, representing a year-on-year increase of RMB768 million. Among which, the decrease of capacity contributed to a decrease in revenue of RMB19 million, and the increase of cargo and mail load factor resulted in an increase in revenue of RMB154 million, while the increase of yield of cargo and mail business resulted in an increase in revenue of RMB633 million. The capacity, cargo and mail load factor and yield per RFTK of air cargo and mail business during the Reporting Period are as follows:

	For the six months ended 30 June		
	2026	2025	Change
Available freight tonne kilometres (million)	**6,391.97**	6,425.74	(0.53%)
Cargo and mail load factor (%)	**39.10**	37.48	1.62 ppt
Yield per RFTK (RMB)	**1.7387**	1.4853	17.06%

Air Cargo and Mail Revenue Contributed by Geographical Segments

	For the six months ended 30 June				
	2026		2025		
(in RMB'000)	Amount	Percentage	Amount	Percentage	Change
International	**3,372,177**	**77.60%**	2,706,850	75.67%	24.58%
Chinese Mainland	**843,296**	**19.41%**	769,997	21.52%	9.52%
Hong Kong SAR, Macau SAR and Taiwan, China	**129,790**	**2.99%**	100,621	2.81%	28.99%
Total	**4,345,263**	**100.00%**	3,577,468	100.00%	21.46%

Operating Expenses

During the Reporting Period, the Group's operating expenses increased by RMB10,533 million on a year-on-year basis to RMB95,603 million, representing an increase of 12.38%. The breakdown of the operating expenses is set out below:

	For the six months ended 30 June				
	2026		2025		
(in RMB'000)	Amount	Percentage	Amount	Percentage	Change
Jet fuel costs	**32,766,300**	**34.27%**	24,327,485	28.60%	34.69%
Take-off, landing and depot charges	**10,522,014**	**11.01%**	10,613,810	12.48%	(0.86%)
Depreciation and amortisation	**15,805,992**	**16.53%**	14,837,638	17.44%	6.53%
Aircraft maintenance, repair and overhaul costs	**7,907,645**	**8.27%**	7,292,075	8.57%	8.44%
Employee compensation costs	**18,110,952**	**18.95%**	17,849,218	20.98%	1.47%
Air catering charges	**2,107,399**	**2.20%**	2,104,979	2.47%	0.11%
Selling and marketing expenses	**2,287,036**	**2.39%**	2,410,378	2.83%	(5.12%)
General and administrative expenses	**910,803**	**0.95%**	797,634	0.94%	14.19%
Others	**5,184,947**	**5.43%**	4,836,492	5.69%	7.20%
Total	**95,603,088**	**100.00%**	85,069,709	100.00%	12.38%

- Jet fuel costs increased by RMB8,439 million on a year-on-year basis, mainly due to the effect of the increase in the prices of jet fuel.

- Depreciation and amortisation expenses increased by RMB968 million on a year-on-year basis, mainly due to the expansion of fleet as well as the year-on-year increase in flying hours.

- Aircraft maintenance, repair and overhaul costs increased by RMB616 million on a year-on-year basis, mainly due to the year-on-year increase in flying hours.

- Employee compensation costs increased by RMB262 million on a year-on-year basis, mainly due to the year-on-year increase in flight hour fees.

- Selling and marketing expenses decreased by RMB123 million on a year-on-year basis, mainly due to the year-on-year decrease in handling fees for agency services.

- Other operating expenses mainly included civil aviation development fund and ordinary expenses arising from the core air traffic business that are not included in the aforementioned specific items, which increased by RMB348 million on a year-on-year basis, mainly due to the effect of the increase in the investment in production and operation.

FINANCE COSTS AND NET EXCHANGE GAINS

During the Reporting Period, the Group's finance costs (excluding those capitalized) were RMB2,409 million, representing a year-on-year decrease of RMB482 million. The net exchange gains were RMB652 million, representing a year-on-year increase of RMB475 million.

SHARE OF RESULTS OF ASSOCIATES AND JOINT VENTURES

During the Reporting Period, the Group's share of profit of its associates was RMB1,291 million, representing a year-on-year increase of RMB71 million. Among them, the Group recognised a gain on investment of Cathay Pacific of RMB1,197 million, representing a year-on-year increase of RMB23 million.

During the Reporting Period, the Group's share of profit of its joint ventures was RMB241 million, representing a year-on-year increase of RMB123 million.

MATERIAL ACQUISITIONS AND DISPOSALS

The Company did not make any material acquisitions and disposals of subsidiaries, associates or joint ventures during the Reporting Period.

ASSETS STRUCTURE ANALYSIS

As at the end of the Reporting Period, the total assets of the Group were RMB352,214 million, representing an increase of 2.68% from that as at 31 December 2025. Among them, the current assets amounted to RMB38,069 million or accounted for 10.81% of the total assets, while the non-current assets amounted to RMB314,145 million or accounted for 89.19% of the total assets.

Among the current assets, cash and cash equivalents were RMB14,140 million, representing a decrease of 1.08% from that as at 31 December 2025, which was mainly due to the Company's flexible adjustment of funds according to its capital arrangements.

Among the non-current assets, the book values of property, plant and equipment and right-of-use assets as at the end of the Reporting Period amounted to RMB256,613 million, representing an increase of 3.04% from that as at 31 December 2025, mainly due to the combined effect of the introduction of aircraft and the depreciation charged during the current Period.

ASSET MORTGAGE/PLEDGE

As of 30 June 2026, the Group, pursuant to certain bank loans agreements, had secured aircraft and buildings with an aggregated book value of approximately RMB5,191 million (approximately RMB4,539 million as at 31 December 2025) and land use rights with book value of approximately RMB22 million (approximately RMB23 million as at 31 December 2025). Meanwhile, the Group had monetary capital with restricted ownership of approximately RMB1,517 million (approximately RMB1,564 million as at 31 December 2025), which was mainly statutory reserves deposited in the People's Bank of China, pledged bank deposits, security deposits and time deposits with a maturity of more than three months.

CAPITAL EXPENDITURE

From January to June 2026, the Group's capital expenditure amounted to a total of RMB12,075 million. Among this, aircraft-related investments totalled RMB10,697 million, primarily covering the acquisition of aircraft and engines, aircraft modifications and retrofitting, as well as flight simulators. The cash portion of long-term equity investment projects amounted to RMB43 million. Other capital expenditure project investments amounted to RMB1,335 million, mainly covering infrastructure construction, information system development and ground equipment procurement.

EQUITY INVESTMENT

As at the end of the Reporting Period, the Group's equity investment in its associates amounted to RMB14,831 million, representing a decrease of 6.06% from that as at 31 December 2025. Among this, the balance of the equity investment of the Group in Cathay Pacific amounted to RMB14,331 million.

As at the end of the Reporting Period, the Group's equity investment in its joint ventures was RMB2,799 million, representing an increase of 5.82% from that as at 31 December 2025.

DEBT STRUCTURE ANALYSIS

At the end of the Reporting Period, the Group's total liabilities were RMB295,436 million, representing a decrease of 2.76% from that as at 31 December 2025. Among them, current liabilities amounted to RMB117,094 million, accounting for 39.63% of the total liabilities; and non-current liabilities amounted to RMB178,342 million, accounting for 60.37% of the total liabilities.

Among the current liabilities, interest-bearing debts (including interest-bearing borrowings and lease liabilities) amounted to RMB60,842 million, representing a decrease of 8.18% from that as at 31 December 2025.

Among the non-current liabilities, interest-bearing debts (including interest-bearing borrowings and lease liabilities) amounted to RMB154,558 million, representing a decrease of 4.63% from that as at 31 December 2025.

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

	30 June 2026		31 December 2025		
(in RMB'000)	Amount	Percentage	Amount	Percentage	Change
RMB	192,840,679	89.53%	204,117,822	89.40%	(5.52%)
US dollars	22,218,784	10.31%	23,835,123	10.44%	(6.78%)
Others	340,791	0.16%	366,592	0.16%	(7.04%)
Total	215,400,254	100.00%	228,319,537	100.00%	(5.66%)

Details of the interest-bearing borrowings at fixed rates and floating rates of the Group (including the range of interest rates) are set out in note 19 to the condensed consolidated financial statements of this interim report.

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

COMMITMENTS

The Group's capital commitments, which mainly consisted of the expenditure in the next few years for purchasing a certain number of aircraft and related equipment, decreased by 6.92% from RMB108,917 million as at 31 December 2025 to RMB101,380 million as at 30 June 2026. The investment commitments mainly represented the investment agreements entered into, which amounted to RMB187 million as at 30 June 2026, as compared to RMB237 million as at 31 December 2025.

CONTINGENT LIABILITIES

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

GEARING RATIO

As at the end of the Reporting Period, the Group's gearing ratio (total liabilities divided by total assets) was 83.88%, representing a decrease of 4.69 percentage points from that of 31 December 2025.

WORKING CAPITAL AND ITS SOURCES

As at the end of the Reporting Period, the Group's net current liabilities (current liabilities less current assets) were RMB79,026 million, representing a decrease of RMB3,463 million from that as at 31 December 2025. The Group's current ratio (current assets divided by current liabilities) was 0.33, representing an increase of 0.03 as compared to that as at 31 December 2025.

The Group meets its working capital needs mainly through its operating activities and external financing activities. During the Reporting Period, the Group's net cash inflow from operating activities was RMB11,228 million, representing a decrease of 24.28% from RMB14,828 million for the corresponding period in 2025, mainly due to the change in deposits received by the Finance Company, a subsidiary of the Group. Net cash outflow from investing activities was RMB12,253 million, representing an increase of 66.97% from RMB7,338 million for the corresponding period in 2025, mainly due to a year-on-year increase in expenditures for the purchase of property, plant and equipment. Net cash inflow from financing activities amounted to RMB961 million as compared to net outflow of RMB3,218 million for the corresponding period in 2025, mainly due to a year-on-year decrease in cash paid for repayment of borrowings during the current Period.

The Group has obtained bank facilities granted by several banks in China, which are sufficient to meet the working capital needs and future capital commitments.

POTENTIAL RISKS

1. Risks of External Environment

Market Fluctuation

Relying on the super-sized domestic demand market, the domestic aviation market is expected to achieve steady growth. Against a complex and challenging external environment, uncertainties still persist in the subsequent development of the Company's traditionally strong international markets, particularly the North America market. The Group will better coordinate the domestic and international markets to support high-standard opening up, increase the international fleet capacity deployment, optimize its structure, actively explore and cultivate emerging markets, and proactively reduce its reliance on any single market.

Oil Price Fluctuation

Jet fuel is one of the main operating costs of the Group. The performance of the Group is affected to a certain extent by fluctuations in jet fuel prices. During the Reporting Period, with other variables remaining unchanged, if the average price of the jet fuel rises or falls by 5%, the Group's jet fuel costs will rise or fall by approximately RMB1.638 billion. The collection of fuel surcharges has relieved the jet fuel cost pressure on the Group to a certain extent.

