
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

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

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中國國際航空股份有限公司
AIR CHINA LIMITED

(a joint stock limited company incorporated in the People's Republic of China with limited liability)
(Stock Code: 00753)

MAJOR TRANSACTION IN RELATION TO PURCHASE OF AIRCRAFT
AND
NOTICE OF EXTRAORDINARY SHAREHOLDERS' MEETING

A letter from the Board is set out on pages 5 to 12 of this circular.

A notice convening the EGM to be held at 10:00 a.m. on Tuesday, 3 November 2026 at The Conference Room C313, No. 30 Tianzhu Road, Shunyi District, Beijing, the PRC is set out on pages EGM-1 to EGM-2 of this circular. Whether or not you are able to attend the EGM, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon as soon as possible but in any event not less than 24 hours before the time appointed for convening the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

24 September 2026

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DEFINITIONS

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

“AIE”	Air China Import and Export Co., Ltd. (國航進出口有限公司), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of the Company
“Air China Aircraft Purchase”	the purchase of 15 Airbus A350-900 aircraft by the Company pursuant to the Air China Aircraft Purchase Agreement
“Air China Aircraft Purchase Agreement”	the agreement dated 17 July 2026 entered into among the Company, AIE and Airbus Company, pursuant to which the Company has agreed to purchase and Airbus Company has agreed to sell 15 Airbus A350-900 aircraft
“Airbus Aircraft”	the 15 Airbus A350-900 aircraft to be acquired by the Company and/or the 40 Airbus A320NEO series aircraft to be acquired by Shenzhen Airlines
“Airbus Company”	Airbus S.A.S., a company incorporated in Toulouse, France
“A Share(s)”	ordinary share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, which are subscribed for and traded in Renminbi and listed on Shanghai Stock Exchange
“associate(s)”	has the meaning ascribed to it under the Hong Kong Listing Rules
“Board”	the board of Directors of the Company
“Cathay Pacific”	Cathay Pacific Airways Limited
“CNACG”	China National Aviation Corporation (Group) Limited, a company incorporated under the laws of Hong Kong and a wholly-owned subsidiary of CNAHC, which directly holds approximately 9.51% of the Company’s issued share capital as at the Latest Practicable Date
“CNAC Holding”	China National Aviation Capital Holding Co., Ltd., a wholly-owned subsidiary of CNAHC
“CNAHC”	China National Aviation Holding Corporation Limited, a PRC state-owned enterprise and the controlling shareholder of the Company

DEFINITIONS

“Company” or “Air China”	Air China Limited, a company incorporated in the PRC, whose H Shares are listed on the Hong Kong Stock Exchange as its primary listing venue and on the Official List of the UK Listing Authority as its secondary listing venue, and whose A Shares are listed on Shanghai Stock Exchange. The Company is principally engaged in providing air passenger, air cargo and related services
“Director(s)”	the director(s) of the Company
“EGM”	the 2026 extraordinary shareholders’ meeting of the Company to be held at The Conference Room C313, No. 30 Tianzhu Road, Shunyi District, Beijing, the PRC at 10:00 a.m. on Tuesday, 3 November 2026
“Group”	the Company and its subsidiaries from time to time
“H Share(s)”	ordinary share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, which are listed on the Hong Kong Stock Exchange as primary listing venue and have been admitted into the Official List of the UK Listing Authority as secondary listing venue
“H Shareholder(s)”	holder(s) of the H Share(s)
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Hong Kong Listing Rules” or “Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“Hong Kong Stock Exchange” or “Stock Exchange”	The Stock Exchange of Hong Kong Limited