Exchange Rate Fluctuation

Certain assets and liabilities of the Group are denominated in US dollar. Certain expenses of the Group are also settled in currencies other than RMB. Assuming that the risk variables other than the exchange rates stay unchanged, the appreciation or depreciation of RMB against US dollar by 1% due to the changes in the exchange rate will result in the increase or decrease in the Group's net profit and shareholders' equity as at 30 June 2026 by RMB151 million.

2. Risks of Competition

Industry competition

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

Alternative competition

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

CHANGES IN THE INFORMATION OF DIRECTORS AND SENIOR MANAGEMENT OF THE COMPANY

1. On 5 March 2026, as considered and approved at the thirteenth meeting of the seventh session of the Board of the Company, Mr. Yi Xuedong was appointed as the General Counsel and Chief Compliance Officer of the Company. For details, please refer to the overseas regulatory announcement of the Company dated 5 March 2026.

2. On 5 March 2026, Mr. Wang Mingyuan ceased to serve as the President, executive Director and Vice Chairman of the Company due to retirement. On the same day, as considered and approved at the thirteenth meeting of the seventh session of the Board of the Company, Mr. Qu Guangji was appointed as the President of the Company, and Mr. Qu Guangji was nominated as a candidate for the executive Director of the Company. On 25 March 2026, at the first extraordinary shareholders' meeting of the Company in 2026, Mr. Qu Guangji was elected as an executive Director of the Company, and also served as the Vice Chairman of the Company. For details, please refer to the announcements of the Company dated 5 March 2026 and 25 March 2026.

3. On 29 April 2026, as considered and approved at the fifteenth meeting of the seventh session of the Board of the Company, Mr. Sun Yuquan ceased to serve as the Chief Accountant of the Company by the Board of the Company. For details, please refer to the announcement of the Company dated 29 April 2026.

4. On 12 May 2026, following prior consideration and approval by the Nomination Committee of the Board, at the sixteenth meeting of the seventh session of the Board of the Company, Mr. Lam Siu Por Ronald was nominated as a candidate for non-executive Director of the Company. On 28 May 2026, at the 2025 annual shareholders' meeting of the Company, Mr. Lam Siu Por Ronald was elected as a non-executive Director of the Company. On the same day, Mr. Patrick Healy ceased to serve as a non-executive Director of the Company due to retirement. For details, please refer to the announcements of the Company dated 12 May 2026 and 28 May 2026.

5. On 13 May 2026, Mr. Qu Guangji was appointed as a non-executive Director of Cathay Pacific. On 26 June 2026, Mr. Qu Guangji ceased to serve as the non-executive Director of TravelSky Technology Limited.

6. On 5 June 2026, following prior consideration and approval by the Nomination Committee of the Board, at the seventeenth meeting of the seventh session of the Board of the Company, Mr. Wang Haitao was appointed as a Vice President of the Company, and Mr. Zheng Weimin ceased to serve as the Vice President. For details, please refer to the overseas regulatory announcement of the Company dated 5 June 2026.

7. On 29 June 2026, following prior consideration and approval by the Nomination Committee and the Audit and Risk Management Committee (the Supervision Committee) of the Board, at the eighteenth meeting of the seventh session of the Board of the Company, Mr. Fu Fangxing was appointed as the Chief Accountant of the Company. For details, please refer to the announcement of the Company dated 29 June 2026.

8. On 24 August 2026, Mr. Yan Fei ceased to serve as a Vice President of the Company due to change in work arrangement. For details, please refer to the announcement of the Company dated 24 August 2026.

SHAREHOLDINGS OF DIRECTORS, CHIEF EXECUTIVE AND SUBSTANTIAL SHAREHOLDERS OF THE COMPANY

INTERESTS OF DIRECTORS AND CHIEF EXECUTIVE

As at the end of the Reporting Period, none of the Directors or the chief executive of the Company had interests or short positions in the shares, underlying shares and/or debentures (as the case may be) of the Company or its associated corporations (within the meaning of Part XV of the SFO) which shall be recorded and maintained in the register kept by the Company pursuant to section 352 of the SFO, or which shall be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

Mr. Liu Tiexiang and Mr. Qu Guangji each served as an executive Director of the Company and a non-executive director of Cathay Pacific; Mr. Lam Siu Por Ronald served as a non-executive Director of the Company and concurrently as an executive director and the Chief Executive of Cathay Pacific. Cathay Pacific is currently a substantial shareholder of the Company holding 2,633,725,455 H Shares of the Company as at the end of the Reporting Period. Such interests are required to be disclosed to the Company in accordance with Divisions 2 and 3 under Part XV of the SFO. Cathay Pacific competes or is likely to compete either directly or indirectly with some aspects of the business of the Company as it operates airline services to certain destinations, which are also served by the Company.

Save as described above, none of the Directors of the Company and their respective close associates (as defined in the Listing Rules) has any competing interests which shall be disclosed under Rule 8.10 of the Listing Rules.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN THE COMPANY

As at the end of the Reporting Period, to the knowledge of the Directors and chief executive of the Company, the following persons (other than the Directors or chief executive of the Company) had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept pursuant to section 336 of the SFO:

Name	Type of interests	Type and number of shares held in the Company	Percentage of the total issued shares of the Company	Percentage of the total issued A Shares of the Company	Percentage of the total issued H Shares of the Company	Short positions
CNAHC	Beneficial owner	8,334,704,710 A Shares	40.67%	53.64%	–	–
CNAHC[1]	Equity attributable	1,332,482,920 A Shares	6.50%	8.58%	–	–
CNAHC[1]	Equity attributable	2,130,898,021 A Shares	10.40%	13.71%	–	–
CNAHC[1]	Equity attributable	616,779,308 H Shares	3.01%	–	12.45%	–
CNACG	Beneficial owner	1,332,482,920 A Shares	6.50%	8.58%	–	–
CNACG	Beneficial owner	616,779,308 H Shares	3.01%	–	12.45%	–
CNAC Holding	Beneficial owner	2,130,898,021 A Shares	10.40%	13.71%	–	–
Cathay Pacific	Beneficial owner	2,633,725,455 H Shares	12.85%	–	53.15%	–
Swire Pacific Limited[2]	Equity attributable	2,633,725,455 H Shares	12.85%	–	53.15%	–
John Swire & Sons (H.K.) Limited[2]	Equity attributable	2,633,725,455 H Shares	12.85%	–	53.15%	–
John Swire & Sons Limited[2]	Equity attributable	2,633,725,455 H Shares	12.85%	–	53.15%	–

Notes:

Based on the information available to the Directors and chief executive (including such information as was available on the website of the Hong Kong Stock Exchange) and to the knowledge of the Directors and chief executive, as at the end of the Reporting Period:

1. By virtue of CNAHC's 100% interest in CNACG and CNAC Holding, respectively, CNAHC was deemed to be interested in the 1,332,482,920 A Shares and 616,779,308 H Shares directly held by CNACG, and the 2,130,898,021 A Shares directly held by CNAC Holding.

2. By virtue of John Swire & Sons Limited's 100% interest in John Swire & Sons (H.K.) Limited and their approximately 64.45% equity interest and 70.97% voting rights in Swire Pacific Limited, and Swire Pacific Limited's approximately 45.12% interest in Cathay Pacific as at the end of the Reporting Period, John Swire & Sons Limited, John Swire & Sons (H.K.) Limited and Swire Pacific Limited were deemed to be interested in the 2,633,725,455 H Shares of the Company directly held by Cathay Pacific.

Save as disclosed above, as at the end of the Reporting Period, to the knowledge of the Directors and chief executive of the Company, no other person had an interest or short position in the shares or underlying shares of the Company as recorded in the register required to be kept pursuant to section 336 of the SFO.

TOTAL NUMBER OF SHAREHOLDERS

Total number of holders of ordinary shares as at the end of the Reporting Period (account)	175,121 accounts, of which 2,637 accounts are registered holders of H Shares

INFORMATION OF SHAREHOLDERS

Unit: Share

Shareholdings of the top 10 shareholders (excluding shares lent through securities lending and refinancing)

Name of shareholder (full name)	Change(s) during the Reporting Period	Number of shares held as at the end of the Reporting Period	Shareholding percentage (%)	Number of shares held subject to selling restrictions	Shares pledged, marked or frozen		Nature of Shareholder
					Status	Number	
China National Aviation Holding Corporation Limited	913,242,009	8,334,704,710	40.67	1,767,942,863	Frozen	127,445,536	State-owned legal person
Cathay Pacific Airways Limited	0	2,633,725,455	12.85	0	Nil	0	Foreign legal person
China National Aviation Capital Holding Co., Ltd.	2,130,898,021	2,130,898,021	10.40	2,130,898,021	Nil	0	State-owned legal person
China National Aviation Corporation (Group) Limited	0	1,949,262,228	9.51	392,927,308	Frozen	36,454,464	Foreign legal person
HKSCC NOMINEES LIMITED	1,261,989	1,691,472,370	8.25	0	Nil	0	Foreign legal person
China National Aviation Fuel Group Limited	0	237,224,158	1.16	0	Nil	0	State-owned legal person
Hong Kong Securities Clearing Company Limited	9,421,462	166,378,281	0.81	0	Nil	0	Foreign legal person
National Social Security Fund 114 Portfolio (全國社保基金一一四組合)	11,077,400	93,823,770	0.46	0	Nil	0	Other
China Structural Reform Fund Co., Ltd. (中國國有企業結構調整基金股份有限公司)	0	52,422,706	0.26	0	Nil	0	Other
Bank of China Limited – Huashang Runfeng Flexible Allocation Hybrid Securities Investment Fund (中國銀行股份有限公司－華商潤豐靈活配置混合型證券投資基金)	46,842,456	46,842,456	0.23	0	Nil	0	Other