DEFINITIONS

“Kunhang Investment”	Shenzhen Kunhang Investment Partnership (Limited Partnership), a limited partnership established in the PRC, Shenzhen Kunpeng Equity Investment Co., Ltd. holds 87.2338% of the partnership interests in Kunhang Investment, Shenzhen Finance and Financial Service Center (Shenzhen SME Credit Re-guarantee Center) holds 12.7535% of the partnership interests in Kunhang Investment, and Shenzhen Kunpeng Zhanyi Equity Investment Management Co., Ltd. holds 0.0128% of the partnership interests in Kunhang Investment and serves as the executive partner. Shenzhen Kunpeng Equity Investment Co., Ltd. and Shenzhen Kunpeng Zhanyi Equity Investment Management Co., Ltd. are both wholly owned subsidiaries of Shenzhen Kunpeng Equity Investment Management Co., Ltd., and the State-owned Assets Supervision and Administration Commission of Shenzhen Municipal People’s Government holds 99.5620% equity interests in Shenzhen Kunpeng Equity Investment Management Co., Ltd.
“Latest Practicable Date”	24 September 2026, being the latest practicable date prior to the publication of this circular for ascertaining certain information contained herein
“PRC” or “China”	the People’s Republic of China which, for the purpose of this circular, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	share(s) of the Company
“Shareholder(s)”	holder(s) of the Share(s) of the Company
“Shenzhen Airlines”	Shenzhen Airlines Company Limited, a limited liability company established in the PRC and a non-wholly owned subsidiary of the Company, which is held as to 51.0000%, 12.3655% and 36.6345% by the Company, Shenzhen International Total and Kunhang Investment as at the date of this circular
“Shenzhen Airlines Aircraft Purchase”	the purchase of 40 Airbus A320NEO series aircraft by Shenzhen Airlines pursuant to the Shenzhen Airlines Aircraft Purchase Agreement

DEFINITIONS

“Shenzhen Airlines Aircraft Purchase Agreement”	the agreement dated 17 July 2026 entered into between Shenzhen Airlines and Airbus Company, pursuant to which Shenzhen Airlines has agreed to purchase and Airbus Company has agreed to sell 40 Airbus A320NEO series aircraft
“Shenzhen International Total”	Shenzhen International Total Logistics (Shenzhen) Co., Ltd., a limited liability company established in the PRC and an indirect wholly-owned subsidiary of Shenzhen International Holdings Limited (00152.HK), a company listed on the Stock Exchange
“Transaction”	Air China Aircraft Purchase and Shenzhen Airlines Aircraft Purchase
“substantial shareholder(s)”	has the meaning ascribed to it under the Hong Kong Listing Rules
“US\$”	United States dollars, the lawful currency of the United States
“%”	per cent

LETTER FROM THE BOARD



中國國際航空股份有限公司 AIR CHINA LIMITED

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 00753)

Directors:

Executive Directors:

Mr. Liu Tiexiang (*Chairman*)

Mr. Qu Guangji

Non-Executive Directors:

Mr. Cui Xiaofeng

Mr. Lam Siu Por Ronald

Employee Representative Director:

Mr. Xiao Peng

Independent Non-Executive Directors:

Mr. Xu Niansha

Mr. He Yun

Ms. Winnie Tam Wan-chi

Mr. Gao Chunlei

Registered Address:

1st Floor-9th Floor 101

Building 1

30 Tianzhu Road

Shunyi District

Beijing, the PRC

Principal Place of Business in Hong Kong:

5th Floor, CNAC House

12 Tung Fai Road

Hong Kong International Airport

Hong Kong

24 September 2026

To the Shareholders

Dear Sir or Madam,

MAJOR TRANSACTION IN RELATION TO PURCHASE OF AIRCRAFT

I. INTRODUCTION

Reference is made to the announcement of the Company dated 17 July 2026 in relation to, among other things, the Transaction.

The purpose of this circular is to provide you with further information on the Air China Aircraft Purchase and the Shenzhen Airlines Aircraft Purchase, as well as all the information reasonably necessary to enable you to make an informed decision on voting in respect of the relevant resolutions at the EGM.

LETTER FROM THE BOARD

II. MAJOR TRANSACTION

1. Background

On 17 July 2026, (i) the Company and AIE entered into the Air China Aircraft Purchase Agreement with Airbus Company, pursuant to which the Company has agreed to purchase 15 Airbus A350-900 aircraft from Airbus Company; and (ii) Shenzhen Airlines, a subsidiary of the Company, entered into the Shenzhen Airlines Aircraft Purchase Agreement with Airbus Company, pursuant to which Shenzhen Airlines has agreed to purchase 40 Airbus A320NEO series aircraft from Airbus Company.