Unit: Share

Shareholdings of the top 10 shareholders not subject to selling restrictions (excluding shares lent through securities lending and refinancing, and lock-up shares of senior management officers)			
	Number of tradable shares held not subject to selling restrictions	Type and number of shares	
Name of shareholder		Type	Number
China National Aviation Holding Corporation Limited	6,566,761,847	RMB ordinary shares	6,566,761,847
Cathay Pacific Airways Limited	2,633,725,455	Overseas listed foreign shares	2,633,725,455
HKSCC NOMINEES LIMITED	1,691,472,370	Overseas listed foreign shares	1,691,472,370
China National Aviation Corporation (Group) Limited	1,556,334,920	RMB ordinary shares	1,332,482,920
		Overseas listed foreign shares	223,852,000
China National Aviation Fuel Group Limited	237,224,158	RMB ordinary shares	237,224,158
Hong Kong Securities Clearing Company Limited	166,378,281	RMB ordinary shares	166,378,281
National Social Security Fund 114 Portfolio (全國社保基金一一四組合)	93,823,770	RMB ordinary shares	93,823,770
China Structural Reform Fund Co., Ltd. (中國國有企業結構調整基金股份有限公司)	52,422,706	RMB ordinary shares	52,422,706
Bank of China Limited – Huashang Runfeng Flexible Allocation Hybrid Securities Investment Fund (中國銀行股份有限公司－華商潤豐靈活配置混合型證券投資基金)	46,842,456	RMB ordinary shares	46,842,456
Guoxin Hongsheng Investment (Beijing) Co., Ltd (國新宏盛投資(北京)有限公司)	40,503,946	RMB ordinary shares	40,503,946
Explanation on the repurchase special accounts among the top 10 shareholders	Nil		
Explanation on the right to vote by proxy, proxy and abstention from voting among the above shareholders	Nil		
Explanation on related relationship or action in concert among the above shareholders	CNAC Holding and CNACG are wholly-owned subsidiaries of CNAHC. Accordingly, CNAHC is directly and indirectly interested in 60.58% of the shares of the Company.		
Explanation on preference shareholders whose voting rights have been restored and the number of shares held	Nil		

1. HKSCC NOMINEES LIMITED is a subsidiary of The Stock Exchange of Hong Kong Limited and its principal business is acting as nominee to hold shares for and on behalf of other corporate shareholders or individual shareholders. The H Shares held by it in the Company do not include the 166,852,000 shares held by it as nominee of CNACG.

2. According to the "Implementation Measures on Partial Transfer of State-owned Shares to the National Social Security Fund in the Domestic Securities Market" (Cai Qi [2009] No. 94) (《境內證券市場轉持部分國有股充實全國社會保障基金實施辦法》(財企[2009]94號)) and the Notice (2009 No. 63) jointly issued by the Ministry of Finance, the State-owned Assets Supervision and Administration Commission of the State Council, China Securities Regulatory Commission and the National Council for Social Security Fund, 127,445,536 and 36,454,464 shares held by CNAHC, the controlling shareholder of the Company, and CNACG respectively are frozen at present.

Unit: Share

		Shareholdings of the top 10 shareholders subject to selling restrictions and conditions of selling restrictions				
			Listing and trading status of shares subject to selling restrictions			
No.	Name of shareholder subject to selling restrictions	Number of shares held subject to selling restrictions	Date of being permitted for listing and trading	Number of additional shares to be listed and traded	Selling restrictions
1	China National Aviation Capital Holding Co., Ltd.	2,130,898,021	4 December 2027	2,130,898,021	Lock-up period of 18 months
2	China National Aviation Holding Corporation Limited	1,767,942,863	/	/	/
		854,700,854	10 December 2027	854,700,854	Lock-up period of 36 months
		913,242,009	4 December 2027	913,242,009	Lock-up period of 18 months
3	China National Aviation Corporation (Group) Limited	392,927,308	8 February 2027	392,927,308	Lock-up period of 36 months
Explanation on related relationship or action in concert among the above shareholders			CNAC Holding and CNACG are wholly-owned subsidiaries of CNAHC.		

CORPORATE GOVERNANCE

Compliance with the Corporate Governance Code

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

Compliance with the Model Code

In December 2025, the Company formulated and adopted the "Management Provisions on Changes in Shareholdings of Directors and Senior Management" on terms no less exacting than the Model Code. The code of the Company also applies to the relevant employees. After making specific enquiries, the Company confirmed that each Director had complied with the required standards of the Model Code and the Company's code of conduct during the Reporting Period.

OTHER SIGNIFICANT MATTERS

On 6 January 2026, as considered and approved at the eleventh meeting of the seventh session of the Board of the Company, the Company's wholly-owned subsidiary, Easerich Investments Inc., commissioned a placing agent to sell approximately 1.61% equity interest (i.e. 108,080,000 shares) in Cathay Pacific held by it through block trades in the Hong Kong securities trading market. For details, please refer to the announcement of the Company dated 6 January 2026. On 8 January 2026, the Company completed the aforementioned transaction. As at the date of this report, the 1,822,436,334 shares of Cathay Pacific held by the Company accounted for 29.97% of the total share capital of Cathay Pacific of 6,081,128,038 shares.

On 25 March 2026, at the 2026 first extraordinary shareholders' meeting of the Company, the resolution in relation to the introduction of 60 A320NEO series aircraft was approved. For details, please refer to the announcements and circular of the Company dated 30 December 2025, 9 March 2026 and 25 March 2026.

On 18 December 2025, the Company and Kunhang Investment completed the first capital increase in Shenzhen Airlines, among which, the Company made a capital contribution of RMB2.082 billion in cash and Kunhang Investment made a capital contribution of RMB2 billion in cash. Upon completion of the first capital increase, the Company continued to hold 51.00% equity interest in Shenzhen Airlines. On 12 June 2026, the second capital increase agreement was signed by the Company, Shenzhen International Logistics, Kunhang Investment and Shenzhen Airlines. The Company will make capital contributions totaling RMB6,078,367,346.94 to Shenzhen Airlines in the form of five A350 aircraft and cash. Upon completion of the second capital increase, the Company will continue to hold 51.0000% equity interest in Shenzhen Airlines. For details, please refer to the announcements of the Company dated 18 December 2025, 5 June 2026 and 12 June 2026.

USE OF PROCEEDS RAISED FROM THE ISSUANCE OF A SHARES TO SPECIFIC INVESTOR

In order to repay debts and replenish working capital, improve capital structure, strengthen financial soundness and enhance the Company's comprehensive risk resistance capability, on 4 June 2026, the Company issued 3,044,140,030 A Shares to CNAHC and CNAC Holding (with a total nominal value of RMB3,044,140,030) at the issue price of RMB6.57 per share (the "**Issuance of A Shares to Specific Investors**"), raising gross proceeds of RMB19,999,999,997.10. After deducting issue costs of RMB9,536,992.15 (excluding value-added tax), the net proceeds were RMB19,990,463,004.95 representing net proceeds of approximately RMB6.5669 per A Share issued to specific investors. For details, please refer to the announcements of the Company dated 30 October 2025 and 9 June 2026. On 30 October 2025 (being the date on which the terms of the issue were fixed), the closing price of the Company's A Shares was RMB8.55 per share. During the Reporting Period, the actual use of the net proceeds from the Issuance of A Shares to Specific Investors was consistent with the plan previously disclosed by the Company. The following table shows the use of net proceeds from the Issuance of A Shares to Specific Investors:

Unit: RMB, Currency: RMB

Committed investment project	Total committed investment of proceeds raised	Investment during the Reporting Period	Outstanding amount as at the end of the Reporting Period	Expected timeline for the completion of utilization of proceeds raised
Repaying debts and replenishing working capital	19,990,463,004.95	16,874,813,347.23	3,115,649,657.72	30 June 2027

Note: During the Reporting Period, the Company had utilized RMB16,874,813,347.23 of the net proceeds, of which RMB800,002,001.50 was used to replenish working capital (all for payment of jet fuel) and RMB16,074,811,345.73 was used to repay debts.

BASIC INFORMATION OF NON-FINANCIAL CORPORATE DEBT FINANCING INSTRUMENTS

The following is the basic information of the Group's non-financial corporate debt financing instruments as at the end of the Reporting Period:

Unit: RMB100 million, Currency: RMB

Name of Bond	Abbreviation	Code	Issue Date	Value Date	Expiry Date	Balance of the Bond	Interest Rate (%)	Payment of principal and interest
Air China Limited 2025 Super Short-term Commercial Paper (Sixth Tranche)	25ACSCP006	012582753	13 November 2025	14 November 2025	11 August 2026	20.20	1.63	One-off payment of principal and interest on maturity
Air China Limited 2025 Super Short-term Commercial Paper (Seventh Tranche)	25ACSCP007	012582852	21 November 2025	24 November 2025	21 August 2026	20.20	1.63	One-off payment of principal and interest on maturity
Air China Limited 2025 Short-term Commercial Paper (First Tranche)	25ACCP001	042580496	18 September 2025	19 September 2025	18 September 2026	30.40	1.70	One-off payment of principal and interest on maturity
Air China Limited 2024 Medium Term Note (First Tranche)	24ACMTN001	102482159	4 June 2024	5 June 2024	5 June 2027	10.02	2.25	Interest on annual basis Repayment of principal on maturity
Air China Limited 2024 Medium Term Note (Second Tranche)	24ACMTN002	102484189	19 September 2024	20 September 2024	20 September 2027	30.47	2.03	Interest on annual basis Repayment of principal on maturity
Air China Limited 2024 Medium Term Note (Third Tranche)	24ACMTN003	102484862	11 November 2024	12 November 2024	12 November 2027	20.27	2.15	Interest on annual basis Repayment of principal on maturity
Air China Limited 2025 Medium Term Note (First Tranche)	25ACMTN001	102581251	19 March 2025	20 March 2025	20 March 2028	25.14	2.03	Interest on annual basis Repayment of principal on maturity
Air China Limited 2025 Medium Term Note (Second Tranche)	25ACMTN002	102581322	21 March 2025	24 March 2025	24 March 2030	20.12	2.15	Interest on annual basis Repayment of principal on maturity
Air China Limited 2025 Medium Term Note (Third Tranche)	25ACMTN003	102581710	17 April 2025	18 April 2025	18 April 2028	20.07	1.82	Interest on annual basis Repayment of principal on maturity
Air China Limited 2025 Medium Term Note (Fourth Tranche)	25ACMTN004	102581862	24 April 2025	25 April 2025	25 April 2028	25.09	1.85	Interest on annual basis Repayment of principal on maturity
Air China Limited 2025 Medium Term Note (Fifth Tranche)	25ACMTN005	102582133	22 May 2025	23 May 2025	23 May 2028	30.06	1.77	Interest on annual basis Repayment of principal on maturity
Air China Limited 2025 Medium Term Note (Sixth Tranche)	25ACMTN006	102582162	26 May 2025	27 May 2025	27 May 2028	30.05	1.76	Interest on annual basis Repayment of principal on maturity
Air China Limited 2025 Medium Term Note (Seventh Tranche)	25ACMTN007	102582570	23 June 2025	24 June 2025	24 June 2028	20.01	1.74	Interest on annual basis Repayment of principal on maturity