The details of the Transaction are summarized as follows:

2. Air China Aircraft Purchase Agreement

Date:

17 July 2026

Parties:

- (a) The Company, as the purchaser, the principal business activities of which are air passenger, air cargo and airline-related services;
- (b) AIE, as the import agent for the Company; and
- (c) Airbus Company, as the vendor, one of whose principal business activities is aircraft manufacturing. Airbus Company is a subsidiary of Airbus SE, the principal business activities of which are designing, manufacturing and delivering aerospace products, services and solutions to customers on a worldwide scale. Airbus SE is listed on the European stock exchanges in Paris, Frankfurt am Main, Madrid, Barcelona, Valencia and Bilbao.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Airbus Company and its ultimate beneficial owner(s) are third parties independent of the Company and connected persons (as defined under the Listing Rules) of the Company.

Aircraft to be acquired:

15 Airbus A350-900 aircraft.

Consideration:

The aircraft list price comprises the airframe price, optional features price and engine price.

LETTER FROM THE BOARD

The list price of the 15 Airbus A350-900 aircraft to be acquired by the Company, in aggregate, is approximately US\$6.09 billion (price quoted as at January 2025) (equivalent to approximately RMB41.37 billion, based on the central parity rate of RMB against US dollar published by the People's Bank of China on the date of the Air China Aircraft Purchase Agreement, being US\$1 to RMB6.7934).

Airbus Company has granted to the Company considerable price concessions with regard to the Airbus Aircraft. These concessions will take the form of credit memoranda which may be used by the Company towards the final price payment of the Airbus Aircraft to be acquired by the Company or may be used for the purpose of purchasing goods and services from Airbus Company. Such credit memoranda were determined after arm's length negotiations between the parties and as a result, the actual consideration for the Air China Aircraft Purchase is lower than the aircraft list price mentioned above.

The Air China Aircraft Purchase was negotiated and entered into in accordance with customary business practice. The Directors confirm that the extent of the price concessions granted to the Company in the Air China Aircraft Purchase is comparable with the price concessions that the Company had obtained in the previous aircraft purchase entered into between the Company and Airbus Company. The Company believes that there is no material impact of the price concessions obtained in the Air China Aircraft Purchase on the unit operating cost of the Company's fleet. It is normal business practice of the global airline industry to disclose the aircraft list price, instead of the actual price, for aircraft acquisitions. Disclosure of the actual consideration will result in the loss of considerable price concessions and hence a significant negative impact on the Group's cost for the Air China Aircraft Purchase and will therefore not be in the interest of the Company and the Shareholders as a whole.

Accordingly, the Company has applied to the Stock Exchange and the Stock Exchange has granted such a waiver from strict compliance with Rules 14.58(4) and 14.66(4) of the Listing Rules in respect of disclosure of the actual consideration of the Air China Aircraft Purchase.

Payment, source of funding and delivery terms:

The aggregate consideration for the Air China Aircraft Purchase is payable by cash in instalments. Upon the Air China Aircraft Purchase Agreement becoming effective, the Company will make partial advance payments by instalments and settle the remaining balance on the delivery date of each aircraft. The Air China Aircraft Purchase will be funded through self-owned cash, commercial bank loans and other financing methods of the Company. The Company is expecting to take delivery of the 15 Airbus A350-900 aircraft in stages from 2030 to 2032. The Company may at its option change five A350-900 aircraft into A350-1000 aircraft model. The Air China Aircraft Purchase is expected to have no material impact on the cash flow and operation of the Company.

3. Shenzhen Airlines Aircraft Purchase Agreement

Date:

17 July 2026

LETTER FROM THE BOARD

Parties:

- (a) Shenzhen Airlines, as the purchaser, the principal business activities of which are air passenger, air cargo and airline-related services; and
- (b) Airbus Company, as the vendor.

Aircraft to be acquired:

40 Airbus A320NEO series aircraft

Consideration:

The aircraft list price comprises the airframe price, optional features price and engine price.

The list price of the 40 Airbus A320NEO series aircraft to be acquired by Shenzhen Airlines, in aggregate, is approximately US\$6.35 billion (price quoted as at January 2024) (equivalent to approximately RMB43.14 billion, based on the central parity rate of RMB against US dollar published by the People's Bank of China on the date of the Shenzhen Airlines Aircraft Purchase Agreement, being US\$1 to RMB6.7934).

Airbus Company has granted to Shenzhen Airlines considerable price concessions with regard to the Airbus Aircraft. These concessions will take the form of credit memoranda which may be used by Shenzhen Airlines towards the final price payment of the Airbus Aircraft to be acquired by Shenzhen Airlines or may be used for the purpose of purchasing goods and services from Airbus Company. Such credit memoranda were determined after arm's length negotiations between the parties and as a result, the actual consideration for the Shenzhen Airlines Aircraft Purchase is lower than the aircraft list price mentioned above.

The Shenzhen Airlines Aircraft Purchase was negotiated and entered into in accordance with customary business practice. The Directors confirm that the extent of the price concessions granted to Shenzhen Airlines in the Shenzhen Airlines Aircraft Purchase is comparable with the price concessions that the Group had obtained in the previous aircraft purchase entered into between the Group and Airbus Company. The Company believes that there is no material impact of the price concessions obtained in the Shenzhen Airlines Aircraft Purchase on the unit operating cost of Shenzhen Airlines' fleet. It is normal business practice of the global airline industry to disclose the aircraft list price, instead of the actual price, for aircraft acquisitions. Disclosure of the actual consideration will result in the loss of the considerable price concessions and hence a significant negative impact on the Group's cost for the Shenzhen Airlines Aircraft Purchase and will therefore not be in the interest of the Company and the Shareholders as a whole.

Accordingly, the Company has applied to the Stock Exchange and the Stock Exchange has granted such a waiver from strict compliance with Rules 14.58(4) and 14.66(4) of the Listing Rules in respect of disclosure of the actual consideration of the Shenzhen Airlines Aircraft Purchase.

LETTER FROM THE BOARD

Payment, source of funding and delivery terms:

The aggregate consideration for the Shenzhen Airlines Aircraft Purchase is payable by cash in instalments. Upon the Shenzhen Airlines Aircraft Purchase Agreement becoming effective, Shenzhen Airlines will make partial advance payments by instalments and settle the remaining balance on the delivery date of each aircraft. The Shenzhen Airlines Aircraft Purchase will be funded through self-owned cash, commercial bank loans and other financing methods of Shenzhen Airlines. Shenzhen Airlines is expecting to take delivery of the 40 Airbus A320NEO series aircraft in stages from 2029 to 2032. The Shenzhen Airlines Aircraft Purchase is expected to have no material impact on the cash flow and operation of Shenzhen Airlines.

4. Reasons for and Benefits of the Transaction

The Transaction is in line with the development plan of the Company and the market demand, which is conducive to the Group's optimization of fleet structure and long-term supplement of fleet capacity. The Transaction will expand the fleet capacity of the Group, among which, the Air China Aircraft Purchase is expected to expand the fleet capacity of the Group by approximately 7.1% and the Shenzhen Airlines Aircraft Purchase is expected to expand the fleet capacity of the Group by approximately 4.3%, both of which are based on the number of available tonne kilometers of the Group as at 31 December 2025 without taking into account the potential adjustments to the fleet such as aircraft withdrawal due to market conditions and aircraft aging.

The A350-900 aircraft and A320NEO series aircraft to be introduced in the Transaction are Airbus' latest-generation, highly efficient and fuel-saving models. Compared with previous-generation models, they offer significantly lower fuel consumption, carbon emissions and operating costs. The Transaction will enable the Group to optimise its fleet structure and route network structure, enhance route operational efficiency and service quality, and provide strong support for the Group's future capacity planning. At the same time, the Transaction will contribute to the continued reduction of unit operating costs, support the achievement of the Company's dual carbon goals, and contribute to the green and low-carbon transition of China's civil aviation industry.

The new A350-900 aircraft purchased under the Transaction will be delivered in stages from 2030 to 2032 and the new A320NEO series aircraft will be delivered in stages from 2029 to 2032, with some aimed at meeting the renewal needs due to the withdrawal of aging aircraft from the fleet. The actual net increase in fleet capacity will be maintained within a manageable range.

The Directors believe that the Transaction is conducted in the ordinary and usual course of business of the Group on normal commercial terms and the respective terms of the Air China Aircraft Purchase Agreement and the Shenzhen Airlines Aircraft Purchase Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

5. Listing Rules Implications

As the highest applicable percentage ratio under Rule 14.07 of the Listing Rules for the Transaction is above 25% but less than 100%, the Transaction constitutes a major transaction of the Company and is subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

The Transaction is subject to consideration and approval by the shareholders' meeting of the Company and approval by the relevant state authorities before it becomes effective.