Unit: RMB100 million, Currency: RMB

Name of Bond	Abbreviation	Code	Issue Date	Value Date	Expiry Date	Balance of the Bond	Interest Rate (%)	Payment of principal and interest
Air China Limited 2025 Medium Term Note (Eighth Tranche)	25ACMTN008	102583943	17 September 2025	18 September 2025	18 September 2028	30.46	1.96	Interest on annual basis Repayment of principal on maturity
Air China Limited 2025 Medium Term Note (Ninth Tranche)	25ACMTN009	102584041	22 September 2025	23 September 2025	23 September 2028	30.45	1.96	Interest on annual basis Repayment of principal on maturity
Air China Limited 2025 Medium Term Note (Tenth Tranche)	25ACMTN010	102585302	18 December 2025	19 December 2025	19 December 2028	15.15	1.85	Interest on annual basis Repayment of principal on maturity
Air China Limited 2025 Medium Term Note (Eleventh Tranche)	25ACMTN011	102585322	22 December 2025	23 December 2025	23 December 2028	15.14	1.81	Interest on annual basis Repayment of principal on maturity
Air China Limited 2026 Medium Term Note (First Tranche)	26ACMTN001	102681748	28 April 2026	29 April 2026	29 April 2028	5.01	1.61	Interest on annual basis Repayment of principal on maturity
Air China Limited 2026 Medium Term Note (Second Tranche)	26ACMTN002	102681952	27 May 2026	28 May 2026	28 May 2028	5.01	1.51	Interest on annual basis Repayment of principal on maturity

In terms of the place of trading, the bonds listed in the table, namely "25ACSCP006", "25ACSCP007", "25ACCP001", "24ACMTN001", "24ACMTN002", "24ACMTN003", "25ACMTN001", "25ACMTN002", "25ACMTN003", "25ACMTN004", "25ACMTN005", "25ACMTN006", "25ACMTN007", "25ACMTN008", "25ACMTN009", "25ACMTN010", "25ACMTN011", "26ACMTN001" and "26ACMTN002" are all traded on the interbank bond market. In terms of investor suitability arrangement, they are all issued to institutional investors in the national interbank bond market. In terms of trading mechanism, they all follow the trading rules of the National Interbank Funding Centre, and are not subject to the risk of termination of listing and trading.

PURCHASES, SALES OR REDEMPTION OF LISTED SECURITIES

During the Reporting Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any listed securities (including the sale of Treasury Shares) (the term "securities" has the meaning ascribed to it under Paragraph 1 of Appendix D2 to the Listing Rules) of the Company.

As at the end of the Reporting Period, the Company did not hold any Treasury Shares.

INTERIM DIVIDEND

No interim dividend will be paid by the Company for the six months ended 30 June 2026.

REVIEW BY THE AUDIT AND RISK MANAGEMENT COMMITTEE (THE SUPERVISION COMMITTEE)

The audit and risk management committee (the supervision committee) of the Company has reviewed the Company's interim report for the six months ended 30 June 2026, the Company's unaudited interim condensed consolidated financial statements and the accounting policies and practices adopted by the Group.

OTHER INFORMATION

In order to comply with paragraph 40 of Appendix D2 to the Listing Rules, save as disclosed herein, the Company confirmed that there are no material changes in the current information of the Company in relation to matters as set out in paragraph 32 of Appendix D2 to the Listing Rules as compared with the relevant disclosures in the 2025 annual report of the Company.

SUBSEQUENT EVENTS

On 17 July 2026, the 19th meeting of the seventh session of the Board of the Company considered and approved the "Resolution on the Introduction of 15 A350-900 Aircraft of Air China" (《關於國航引進15架A350-900飛機的議案》) and the "Resolution on the Introduction of 40 A320NEO Series Aircraft of Shenzhen Airlines" (《關於深航引進40架A320NEO系列飛機的議案》). The Company and its wholly-owned subsidiary, Air China Import and Export Co., Ltd., and Shenzhen Airlines entered into the aircraft purchase agreements with Airbus to acquire 15 A350-900 aircraft and 40 Airbus A320NEO series aircraft from Airbus, respectively. The transactions are subject to the consideration and approval by the shareholders' meeting of the Company and approval by the relevant state authorities.

Independent Review Report

TO THE BOARD OF DIRECTORS OF AIR CHINA LIMITED
(中國國際航空股份有限公司)
(Incorporated in the People's Republic of China with limited liability)

INTRODUCTION

We have reviewed the accompanying interim financial report, which comprises the consolidated statement of financial position of Air China Limited as of 30 June 2026, the related consolidated statement of profit or loss, statement of profit or loss and other comprehensive income, statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and International Accounting Standard 34, *Interim Financial Reporting*, as issued by the International Accounting Standards Board. The directors are responsible for the preparation and presentation of the interim financial report in accordance with International Accounting Standard 34 *Interim Financial Reporting*.

Our responsibility is to form a conclusion, based on our review, on the interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*, as issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial report consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at 30 June 2026 is not prepared, in all material respects, in accordance with International Accounting Standard 34 *Interim Financial Reporting*.

KPMG
Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

28 August 2026

Consolidated Statement of Profit or Loss

For the Six Months Ended 30 June 2026 – unaudited
(Expressed in Renminbi ("RMB"))

	NOTES	Six months ended 30 June 2026 RMB'000	2025 RMB'000
Revenue	4	**89,267,620**	80,757,434
Other income and gains	6	**3,270,273**	2,615,845
		92,537,893	83,373,279
Operating expenses			
Jet fuel costs		**(32,766,300)**	(24,327,485)
Employee compensation costs		**(18,110,952)**	(17,849,218)
Depreciation and amortisation		**(15,805,992)**	(14,837,638)
Take-off, landing and depot charges		**(10,522,014)**	(10,613,810)
Aircraft maintenance, repair and overhaul costs		**(7,907,645)**	(7,292,075)
Air catering charges		**(2,107,399)**	(2,104,979)
Aircraft and engine lease expenses		**(603,713)**	(342,162)
Other lease expenses		**(318,252)**	(366,175)
Other flight operation expenses		**(4,208,129)**	(4,040,914)
Selling and marketing expenses		**(2,287,036)**	(2,410,378)
General and administrative expenses		**(910,803)**	(797,634)
Impairment loss recognised on non-current assets		**(47,237)**	(85,154)
Net impairment loss recognised under expected credit loss model		**(7,616)**	(2,087)
		(95,603,088)	(85,069,709)
Loss from operations	7	**(3,065,195)**	(1,696,430)
Finance income		**159,478**	285,792
Finance costs	8	**(2,409,381)**	(2,890,954)
Share of results of associates		**1,291,322**	1,220,174
Share of results of joint ventures		**240,694**	117,208
Exchange differences		**651,669**	176,308
Loss before taxation		**(3,131,413)**	(2,787,902)
Income tax (expense)/credit	9	**(296,103)**	77,797
Loss for the period		**(3,427,516)**	(2,710,105)
Attributable to:			
– Equity shareholders of the Company		**(2,287,829)**	(1,804,820)
– Non-controlling interests		**(1,139,687)**	(905,285)
		(3,427,516)	(2,710,105)
Loss per share			
– Basic and diluted (RMB)	11	**RMB(0.13)**	RMB(0.11)

The notes on pages 39 to 63 form part of this interim financial report.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Six Months Ended 30 June 2026 – unaudited

(Expressed in RMB)

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
Loss for the period	**(3,427,516)**	(2,710,105)
Other comprehensive income for the period		
Items that will not be reclassified to profit or loss:		
– Change in fair value of investments in equity instruments at fair value through other comprehensive income	**(16,095)**	42,421
– Remeasurement of net defined benefit liability	**(17,309)**	9
– Share of other comprehensive income of an associate	**184**	(556)
– Related tax	**4,024**	(10,291)
Items that are or may be reclassified subsequently to profit or loss:		
– Change in fair value of investments in debt instruments at fair value through other comprehensive income	**(100)**	(10,644)
– Share of other comprehensive income of associates and joint ventures	**659,221**	(362,428)
– Exchange differences on translation of foreign operations	**(872,889)**	(362,807)
– Impairment loss recognised on investments in debt instruments at fair value through other comprehensive income	**(1,107)**	(235)
– Related tax	**302**	2,720
Other comprehensive income for the period, net of tax	**(243,769)**	(701,811)
Total comprehensive income for the period	**(3,671,285)**	(3,411,916)
Attributable to:		
– Equity shareholders of the Company	**(2,497,688)**	(2,504,603)
– Non-controlling interests	**(1,173,597)**	(907,313)
	(3,671,285)	(3,411,916)

The notes on pages 39 to 63 form part of this interim financial report.

Consolidated Statement of Financial Position

At 30 June 2026 – unaudited
(Expressed in RMB)

	NOTES	At 30 June 2026 RMB'000	At 31 December 2025 RMB'000
Non-current assets			
Property, plant and equipment	12	**132,858,284**	127,360,692
Right-of-use assets	12	**123,754,967**	121,670,850
Investment properties		**642,751**	659,519
Intangible assets		**102,123**	105,612
Goodwill		**3,612,180**	3,612,180
Interests in associates	13	**14,830,662**	15,787,587
Interests in joint ventures		**2,798,908**	2,644,892
Advance payments for aircraft and flight equipment		**19,831,560**	20,185,779
Deposits for aircraft under leases		**359,918**	488,745
Equity instruments at fair value through other comprehensive income		**1,908,478**	1,924,573
Debt instruments at fair value through other comprehensive income		**851,045**	1,093,435
Deferred tax assets		**11,208,569**	11,367,646
Other non-current assets		**1,385,330**	1,305,636
		314,144,775	308,207,146
Current assets			
Inventories		**5,615,028**	4,809,698
Accounts receivable	14	**4,854,777**	3,480,157
Bills receivable		**5,625**	12,516
Prepayments, deposits and other receivables	15	**5,484,495**	4,866,352
Financial assets at fair value through profit or loss		**131,892**	151,633
Time deposits and restricted deposits		**1,516,588**	1,564,056
Cash and cash equivalents		**14,139,927**	14,295,268
Other current assets		**6,320,611**	5,623,629
		38,068,943	34,803,309
Total assets		**352,213,718**	343,010,455

The notes on pages 39 to 63 form part of this interim financial report.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2026 – unaudited
(Expressed in RMB)

	NOTES	At 30 June 2026 RMB'000	At 31 December 2025 RMB'000
Current liabilities			
Air traffic liabilities		**(13,936,511)**	(11,221,885)
Accounts payable	16	**(22,637,653)**	(18,716,316)
Bills payable		**(698,662)**	(1,500,000)
Contract liabilities		**(1,802,074)**	(1,720,744)
Dividends payable		**(97,864)**	(103,367)
Other payables and accruals	17	**(15,148,667)**	(16,671,365)
Advance		**(152,071)**	(73,656)
Current taxation		**(48,038)**	(109,089)
Lease liabilities	18	**(16,854,454)**	(17,548,753)
Interest-bearing borrowings	19	**(43,289,508)**	(47,210,707)
Provision for return condition checks		**(2,429,059)**	(2,416,213)
		(117,094,561)	(117,292,095)
Net current liabilities		**(79,025,618)**	(82,488,786)
Total assets less current liabilities		**235,119,157**	225,718,360
Non-current liabilities			
Lease liabilities	18	**(61,429,844)**	(61,452,171)
Interest-bearing borrowings	19	**(93,127,786)**	(100,607,906)
Provision for return condition checks		**(19,587,446)**	(20,149,949)
Provision for early retirement benefit obligations		**(355)**	(262)
Contract liabilities		**(2,751,673)**	(2,873,684)
Defined benefit obligations		**(177,665)**	(168,765)
Deferred income		**(388,696)**	(401,549)
Deferred tax liabilities		**(139,851)**	(137,992)
Other non-current liabilities		**(738,355)**	(731,358)
		(178,341,671)	(186,523,636)
NET ASSETS		**56,777,486**	39,194,724

The notes on pages 39 to 63 form part of this interim financial report.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2026 – unaudited
(Expressed in RMB)

	NOTE	**At 30 June 2026 RMB'000**	At 31 December 2025 RMB'000
CAPITAL AND RESERVES			
Issued capital	20	**20,492,561**	17,448,421
Reserves		**39,336,135**	25,066,365
Total equity attributable to equity shareholders of the Company		**59,828,696**	42,514,786
Non-controlling interests		**(3,051,210)**	(3,320,062)
TOTAL EQUITY		**56,777,486**	39,194,724

Approved and authorised for issue by the board of directors on 28 August 2026.