None of the Directors had material interests in the Transaction and thus no Directors were required to abstain from voting on the board resolution(s) to approve the Air China Aircraft Purchase Agreement and the Shenzhen Airlines Aircraft Purchase Agreement at the Board meeting.

III. FINANCIAL AND TRADING PROSPECTS

The civil aviation industry, as a strategic sector, consistently aligns with and serves the nation's overarching development goals. The industry is accelerating the construction of aviation hubs while enhancing air transport capabilities to drive coordinated regional economic growth. Through expanding global aviation networks, it has actively established and increased flight frequencies to countries along the Belt and Road routes, facilitating enhanced connectivity and economic cooperation. The aviation sector plays a pivotal role in technological innovation, contributing to breakthroughs in indigenous technologies such as China's domestically developed large aircraft and advancing research and innovation in aircraft maintenance and other industry-wide technological developments. This promotes deeper integration between scientific innovation and industrial applications. To meet evolving consumer demands, the industry continues to innovate its service offerings and elevate service quality standards, thereby improving the overall travel experience for passengers. Furthermore, it is actively developing a modern integrated transportation system by steadily promoting multimodal transport solutions and expanding the aviation market's service coverage.

China's aviation market is expected to experience steady growth and continuous transformation. On the demand side, with the national economy recovering and improving, the industry's development foundation will become more solid, the domestic passenger market will grow steadily, the international passenger market will recover at a faster pace, and Chinese airlines will play a more important role in the global aviation market. On the policy side, the continuous implementation of various development policies will effectively stimulate domestic demand potential, especially in boosting household consumption, which will provide demand momentum for the subsequent development of civil aviation. On the industry side, the CAAC is advancing a series of reform measures to strengthen the foundation for industry development, enhance the international competitiveness of aviation hubs, and guide domestic airlines to adopt differentiated operations, thereby reducing homogeneous competition in the civil aviation market.

The Group adheres to the development goal of "accelerating the development into a world-class aviation transportation group with global competitiveness". Upholding the four strategic directions of "hub network, balanced passenger cargo development, cost leadership, and brand strategy", the Group will focus

LETTER FROM THE BOARD

on key areas such as enhancing safety management, optimizing market layout, adjusting resource structure, upgrading products and services, driving digital innovation development, and promoting green and low carbon development to advance its operations.

The Company has identified the following key priorities for 2026: (1) to firmly secure the baseline of safe development, ensuring high-quality development with a high level of safety; (2) to enhance its value creation capability and continue the campaign to enhance operating performance through quality and efficiency enhancement; (3) to continue advancing deepened reform and stimulate vitality and momentum through innovation-driven development; (4) to continuously optimize the service system, creating a leading brand with credibility, convenience, comfort and choice; and (5) to comprehensively strengthen the Party's leadership and lead high-quality development with high-quality Party building.

The year 2026 marks the opening year of the 15th Five-Year Plan and a critical juncture for building on the past and paving the way for the future. The Group will thoroughly pursue initiatives to “improve quality, enhance efficiency and optimize structure”, accelerating the transformation from a quantitative expansion model to a quality- and efficiency-oriented model, to achieve effective improvement in quality and reasonable growth in quantity, and effectively strengthen its core functions and core competitiveness.

In addition, the Directors are of the view that the Transaction is not expected to have any material impact on earnings, assets and liabilities of the Group.

IV. WORKING CAPITAL

Taking into account the financial resources available to the Group and the effect of the Transaction, the Directors are of the opinion that the Group will have sufficient working capital for the Group's present requirements for the next 12 months following the date of this circular.

V. EGM

The Company will convene the EGM at 10:00 a.m. on Tuesday, 3 November 2026 at The Conference Room C313, No. 30, Tianzhu Road, Shunyi District, Beijing, the PRC to consider and, if thought fit, approve the resolutions in respect of the Air China Aircraft Purchase and the Shenzhen Airlines Aircraft Purchase. Votes on the resolutions to be considered at the EGM shall be taken by way of poll. A form of proxy is also enclosed herein, and published on the websites of the Hong Kong Stock Exchange (www.hkexnews.hk) and the Company (www.airchina.com.cn). The notice of EGM is reproduced in this circular.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, no Shareholder or any of their respective associates have a material interest in the resolutions in respect of the Air China Aircraft Purchase and the Shenzhen Airlines Aircraft Purchase. As such, no Shareholder is required to abstain from voting at the EGM on the resolutions approving the Air China Aircraft Purchase and the Shenzhen Airlines Aircraft Purchase.