Liu Tiexiang
Director

Qu Guangji
Director

The notes on pages 39 to 63 form part of this interim financial report.

Consolidated Statement of Changes in Equity

For the Six Months Ended 30 June 2026 – unaudited
(Expressed in RMB)

	Attributable to equity shareholders of the Company								
	Issued capital RMB'000	Capital reserve and revaluation reserve RMB'000	Reserve funds RMB'000	General reserve and safety fund RMB'000	Foreign exchange translation reserve RMB'000	Accumulated losses RMB'000	Subtotal RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
As at 1 January 2026	**17,448,421**	**46,550,676**	**11,564,287**	**177,506**	**(1,314,040)**	**(31,912,064)**	**42,514,786**	**(3,320,062)**	**39,194,724**
Changes in equity for the six months ended 30 June 2026									
Loss for the period	**–**	**–**	**–**	**–**	**–**	**(2,287,829)**	**(2,287,829)**	**(1,139,687)**	**(3,427,516)**
Other comprehensive income	**–**	**654,144**	**–**	**–**	**(864,003)**	**–**	**(209,859)**	**(33,910)**	**(243,769)**
Total comprehensive income	**–**	**654,144**	**–**	**–**	**(864,003)**	**(2,287,829)**	**(2,497,688)**	**(1,173,597)**	**(3,671,285)**
Issue of new shares	**3,044,140**	**16,946,323**	**–**	**–**	**–**	**–**	**19,990,463**	**–**	**19,990,463**
Dividends paid to non-controlling shareholders	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(17,551)**	**(17,551)**
Capital injection by non-controlling shareholders	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**1,460,000**	**1,460,000**
Others	**–**	**(178,865)**	**–**	**–**	**–**	**–**	**(178,865)**	**–**	**(178,865)**
As at 30 June 2026	**20,492,561**	**63,972,278**	**11,564,287**	**177,506**	**(2,178,043)**	**(34,199,893)**	**59,828,696**	**(3,051,210)**	**56,777,486**
As at 1 January 2025	17,448,421	46,832,986	11,564,287	177,506	(743,025)	(30,152,003)	45,128,172	(4,202,202)	40,925,970
Changes in equity for the six months ended 30 June 2025									
Loss for the period	–	–	–	–	–	(1,804,820)	(1,804,820)	(905,285)	(2,710,105)
Other comprehensive income	–	(335,298)	–	–	(364,485)	–	(699,783)	(2,028)	(701,811)
Total comprehensive income	–	(335,298)	–	–	(364,485)	(1,804,820)	(2,504,603)	(907,313)	(3,411,916)
Capital injection by non-controlling shareholders	–	–	–	–	–	–	–	715,943	715,943
As at 30 June 2025	17,448,421	46,497,688	11,564,287	177,506	(1,107,510)	(31,956,823)	42,623,569	(4,393,572)	38,229,997

The notes on pages 39 to 63 form part of this interim financial report.

Condensed Consolidated Statement of Cash Flows

For the Six Months Ended 30 June 2026 – unaudited
(Expressed in RMB)

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
Operating activities		
Cash generated from operations	**13,854,530**	17,919,320
Income tax paid	**(187,851)**	(88,170)
Interest paid	**(2,438,213)**	(3,003,178)
Net cash generated from operating activities	**11,228,466**	14,827,972
Investing activities		
Advance payments for aircraft and flight equipment	**(4,225,170)**	(1,783,732)
Purchase of property, plant and equipment	**(11,310,906)**	(6,435,935)
Investment in a joint venture	**(43,062)**	(44,850)
Purchase of debt instruments and equity instruments at fair value through other comprehensive income	**–**	(240,000)
Withdrawal/(placement) of term deposits	**66,944**	(1,135,398)
Purchase of debt instruments at amortised cost	**–**	(141,899)
Proceeds from disposal of property, plant and equipment, right-of-use assets and assets held for sale	**135,594**	716,817
Proceeds from disposal of debt instruments and equity instruments at fair value through other comprehensive income	**698,719**	500,419
Proceeds from partial disposal of associates	**1,181,733**	–
Dividends received	**1,087,391**	937,323
Net cash flows arising from other investing activities	**156,160**	289,216
Net cash used in investing activities	**(12,252,597)**	(7,338,039)
Financing activities		
Repayment of bank loans and other borrowing	**(31,124,964)**	(39,738,040)
Repayment of leases liabilities	**(9,072,733)**	(9,185,178)
Repayment of corporate bonds and short-term commercial papers	**(10,400,000)**	(9,200,000)
Dividends paid to non-controlling shareholders	**(17,551)**	–
Proceeds from new bank loans and other borrowings	**22,726,282**	27,689,016
Proceeds from issue of corporate bonds and short-term commercial papers	**7,400,000**	26,500,000
Proceeds from issue of new shares	**20,000,000**	–
Transaction costs attributable to issue of new shares	**(9,537)**	–
Capital contribution from a non-controlling shareholder of a subsidiary	**1,460,000**	715,943
Net cash generated from/(used in) financing activities	**961,497**	(3,218,259)
Net (decrease)/increase in cash and cash equivalents	**(62,634)**	4,271,674
Cash and cash equivalents at 1 January	**14,295,268**	21,039,472
Effect of foreign exchange rate changes	**(92,707)**	19,955
Cash and cash equivalents at 30 June	**14,139,927**	25,331,101

The notes on pages 39 to 63 form part of this interim financial report.

Notes to the Unaudited Interim Financial Report

For the Six Months Ended 30 June 2026
(Expressed in RMB)

1. CORPORATE INFORMATION

Air China Limited (the "Company") was established as a joint stock limited company in Beijing, the People's Republic of China (the "PRC"), on 30 September 2004. The registered office of the Company is located at 1st Floor – 9th Floor 101, Building 1, 30 Tianzhu Road, Shunyi District, Beijing, the PRC. The Company's H shares are listed on The Stock Exchange of Hong Kong Limited (the "HKSE") and the London Stock Exchange (the "LSE") while the Company's A shares are listed on the Shanghai Stock Exchange. In the opinion of the directors of the Company (the "Directors"), the Company's parent and ultimate holding company is China National Aviation Holding Corporation Limited ("CNAHC"), a PRC state-owned enterprise under the supervision of the State Council.

The principal activities of the Company and its subsidiaries (together referred to as the "Group") are provision of airline and airline-related services, including aircraft engineering services and airport ground handling services.

The interim consolidated financial report is presented in Renminbi ("RMB"), the functional currency of the Company, and all values are rounded to the nearest thousand ('000) unless otherwise indicated.

2. BASIS OF PREPARATION

The interim financial report for the six months ended 30 June 2026 has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with International Accounting Standard ("IAS") 34, *Interim Financial Reporting*, as issued by the International Accounting Standards Board ("IASB"). It was authorised for issue on 28 August 2026.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the 2025 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with IFRS Accounting Standards.

The interim financial report is unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standard of Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, as issued by the Hong Kong Institute of Certified Public Accountants. KPMG's independent review report to the Board of Directors is included in page 31.

As at 30 June 2026, the Group's current liabilities exceeded its current assets by approximately RMB79,026 million. Considering the Group's expected operating cash flows and the Company's unutilised bank facilities as at 30 June 2026, the Directors believe that the Group has sufficient financial resources to finance its operation and to meet its financial obligations as and when they fall due within the next twelve months from the end of the reporting period. Accordingly, this interim financial report has been prepared on a going concern basis.

NOTES TO THE UNAUDITED
INTERIM FINANCIAL REPORT
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3. CHANGES IN ACCOUNTING POLICIES

Other than change in accounting policies resulting from application of amendments to IFRS Accounting Standards, the interim financial report has been prepared in accordance with the same accounting policies adopted in the 2025 annual financial statements.

In the current interim period, the Group has applied the following amendments to IFRS Accounting Standards as 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, *Financial instruments* and IFRS 7, *Financial instruments: disclosures – Contracts referencing nature-dependent electricity*

Amendments to IFRS 9, *Financial instruments* and IFRS 7, *Financial instruments: disclosures – Amendments to the classification and measurement of financial instruments*

Annual improvements to IFRS Accounting Standards – Volume 11

The application of the amendments to IFRS Accounting Standards effective in the current interim period has had no material impact on the Group's financial positions and performance for the current period and/or on the disclosures set out in these condensed consolidated financial statements.

4. REVENUE

Disaggregation of revenue

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
Revenue from contracts with customers		
Airline operations		
Passenger	**80,329,932**	73,196,376
Cargo and mail	**4,345,263**	3,577,468
Others	**990,951**	921,734
	85,666,146	77,695,578
Other operations		
Aircraft engineering income	**3,322,791**	2,825,795
Others	**60,841**	61,703
	3,383,632	2,887,498
Sub-total	**89,049,778**	80,583,076
Rental income (included in revenue of airline operations segment)	**217,842**	174,358
Total revenue	**89,267,620**	80,757,434

5. SEGMENT INFORMATION

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

(a) the "airline operations" segment which mainly comprises the provision of air passenger and air cargo services; and

(b) the "other operations" segment which comprises the provision of aircraft engineering and other airline-related services.