The register of members of H Shares will be closed from Thursday, 29 October 2026 to Tuesday, 3 November 2026 (both days inclusive), during which no transfer of H Shares will be effected in order to determine the list of holders of H Shares of the Company who will be entitled to attend and vote at the

LETTER FROM THE BOARD

EGM. H Shareholders of the Company whose names appear on the register of members of H Shares of the Company after the close of business on Wednesday, 28 October 2026 are entitled to attend the EGM after completing the registration procedures. In order to qualify for attendance at the EGM, all the transfer documents must be lodged with the Company's H Share registrar, Computershare Hong Kong Investor Services Limited, by 4:30 p.m. on Wednesday, 28 October 2026.

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

VI. RECOMMENDATION

The Board recommends the Shareholders to vote in favour of the resolutions regarding (i) the Air China Aircraft Purchase; and (ii) the Shenzhen Airlines Aircraft Purchase, as well as the Transaction contemplated thereunder.

VII. ADDITIONAL INFORMATION

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

By order of the Board
Air China Limited
Liu Tiexiang
Chairman

Beijing, the PRC

I. CONSOLIDATED FINANCIAL STATEMENTS

The Company is required to set out in this circular information for the last three financial years with respect to the profits and losses, financial record and position and the latest published balance sheet together with the notes to the consolidated financial statements of the Group for the last financial year.

The audited consolidated financial statements of the Group for the years ended 31 December 2023, 2024 and 2025, together with the accompanying notes to the financial statements, can be found on pages 92 to 200 of the annual report of the Company for the year ended 31 December 2023, pages 91 to 196 of the annual report of the Company for the year ended 31 December 2024 and pages 95 to 196 of the annual report of the Company for the year ended 31 December 2025, respectively. Please see below the hyperlinks to the said annual reports:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0425/2024042502352.pdf>

<https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0423/2025042302023.pdf>

<https://www1.hkexnews.hk/listedco/listconews/sehk/2026/0424/2026042402937.pdf>

II. INDEBTEDNESS

	<i>Note</i>	RMB <i>(in million)</i>
Bank loans		
– secured and unguaranteed	(i)	248
– unsecured and unguaranteed		<u>88,832</u>
		<u>89,080</u>
Loans from the ultimate holding company		
– unsecured and unguaranteed		<u>602</u>
Loans from a fellow subsidiary		
– unsecured and unguaranteed		<u>301</u>

	<i>Note</i>	RMB <i>(in million)</i>
Loans from other companies		
– secured and unguaranteed	(i)	3,190
– unsecured and unguaranteed		<u>734</u>
		<u>3,924</u>
Corporate bonds		
– unsecured and unguaranteed		<u>33,306</u>
Short-term commercial papers payable		
– unsecured and unguaranteed		<u>7,090</u>
Lease liabilities		
– unsecured and unguaranteed		<u>77,812</u>
Total		<u>212,115</u>

Note:

- (i) The Group's bank loans and other loans with an aggregate amount of approximately RMB3,438 million as at 31 July 2026 were secured by charges over certain of the Group's assets, including aircraft, engines and flight equipment, buildings and land use rights, and other intangible assets.

Other events

As at 31 July 2026, the Group had the following significant other events:

Pursuant to the restructuring of China National Aviation Holding Corporation Limited (the "CNAHC") in preparation for the listing of the Company's H shares on The Stock Exchange of Hong Kong Limited and the London Stock Exchange, the Company entered into a restructuring agreement (the "Restructuring Agreement") with CNAHC and China National Aviation Corporation (Group) Limited ("CNACG", a wholly-owned subsidiary of CNAHC) 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.