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

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

For the six months ended 30 June 2026

	Airline operations RMB'000	Other operations RMB'000	Elimination RMB'000	Total RMB'000
Revenue				
Sales to external customers	**85,883,988**	**3,383,632**	**–**	**89,267,620**
Inter-segment sales	**139,948**	**4,836,252**	**(4,976,200)**	**–**
Segment revenue under CASs and IFRS Accounting Standards	**86,023,936**	**8,219,884**	**(4,976,200)**	**89,267,620**
Segment results before taxation				
(Loss)/profit before taxation for reportable segments under CASs	**(3,572,782)**	**394,855**	**46,493**	**(3,131,434)**
Effect of differences between IFRS Accounting Standards and CASs				**21**
Loss before taxation for the period under IFRS Accounting Standards				**(3,131,413)**

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5. SEGMENT INFORMATION (continued)

For the six months ended 30 June 2025

	Airline operations RMB'000	Other operations RMB'000	Elimination RMB'000	Total RMB'000
Revenue				
Sales to external customers	77,869,936	2,887,498	–	80,757,434
Inter-segment sales	106,983	4,426,862	(4,533,845)	–
Segment revenue under CASs and IFRS Accounting Standards	77,976,919	7,314,360	(4,533,845)	80,757,434
Segment results before taxation				
(Loss)/profit before taxation for reportable segments under CASs	(3,185,233)	388,330	7,862	(2,789,041)
Effect of differences between IFRS Accounting Standards and CASs				1,139
Loss before taxation for the period under IFRS Accounting Standards				(2,787,902)

5. SEGMENT INFORMATION (continued)

As at 30 June 2026/31 December 2025

	Airline operations RMB'000	Other operations RMB'000	Elimination RMB'000	Total RMB'000
Segment assets				
Segment assets as at 30 June 2026 under CASs	**341,085,679**	**29,347,335**	**(18,180,565)**	**352,252,449**
Effect of differences between IFRS Accounting Standards and CASs				**(38,731)**
Total assets as at 30 June 2026 under IFRS Accounting Standards				**352,213,718**
Segment assets as at 31 December 2025 under CASs	331,428,979	34,473,118	(22,854,853)	343,047,244
Effect of differences between IFRS Accounting Standards and CASs				(36,789)
Total assets as at 31 December 2025 under IFRS Accounting Standards				343,010,455
Segment liabilities				
Segment liabilities under CASs and IFRS Accounting Standards				
As at 30 June 2026	**295,801,456**	**17,312,855**	**(17,678,079)**	**295,436,232**
As at 31 December 2025	300,925,989	25,209,071	(22,319,329)	303,815,731

5. SEGMENT INFORMATION (continued)

Geographical information

The following tables present the Group's consolidated revenue to external customers by geographical location for the six months ended 30 June 2026 and 2025:

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
Chinese Mainland	**60,261,001**	56,277,430
Hong Kong SAR, Macau SAR and Taiwan, China	**2,926,071**	2,539,842
International	**26,080,548**	21,940,162
	89,267,620	80,757,434

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

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

6. OTHER INCOME AND GAINS

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
Co-operation routes income and subsidy income	**2,777,023**	2,407,102
Gains on disposal of property, plant and equipment and right-of-use assets	**13,723**	22,327
Dividend income	**8,767**	13,131
Gains on partial disposal of interests in associates	**197,240**	–
Other	**273,520**	173,285
	3,270,273	2,615,845

7. LOSS FROM OPERATIONS

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

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
Depreciation of property, plant and equipment	**7,621,737**	7,072,151
Depreciation of right-of-use assets	**8,167,482**	7,748,718
Depreciation of investment properties	**16,768**	16,767
Amortisation of intangible assets	**5**	2

8. FINANCE COSTS

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
Interest on interest-bearing borrowings	**1,608,913**	1,951,327
Interest on lease liabilities	**902,029**	1,114,236
Imputed interest expenses on defined benefit obligations	**1,558**	5,147
	2,512,500	3,070,710
Less: Interest capitalised (Note)	**(103,119)**	(179,756)
	2,409,381	2,890,954

Note: The interest capitalisation rates ranged from 1.95% to 2.66% per annum (six months ended 30 June 2025: 1.95% to 2.80% per annum) relating to the costs of related borrowings during the period.

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9. INCOME TAX EXPENSE/(CREDIT)

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
Current income tax:		
– Provision for the period	**128,751**	121,238
– Under provision in respect of prior years	**2,917**	1,525
Deferred tax	**164,435**	(200,560)
	296,103	(77,797)

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

10. DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company during the six months ended 30 June 2026 and 2025, nor has any dividend been proposed since the end of both reporting periods.

11. LOSS PER SHARE

The calculation of the basic loss per share is based on the loss attributable to ordinary equity shareholders of the Company of RMB2,288 million (six months ended 30 June 2025: RMB1,805 million) and the weighted average number of 17,143,887,154 (six months ended 30 June 2025: 16,658,566,736) ordinary shares in issue during the period, as adjusted to reflect the effect of reciprocal shareholding with Cathay Pacific Airways Limited ("Cathay Pacific") (Note 13).

As at 30 June 2026, the Company had no potential ordinary shares. The basic loss per share is the same as the diluted loss per share.

12. PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

(a) Property, plant and equipment

During the six months ended 30 June 2026, additions to the cost of property, plant and equipment were RMB14,459 million (six months ended 30 June 2025: RMB7,581 million). Property, plant and equipment with carrying amount of RMB222 million were disposed of during the six months ended 30 June 2026 (six months ended 30 June 2025: RMB738 million).

During the six months ended 30 June 2026, the Group recognised impairment loss amounting to approximately RMB47 million (six months ended 30 June 2025: RMB85 million) for certain aircraft held for sale. The recoverable amount is estimated based on fair value less cost of disposal. The fair value is determined based on depreciated replacement cost method. The fair value measurement falls into level 3 of the fair value hierarchy.

As at 30 June 2026, the Group was in the process of applying for the title certificates of certain buildings with an aggregate net book value of approximately RMB5,906 million (31 December 2025: RMB5,891 million). The Directors are of the opinion that the Group is entitled to lawfully and validly occupy and use the above-mentioned buildings.

(b) Right-of-use assets

During the six months ended 30 June 2026, additions to the right-of-use assets were RMB11,781million (six months ended 30 June 2025: RMB5,531 million).

As at 30 June 2026, the Group had future undiscounted lease payments under non-cancellable leases of RMB3 million (31 December 2025: RMB227 million), which was not recognised as lease liabilities since leases are yet to be commenced.

13. INTERESTS IN ASSOCIATES

	At 30 June 2026 RMB'000	At 31 December 2025 RMB'000
Listed shares in Hong Kong SAR, China	**14,330,842**	15,353,413
Unlisted investments	**499,820**	434,174
	14,830,662	15,787,587
Market value of listed shares	**20,545,744**	21,673,954

Summarised financial information in respect of Cathay Pacific, the only individually material associate of the Group, and a reconciliation to the carrying amount in the condensed consolidated financial statements, are set out below. The summarised financial information below represents amounts shown in the associate's consolidated financial statements.

13. INTERESTS IN ASSOCIATES (continued)

Cathay Pacific

	At 30 June 2026 RMB'000	At 31 December 2025 RMB'000
Gross amounts of the associate's		
Current assets	**24,796,233**	20,349,547
Non-current assets	**133,855,715**	139,566,458
Current liabilities	**(56,727,606)**	(53,328,818)
Non-current liabilities	**(51,525,860)**	(52,288,309)
Equity attributable to equity shareholders of the associate	**50,391,534**	54,290,749

	Six months ended 30 June	
	2026 RMB'000	2025 RMB'000
Revenue	**60,294,219**	49,909,699
Profit for the period	**5,531,466**	3,355,251
Other comprehensive income	**2,244,833**	(1,233,291)
Total comprehensive income	**7,776,299**	2,121,960

	At 30 June 2026 RMB'000	At 31 December 2025 RMB'000
Reconciled to the Group's interests in the associate		
Gross amounts of net assets of the associate attributable to equity shareholders	**50,391,534**	54,290,749
Group's effective interest	**29.97%**	28.72%
Group's share of net assets of the associate	**15,101,699**	15,589,977
Elimination of reciprocal shareholding	**(3,130,567)**	(2,690,959)
Goodwill	**2,359,710**	2,454,395
Carrying amount in the condensed consolidated financial statements	**14,330,842**	15,353,413

13. INTERESTS IN ASSOCIATES (continued)

Aggregate information of associates that are not individually material:

	At 30 June 2026 RMB'000	At 31 December 2025 RMB'000
Aggregate carrying amounts of individually immaterial associates in the condensed consolidated financial statements	**499,820**	434,174

	Six months ended 30 June 2026 RMB'000	2025 RMB'000
Aggregate amounts of the Group's share of those associates'		
Profit for the period	**94,322**	46,325
Other comprehensive income for the period	**(3,231)**	(1,184)
Total comprehensive income for the period	**91,091**	45,141

14. ACCOUNTS RECEIVABLE

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

	At 30 June 2026 RMB'000	At 31 December 2025 RMB'000
Within 30 days	**3,883,872**	2,877,838
31 to 60 days	**309,934**	101,849
61 to 90 days	**113,890**	245,924
Over 90 days	**547,081**	254,546
	4,854,777	3,480,157

15. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

An analysis of prepayments, deposits and other receivables, net of allowance for expected credit losses, was as follows:

	At 30 June 2026 RMB'000	At 31 December 2025 RMB'000
Manufacturers' credits	**1,243,631**	1,390,911
Prepayments of jet fuel	**135,084**	146,444
Other prepayments	**327,680**	444,383
	1,706,395	1,981,738
Deposits and other receivables	**3,778,100**	2,884,614
	5,484,495	4,866,352

16. ACCOUNTS PAYABLE

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

	At 30 June 2026 RMB'000	At 31 December 2025 RMB'000
Within 30 days	**10,823,126**	7,839,031
31 to 60 days	**2,006,152**	1,968,175
61 to 90 days	**4,734,453**	4,171,265
Over 90 days	**5,073,922**	4,737,845
	22,637,653	18,716,316

17. OTHER PAYABLES AND ACCRUALS

An analysis of other payables and accruals was as follows:

	At 30 June 2026 RMB'000	At 31 December 2025 RMB'000
Accrued salaries, wages and benefits	**3,963,496**	4,178,319
Payables for construction in progress	**1,067,713**	934,865
Deposits received from sales agents	**622,803**	507,604
Other tax payables	**397,738**	574,487
Deposits received by China National Aviation Finance Co., Ltd. ("CNAF"), a subsidiary of the Company, from related parties	**6,657,277**	8,212,987
Others	**2,439,640**	2,263,103
	15,148,667	16,671,365

18. LEASE LIABILITIES

The Group has obligations under lease agreements expiring from the second half of 2026 to 2036 (31 December 2025: 2026 to 2035). An analysis of the present values of the lease payments as at the end of the reporting period is as follows:

	At 30 June 2026 RMB'000	At 31 December 2025 RMB'000
Amounts repayable		
– Within 1 year	**16,854,454**	17,548,753
– After 1 year but within 2 years	**13,505,577**	14,175,868
– After 2 years but within 5 years	**28,867,197**	28,681,650
– After 5 years	**19,057,070**	18,594,653
Total	**78,284,298**	79,000,924
Less: Portion classified as current liabilities	**(16,854,454)**	(17,548,753)
Non-current portion	**61,429,844**	61,452,171

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19. INTEREST-BEARING BORROWINGS

	At 30 June 2026 RMB'000	At 31 December 2025 RMB'000
Bank loans and other borrowings:		
– Secured	**3,408,706**	3,915,909
– Unsecured	**92,676,090**	100,567,469
	96,084,796	104,483,378
Corporate bonds and short-term commercial papers:		
– Unsecured	**40,332,498**	43,335,235
	136,417,294	147,818,613

	At 30 June 2026 RMB'000	At 31 December 2025 RMB'000
Bank loans and other borrowings repayable:		
– Within 1 year	**34,957,010**	35,875,472
– After 1 year but within 2 years	**45,816,459**	46,098,600
– After 2 years but within 5 years	**14,522,847**	22,130,180
– After 5 years	**788,480**	379,126
	96,084,796	104,483,378
Corporate bonds and short-term commercial papers repayable:		
– Within 1 year	**8,332,498**	11,335,235
– After 1 year but within 2 years	**21,000,000**	6,000,000
– After 2 years but within 5 year	**11,000,000**	26,000,000
	40,332,498	43,335,235
Total interest-bearing borrowings	**136,417,294**	147,818,613
Less: portion classified as current liabilities	**(43,289,508)**	(47,210,707)
Non-current portion	**93,127,786**	100,607,906

19. INTEREST-BEARING BORROWINGS (continued)

The interest rate information of the Group's bank and other borrowings is as follows:

	At 30 June 2026		At 31 December 2025	
	RMB'000	**%**	RMB'000	%
Fixed rate bank loans and other borrowings	**25,863,428**	**1.00-3.38**	37,043,798	1.25-3.75
Fixed rate corporate bonds and short-term commercial papers	**40,332,498**	**1.38-2.25**	43,335,235	1.51-2.25
Floating rate bank loans and other borrowings	**70,221,368**	**1.00-3.85**	67,439,580	1.00-3.95
	136,417,294		147,818,613	

The floating rates of bank and other borrowings are linked to the benchmark interest rates of The People's Bank of China.

As at 30 June 2026, the carrying amount of the Group's assets pledged to secure the Group's borrowings is as follows:

	At 30 June 2026 RMB'000	At 31 December 2025 RMB'000
Aircraft and flight equipment, buildings and other equipment	**5,191,415**	4,538,610
Land use rights	**22,251**	22,645
	5,213,666	4,561,255

20. ISSUED CAPITAL

The numbers of shares of the Company and their nominal values as at 30 June 2026 and 31 December 2025 are as follows:

	30 June 2026		31 December 2025	
	Number of shares	**Nominal value RMB'000**	Number of shares	Nominal value RMB'000
Registered, issued and fully paid:				
– H shares of RMB1.00 each:				
Tradable	**4,562,683,364**	**4,562,683**	4,562,683,364	4,562,683
Tradable-restricted (Note a)	**392,927,308**	**392,927**	392,927,308	392,927
– A shares of RMB1.00 each:				
Tradable	**11,638,109,474**	**11,638,109**	11,638,109,474	11,638,109
Tradable-restricted (Note b)	**3,898,840,884**	**3,898,841**	854,700,854	854,701
	20,492,561,030	**20,492,561**	17,448,421,000	17,448,421

All shares rank equally with regard to the Company's residual assets.

Note a: On 7 February 2024, the Company issued 392,927,308 new H shares to China National Aviation Corporation (Group) Limited ("CNACG", a wholly-owned subsidiary of CNAHC). These new H shares are subject to a lock-up period of 36 months.

Note b: On 19 November 2024, the Company issued 854,700,854 new A shares to CNAHC. These new A shares are subject to a lock-up period of 36 months.

On 4 June 2026, the Company issued 3,044,140,030 new A shares to CNAHC and China National Aviation Capital Holding Co., Ltd. at the price of RMB6.57 per share with par value of RMB1. Total proceeds of the issuance were RMB20,000 million and the net proceeds were RMB19,990 million, after deducting issuance cost of RMB10 million (excluding value-added tax), of which RMB3,044 million were recognised as issued capital and RMB16,946 million were recognised as capital reserve. Upon completion of the issuance, the new A shares are subject to a lock-up period of 18 months.

21. OTHER EVENTS

Pursuant to the restructuring of CNAHC in preparation for the listing of the Company's H shares on the HKSE and the LSE, the Company entered into a restructuring agreement (the "Restructuring Agreement") with CNAHC and CNACG on 20 November 2004. According to the Restructuring Agreement, except for liabilities constituting or arising out of or relating to business undertaken by the Company after the restructuring, no liabilities would be assumed by the Company and the Company would not be liable, whether severally, or jointly and severally, for debts and obligations incurred prior to the restructuring by CNAHC and CNACG. The Company has also undertaken to indemnify CNAHC and CNACG against any damage suffered or incurred by CNAHC and CNACG as a result of any breach by the Company of any provision of the Restructuring Agreement.

22. FINANCIAL INSTRUMENTS

(a) Financial assets measured at fair value

(i) Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in IFRS 13 *Fair value measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 fair value measurements are based on quoted prices (unadjusted) in active market for identical assets or liabilities;

- 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 inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Fair value at 30 June 2026	Fair value measurements as at 30 June 2026 categorised into		
		Level 1	Level 2	Level 3
	RMB'000	RMB'000	RMB'000	RMB'000
Equity instruments at fair value through other comprehensive income ("FVTOCI")	**1,908,478**	–	–	**1,908,478**
Debt instruments at FVTOCI (including debt instruments at FVTOCI included in other current assets)	**1,403,532**	–	**1,403,532**	–
Financial assets at fair value through profit or loss ("FVTPL")	**131,892**	**131,892**	–	–
Total financial assets at fair value	**3,443,902**	**131,892**	**1,403,532**	**1,908,478**

22. FINANCIAL INSTRUMENTS (continued)

(a) Financial assets measured at fair value (continued)

(i) Fair value hierarchy (continued)

	Fair value at 31 December 2025 RMB'000	Fair value measurements as at 31 December 2025 categorised into Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000
Equity instruments at FVTOCI	1,924,573	–	–	1,924,573
Debt instruments at FVTOCI (including instruments at FVTOCI included in other current assets)	2,099,051	–	2,099,051	–
Financial assets at FVTPL	151,633	151,633	–	–
Total financial assets at fair value	4,175,257	151,633	2,099,051	1,924,573

During the six months ended 30 June 2026, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

(ii) Valuation techniques and inputs used in Level 2 fair value measurements

The financial instruments classified within Level 2 of the fair value hierarchy are debt investments, the fair value is of which was estimated based on the publicly available indicative price.

(iii) Valuation techniques and inputs used in Level 3 fair value measurements

As at 30 June 2026, the fair value of the equity interest in unlisted securities of a listed company amounting to approximately RMB243 million (as at 31 December 2025: RMB212 million) was estimated by reference to the quoted prices in an active market with an adjustment of discount for lack of marketability.

As at 30 June 2026, the fair value of unlisted equity instruments at FVTOCI amounting to approximately RMB1,665 million (as at 31 December 2025: RMB1,713 million) was estimated using a market-based valuation technique, which is derived by reference to observable valuation measures for comparable companies, and with the main adjustment of discount for lack of marketability.

The changes in Level 3 financial assets are analysed below:

	2026 RMB'000	2025 RMB'000
As at 1 January	**1,924,573**	1,791,273
Purchase	**–**	240,000
Change in fair value recognised in other comprehensive income	**(16,095)**	42,421
As at 30 June	**1,908,478**	2,073,694

22. FINANCIAL INSTRUMENTS (continued)

(b) Fair values of financial assets and liabilities carried at other than fair value

Except as detailed in the following table, the Directors consider that the carrying amounts of financial assets and financial liabilities measured at amortised cost in these condensed consolidated financial statements approximate their fair values.

	Carrying amounts		Fair values	
	As at 30 June 2026 RMB'000	As at 31 December 2025 RMB'000	**As at 30 June 2026 RMB'000**	As at 31 December 2025 RMB'000
Financial liabilities – Corporate bonds (fixed rate)	**33,252,663**	32,283,815	**33,203,269**	32,025,738

The fair value measurement of corporate bonds falls into level 2 of the fair value hierarchy.

23. COMMITMENTS

(a) Capital commitments

The Group had the following amounts of contractual commitments for the acquisition and construction of property, plant and equipment as at the end of the reporting period:

	At 30 June 2026 RMB'000	At 31 December 2025 RMB'000
Contracted, but not provided in the consolidated financial statements	**101,380,434**	108,917,299

23. COMMITMENTS (continued)

(b) Investment commitments

The Group had the following amounts of investment commitments as at the end of the reporting period:

	At 30 June 2026 RMB'000	At 31 December 2025 RMB'000
Contracted, but not provided for:		
– investment commitment to joint ventures	**187,300**	237,222

In 2022, the Company entered into an agreement with a joint venture as its 50% shareholder, with a total investment commitment of USD95 million. As at 30 June 2026, the Company has invested USD67.50 million (31 December 2025: USD61.25 million) and committed to further invest USD27.50 million (31 December 2025: USD33.75 million) in the future.