Except as disclosed above and apart from intra-group liabilities and normal trade payables, as at 31 July 2026, the Group did not have any debt securities issued and outstanding, or authorised or otherwise created but unissued, term loans, debentures, any other borrowings or indebtedness in the nature of borrowing of the Group including bank overdrafts and liabilities under acceptances (other than normal trade bills) or acceptance credits, recognised lease obligations or hire purchase commitments, mortgages, charges, material contingent liabilities or guarantees.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS OF DIRECTORS

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

As at the Latest Practicable Date, none of the Directors of the Company had any direct or indirect interest in any assets which have been, since 31 December 2025 (being the date to which the latest published audited financial statements of the Group were made up), acquired or disposed of by or leased to any member of the Group or are proposed to be acquired or disposed of by or leased to any member of the Group.

As at the Latest Practicable Date, none of the Directors of the Company were materially interested in any contract or arrangement which is significant in relation to the business of the Group and subsisting as at the Latest Practicable Date.

Mr. Lam Siu Por Ronald, a non-executive Director, is concurrently an executive director and the chief executive officer of Cathay Pacific. Cathay Pacific is a substantial shareholder of the Company, holding 2,633,725,455 H Shares of the Company (representing approximately 12.85% of the total issued shares of the Company) as at the Latest Practicable Date. Mr. Liu Tiexiang and Mr. Qu Guangji, executive Directors, are concurrently non-executive directors of Cathay Pacific. Cathay Pacific competes or is likely to compete either directly or indirectly with some aspects of the business of the Company as it operates airline services to certain destinations, which are also served by the Company.

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

3. DISCLOSURE OF INTERESTS OF SUBSTANTIAL SHAREHOLDERS

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

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

Notes:

- (1) By virtue of CNAHC's 100% interest in CNACG, CNAHC was deemed to be interested in the 1,332,482,920 A Shares and 616,779,308 H Shares directly held by CNACG, and was deemed to be interested in the 2,130,898,021 A Shares 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 Latest Practicable Date, John Swire & Sons Limited, John Swire & Sons (H.K.) Limited and Swire Pacific Limited were deemed to be interested in the 2,633,725,455 H Shares of the Company directly held by Cathay Pacific.

- (3) The letter “L” denotes a long position in the Shares.

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

4. SERVICE CONTRACTS OF DIRECTORS

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

5. DIRECTORS’ EMPLOYMENT WITH SUBSTANTIAL SHAREHOLDERS

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

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

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

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

Mr. Lam Siu Por Ronald, a non-executive Director of the Company, has been an executive director of Cathay Pacific since 19 August 2019 and its chief executive officer since 1 January 2023.

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

6. NO MATERIAL ADVERSE CHANGE

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

7. LITIGATION

As at the Latest Practicable Date, the Company was not involved in any significant litigation or arbitration and to the knowledge of the Company, there were no litigation or claims of material importance pending or threatened against any member of the Group.

8. MATERIAL CONTRACTS

The Group has entered into the following material contracts within the two years immediately preceding the date of this circular.

- (a) the Air China Aircraft Purchase Agreement;
- (b) the Shenzhen Airlines Aircraft Purchase Agreement;
- (c) the agreement dated 30 December 2025 entered into between the Company, AIE and Airbus Company, pursuant to which the Company and AIE have agreed to purchase and Airbus Company has agreed to sell 60 Airbus A320NEO series aircraft. The basic price of the 60 Airbus aircraft, in aggregate, is approximately US\$9.53 billion (price quoted as at January 2024); and
- (d) the conditional subscription agreement dated 30 October 2025 entered into between the Company, CNAHC and CNAC Holding in respect of the issuance of A Shares to specific investors, pursuant to which, the Company has agreed to issue, and CNAHC and CNAC Holding have agreed to subscribe for new A Shares in the amount of not more than RMB20.00 billion at RMB6.57 per share.

9. MISCELLANEOUS

- a. The company secretary of the Company is Mr. Xiao Feng.
- b. The registered address of the Company is at 1st Floor – 9th Floor 101, Building 1, 30 Tianzhu Road, Shunyi District, Beijing, the PRC. The head office of the Company is at No. 30 Tianzhu Road, Shunyi District, Beijing, the PRC.
- c. The H Share registrar and transfer office of the Company is Computershare Hong Kong Investor Services Limited, the address of which is Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

10. DOCUMENTS ON DISPLAY

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

- a. the Air China Aircraft Purchase Agreement;

- b. the Shenzhen Airlines Aircraft Purchase Agreement; and
- c. this circular.