24. RELATED PARTY TRANSACTIONS

(a) During the period, the Group had the following significant transactions with (i) CNAHC, its subsidiaries (other than the Group), joint ventures and associates (collectively, the "CNAHC Group"); (ii) its joint ventures and its associates:

(i) Transactions with related parties

	Six months ended 30 June	
	2026 RMB'000	2025 RMB'000
Services provided to the CNAHC Group:		
Transportation service fees on passenger aircraft cargo business	**4,055,786**	3,326,422
Aircraft maintenance income	**220,123**	240,939
Land and buildings rental income	**144,415**	113,269
Ground services income	**111,745**	100,680
Pilot transfer income	**90,780**	–
Government charter flights services	**18,358**	17,831
Air catering, onboard supplies and aircraft parts income	**27,560**	28,776
Income from advertising media business	**8,043**	7,259
Sales commission income	**6,089**	4,552
Trademark licensing income	**5,335**	4,656
Aviation communication income	**16,948**	10,730
Others	**100,707**	70,082
	4,805,889	3,925,196

24. RELATED PARTY TRANSACTIONS (continued)

(a) During the period, the Group had the following significant transactions with (i) CNAHC, its subsidiaries (other than the Group), joint ventures and associates (collectively, the "CNAHC Group"); (ii) its joint ventures and its associates: (continued)

(i) Transactions with related parties (continued)

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
Services provided by the CNAHC Group:		
Airport ground services, take-off, landing and depot expenses	**384,349**	598,007
Air catering and onboard supplies charges	**837,659**	828,068
Aviation communication expenses	**457,056**	399,950
Other procurement and maintenance	**611,708**	243,313
Interest expenses	**116,306**	126,325
Management fees	**180,575**	182,278
Media advertisement expenses	**70,603**	66,088
Repair and maintenance costs	**42,857**	34,673
Expense relating to short-term leases and leases of low-value assets	**24,426**	18,279
Others	**16,436**	24,789
	2,741,975	2,521,770
Asset transfers with CNAHC Group:		
Sales of non-current assets	**59,317**	89,801
Loans to the CNAHC Group by CNAF:		
Net advances/(repayments) of loans	**15,006**	(80,084)
Interest income	**616**	3,374
Deposits from the CNAHC Group received by CNAF:		
(Decrease)/increase in deposits received	**(1,549,334)**	1,789,284
Interest expenses	**39,995**	39,546

24. RELATED PARTY TRANSACTIONS (continued)

(a) During the period, the Group had the following significant transactions with (i) CNAHC, its subsidiaries (other than the Group), joint ventures and associates (collectively, the "CNAHC Group"); (ii) its joint ventures and its associates: (continued)

(i) Transactions with related parties (continued)

	Six months ended 30 June	
	2026 RMB'000	2025 RMB'000
As a lessee with CNAHC Group:		
Additions to right-of-use assets and lease liabilities on new leases	**1,403,905**	1,215,895
Lease payments paid	**1,690,459**	1,324,048
Interest on lease liabilities	**133,329**	201,424
Services provided to joint ventures and associates:		
Aircraft maintenance income	**139,454**	116,780
Ground services income	**27,691**	18,568
Air catering, onboard supplies and aircraft parts income	**2,123**	204
Frequent-flyer programme income	**4,422**	2,019
Land and buildings rental income	**5,587**	832
Sales commission income	**163**	220
Others	**3,189**	223
	182,629	138,846
Services provided by joint ventures and associates:		
Repair and maintenance costs	**2,682,257**	2,588,414
Airport ground services, take-off, landing and depot expenses	**594,693**	373,540
Other procurement and maintenance	**28,039**	15,323
Aviation communication expenses	**1,842**	2,210
Frequent-flyer programme expenses	**2,588**	2,504
Management fees	**705**	652
Sales commission expenses	**165**	204
Air catering and onboard supplies charges	**25,712**	23,734
Expenses relating to short-term leases and leases of low-value assets	**23,966**	26,046
	3,359,967	3,032,627

24. RELATED PARTY TRANSACTIONS (continued)

(a) During the period, the Group had the following significant transactions with (i) CNAHC, its subsidiaries (other than the Group), joint ventures and associates (collectively, the "CNAHC Group"); (ii) its joint ventures and its associates: (continued)

(i) Transactions with related parties (continued)

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
Deposits from joint ventures and associates received by CNAF:		
(Decrease)/increase in deposits received	**(6,076)**	11,155
Interest expenses	**461**	305

The Directors are of the opinion that the above transactions were conducted in the ordinary course of business of the Group.

(ii) Balances with related parties

	At 30 June 2026	At 31 December 2025
	RMB'000	RMB'000
Outstanding balances with related parties*		
Amount due from the ultimate holding company	**189,212**	170,854
Amounts due from associates	**58,267**	38,996
Amounts due from joint ventures	**14,109**	8,937
Amounts due from other related companies	**1,566,706**	1,274,035
Amount due to the ultimate holding company	**75,283**	10,635
Amounts due to associates	**40,960**	51,302
Amounts due to joint ventures	**474,305**	484,168
Amounts due to other related companies	**20,619,905**	21,322,968

* Outstanding balances with related parties exclude borrowing balances with related parties and outstanding balances between CNAF and related parties.

24. RELATED PARTY TRANSACTIONS (continued)

(a) During the period, the Group had the following significant transactions with (i) CNAHC, its subsidiaries (other than the Group), joint ventures and associates (collectively, the "CNAHC Group"); (ii) its joint ventures and its associates: (continued)

(ii) Balances with related parties (continued)

Except for lease liabilities, the above outstanding balances with related parties are unsecured, interest-free and repayable within one year or have no fixed terms of repayment.

	At 30 June 2026 RMB'000	At 31 December 2025 RMB'000
Outstanding borrowing balances with related parties		
Interest-bearing borrowings		
– Due to the ultimate holding company	**1,601,040**	6,900,000
– Due to other related companies	**300,000**	1,695,844
Outstanding balances between CNAF and related parties		
(1) Outstanding balances between CNAF and CNAHC Group		
Loans granted	**60,000**	45,000
Deposits received	**6,587,244**	8,144,677
Interest payable to related parties	**23,203**	15,104
Interest receivable from related parties	**35**	29
(2) Outstanding balances between CNAF and joint ventures and associates of the Group		
Deposits received	**47,120**	53,164
Interest payable to related parties	**10**	42

The outstanding balances between CNAF and related parties represent loans to related parties or deposits received by CNAF from related parties. The applicable interest rates are determined in accordance with the prevailing borrowing rates/deposit saving rates published by the People's Bank of China.

24. RELATED PARTY TRANSACTIONS (continued)

(b) An analysis of the compensation of key management personnel of the Group is as follows:

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
Short-term employee benefits	**3,402**	5,382
Retirement scheme contributions	**446**	886
Total emoluments for key management personnel	**3,848**	6,268

(c) Transactions with other government-related entities in the PRC

The Company is ultimately controlled by the PRC government, and the Group operates in an economic environment currently predominated by entities controlled, jointly controlled or significantly influenced by the PRC government ("government-related entities").

Apart from above transactions with CNAHC Group, the Group has collectively, but not individually significant transactions with other government-related entities, which include but are not limited to the following:

- Rendering and receiving services
- Sales and purchases of goods, properties and other assets
- Lease of assets
- Depositing and borrowing money
- Use of public utilities

The transactions between the Group and other government-related entities are conducted in the ordinary course of the Group's business within normal business operations. The Group 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.

Glossary of Technical Terms

CAPACITY MEASUREMENTS

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

TRAFFIC MEASUREMENTS

"Passenger traffic"	measured in RPK, unless otherwise specified
"Revenue passenger kilometres" or "RPK(s)"	the number of revenue passengers carried multiplied by the kilometres flown
"Cargo and mail traffic"	measured in RFTK, unless otherwise specified
"Revenue freight tonne kilometres" or "RFTK(s)"	the revenue cargo and mail load in tonnes multiplied by the kilometres flown
"Revenue tonne kilometres" or "RTK(s)"	the revenue load (passenger and cargo) in tonnes multiplied by the kilometres flown

EFFICIENCY MEASUREMENTS

"Passenger load factor"	RPK expressed as a percentage of ASK
"Cargo and mail load factor"	RFTK expressed as a percentage of AFTK
"Overall load factor"	RTK expressed as a percentage of ATK
"Block hours"	the total time from the removal of wheel chocks before the aircraft begins to move until the placement of wheel chocks after the aircraft has landed and come to a complete stop

YIELD MEASUREMENTS

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

Definitions

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

"Air China Cargo"	Air China Cargo Co., Ltd., a non-wholly owned subsidiary of CNAHC
"Airbus"	Airbus S.A.S., a company established in Toulouse, France
"Air China Inner Mongolia"	Air China Inner Mongolia Co., Ltd., a non-wholly owned subsidiary of the Company
"Air Macau"	Air Macau Company Limited, a non-wholly owned subsidiary of the Company
"Ameco"	Aircraft Maintenance and Engineering Corporation, a non-wholly owned subsidiary of the Company
"Articles of Association"	the articles of association of the Company, as amended from time to time
"A Share(s)"	ordinary share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, which are subscribed for and traded in Renminbi and are listed on the Shanghai Stock Exchange
"Beijing Airlines"	Beijing Airlines Company Limited, a non-wholly owned subsidiary of the Company
"Board"	the board of directors of the Company
"Boeing"	The Boeing Company
"CASs"	China Accounting Standards for Business Enterprises
"Cathay Pacific"	Cathay Pacific Airways Limited, an associate of the Company
"CNACG"	China National Aviation Corporation (Group) Limited, a wholly-owned subsidiary of CNAHC
"CNAC Holding"	China National Aviation Capital Holding Co., Ltd., a wholly-owned subsidiary of CNAHC
"CNAF"	China National Aviation Finance Co., Ltd., a non-wholly owned subsidiary of the Company
"CNAHC"	China National Aviation Holding Corporation Limited
"COMAC"	Commercial Aircraft Corporation of China, Ltd.
"Company", "We", or "Air China"	Air China Limited, a company incorporated in the PRC, whose H Shares are listed on the Hong Kong Stock Exchange as its primary listing venue and on the Official List of the UK Listing Authority as its secondary listing venue, and whose A Shares are listed on the Shanghai Stock Exchange
"CSRC"	China Securities Regulatory Commission
"Dalian Airlines"	Dalian Airlines Company Limited, a non-wholly owned subsidiary of the Company
"Director(s)"	the director(s) of the Company
"Group"	the Company and its subsidiaries
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited

"H Share(s)"	ordinary share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, which are listed on the Hong Kong Stock Exchange as the primary listing venue and have been admitted into the Official List of the UK Listing Authority as the secondary listing venue
"IFRS Accounting Standards"	IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB)
"Kunming Airlines"	Kunming Airlines Company Limited, a subsidiary of Shenzhen Airlines
"Kunhang Investment"	Shenzhen Kunhang Investment Partnership (Limited Partnership)
"Listing Rules"	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
"Reporting Period"	from 1 January 2026 to 30 June 2026
"RMB"	Renminbi, the lawful currency of the PRC
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Shandong Airlines"	Shandong Airlines Co., Ltd., a non-wholly owned subsidiary of the Company
"Shandong Aviation Group Corporation"	Shandong Aviation Group Company Limited, a non-wholly owned subsidiary of the Company
"Shenzhen International Logistics"	Shenzhen International Total Logistics (Shenzhen) Co., Ltd.
"Shenzhen Airlines"	Shenzhen Airlines Company Limited, a non-wholly owned subsidiary of the Company
"Treasury Share(s)"	has the meaning ascribed thereto under the Listing Rules
"US dollars"	United States dollars, the lawful currency of the United States

Any discrepancies in the numerical figures shown in this report are due to rounding.