In respect of the Transaction, the Company has applied for, and the Stock Exchange has granted, a waiver from strict compliance with Rule 14.66(10) and paragraph 43(2)(c) of Appendix D1B to the Listing Rules so that certain confidential material contained in the Air China Aircraft Purchase Agreement and the Shenzhen Airlines Aircraft Purchase Agreement, including information relating to the previous aircraft purchase with Airbus Company, price and price related terms, specific information in relation to aircraft type, aircraft delivery schedules, provisions relating to after sale services and support and compliance related provisions, will be redacted pursuant to a request for confidential treatment by Airbus Company. The above redacted information is commercial sensitive information strictly personal and exclusive to each party to the Air China Aircraft Purchase Agreement and the Shenzhen Airlines Aircraft Purchase Agreement, and generally recognized as customized and confidential information in the aviation industry, the disclosure of which will be competitively harmful to the Group. The material terms stipulated under the Air China Aircraft Purchase Agreement and the Shenzhen Airlines Aircraft Purchase Agreement have been summarised and disclosed in this circular, from which the Shareholders and the investing public will be able to have sufficient information and knowledge about the Air China Aircraft Purchase and the Shenzhen Airlines Aircraft Purchase, and assess the impact of the Air China Aircraft Purchase and the Shenzhen Airlines Aircraft Purchase so that the Shareholders and the investing public would make an informed voting decision on the Transaction. In addition, the Shareholders and the investing public are provided with sufficient information regarding the reasons for and benefits of the Air China Aircraft Purchase and the Shenzhen Airlines Aircraft Purchase. Therefore, the redacted versions of the Air China Aircraft Purchase Agreement and the Shenzhen Airlines Aircraft Purchase Agreement are unlikely to mislead the Shareholders regarding the facts and circumstances, knowledge of which is essential for the informed assessment of the Transaction. Accordingly, only the redacted version of the Air China Aircraft Purchase Agreement and the Shenzhen Airlines Aircraft Purchase Agreement will be available for display to the public.

NOTICE OF EXTRAORDINARY SHAREHOLDERS' MEETING



中國國際航空股份有限公司 AIR CHINA LIMITED

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 00753)

NOTICE OF EXTRAORDINARY SHAREHOLDERS' MEETING

NOTICE IS HEREBY GIVEN that an extraordinary shareholders' meeting (the "EGM") of Air China Limited (the "**Company**") will be held at 10:00 a.m. on Tuesday, 3 November 2026 at The Conference Room C313, No. 30 Tianzhu Road, Shunyi District, Beijing, the PRC to consider and, if thought fit, to pass the following resolutions. Unless otherwise indicated, capitalised terms used herein shall have the same meaning as those defined in the circular of the Company dated 24 September 2026 (the "**Circular**").

ORDINARY RESOLUTIONS

1. To consider and approve the resolution in relation to the introduction of 15 Airbus A350-900 aircraft by the Company.
2. To consider and approve the resolution in relation to the introduction of 40 Airbus A320 series aircraft by Shenzhen Airlines.

For details of the above resolutions, please refer to the Circular.

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

Beijing, the PRC, 24 September 2026

As at the date of this notice, the directors of the Company are 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* and Mr. Gao Chunlei*.*

* *Independent non-executive director of the Company*

NOTICE OF EXTRAORDINARY SHAREHOLDERS' MEETING

Notes:

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

The register of members of H Shares of the Company will be closed from Thursday, 29 October 2026 to Tuesday, 3 November 2026 (both days inclusive), during which time no transfer of H Shares of the Company will be effected and registered. In order to qualify for attendance and voting at the EGM, H Shareholders must lodge the instruments of transfer accompanied by share certificates and other appropriate documents with the Company's H Share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-16, 17/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, by 4:30 p.m. on Wednesday, 28 October 2026. H Shareholders whose names appear on the register of members of H Shares of the Company at the close of business on Wednesday, 28 October 2026 are entitled to attend and vote at the EGM.

2. Proxy

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

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

3. Other business

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

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

17M Floor
Hopewell Centre
183 Queen's Road East
Wan Chai
Hong Kong
Tel No.: (852) 2862 8628
Fax No.: (852) 2865 0990