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中國東方航空股份有限公司 CHINA EASTERN AIRLINES CORPORATION LIMITED

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

(Stock code: 00670)

2023 THIRD QUARTERLY REPORT

This announcement is made pursuant to the disclosure requirements under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.09 and Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The financial report of the Company for the third quarter of 2023 was not audited, and was prepared in accordance with the China Accounting Standards for Business Enterprises.

IMPORTANT NOTICE

This announcement is made by China Eastern Airlines Corporation Limited (the “**Company**”) pursuant to the disclosure requirement under Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) (which requires any issuer listed on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) whose securities are also listed on other stock exchange(s) to simultaneously inform the Hong Kong Stock Exchange of any information released to any of such other exchange(s) and to ensure that such information is released to the market in Hong Kong at the same time as it is released to the other market(s)). At the request of the Shanghai Stock Exchange, a similar announcement of the even date is being made simultaneously by the Company in Shanghai pursuant to the relevant provisions of the Shanghai listing rules and regulations.

This quarterly report was prepared in accordance with the regulations as prescribed by the China Securities Regulatory Commission in relation to disclosure of information in quarterly reports for listed companies, and is published simultaneously in Shanghai and Hong Kong. The financial report of the Company for the third quarter of 2023 was not audited, and was prepared in accordance with the China Accounting Standards for Business Enterprises.

The board of directors (the “**Board**”) and the supervisory committee of the Company, and the directors, supervisors and senior management hereby undertake that the information set out in this quarterly report is true, accurate and complete and does not contain false information, misleading statement or material omission, and accept joint and several legal responsibility for the contents herein.

The person-in-charge of the Company, the officer-in-charge of accounting of the Company, and the officer-in-charge of the accounting department (accounting officer) of the Company, hereby undertake that the financial statements forming part of the quarterly report are true, accurate and complete.

The financial statements in this third quarterly report of the Company are unaudited.

1. KEY FINANCIAL DATA

(1) Key accounting data and financial indicators

			Unit: million	Currency: RMB
Item	For the reporting period	Increase/Decrease for the reporting period compared with the same period last year (%)	From the beginning of the year to the end of the reporting period	Increase/Decrease from the beginning of the year to the end of the reporting period compared with the same period last year (%)
Revenue	36,113	118.92	85,538	138.60
Net profit attributable to shareholders of the listed company	3,642	N/A	-2,607	N/A
Net profit attributable to shareholders of the listed company after deducting non-recurring profit or loss	3,481	N/A	-3,201	N/A
Net cash flow from operating activities	N/A	N/A	26,294	N/A
Basic earnings per share (RMB/share)	0.1634	N/A	-0.1170	N/A
Diluted earnings per share (RMB/share)	0.1634	N/A	-0.1170	N/A
Weighted average return on net assets (%)	14.81	Increased by 48.24 pt	-9.40	Increased by 65.80 pt
		As at the end of the reporting period	As at the end of last year	Increase/decrease as at the end of the reporting period compared with the end of last year (%)
Total assets		282,069	285,742	-1.29
Owners' equity attributable to shareholders of the listed company		26,401	29,080	9.21

Note: "The reporting period" refers to the three-month period from the beginning of this quarter to the end of this quarter, the same below.

(2) Non-recurring profit or loss items and relevant amounts

Item	Unit: million Currency: RMB	
	Amount for the reporting period	Amount from the beginning of the year to the end of the reporting period
Profit or loss from disposal of non-current assets	-25	-20
Other profit and loss items that meet the definition of non-recurring profit or loss	210	741
Non-operating income and expenses other than the above	31	73
Less: Effect on income tax	53	196
Effect on minority interests (after tax)	2	4
Total	161	594

Description of the circumstances in which the non-recurring profit or loss items listed in the “Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public — Non-recurring Profit or Loss” (《公開發行證券的公司信息披露解釋性公告第 1 號 — 非經常性損益》) are defined as recurring profit or loss items

☐ Applicable ☒ Not Applicable

(3) Details and reasons for changes in key accounting data and financial indicators

✓ Applicable ☐ Not Applicable

Item	Change (%)	Major reasons
Revenue (for the reporting period)	118.92	
Revenue (from the beginning of the year to the end of the reporting period)	138.60	
Net profit attributable to shareholders of the listed company (for the reporting period)	N/A	
Net profit attributable to shareholders of the listed company (from the beginning of the year to the end of the reporting period)	N/A	
Net profit attributable to shareholders of the listed company after deducting non-recurring profit or loss (for the reporting period)	N/A	
Net profit attributable to shareholders of the listed company after deducting non-recurring profit or loss (from the beginning of the year to the end of the reporting period)	N/A	Mainly attributable to the Company's efforts to seize the opportunity of the recovery in the air passenger transportation market, increase in passenger capacity, optimization of the allocation of routes and resources, strengthening of cost control, increase in passenger revenue and improvement in operating results.
Basic earnings per share (RMB/share) (for the reporting period)	N/A	
Basic earnings per share (RMB/share) (from the beginning of the year to the end of the reporting period)	N/A	

Item	Change (%)	Major reasons
Diluted earnings per share (RMB/share) (for the reporting period)	N/A	
Diluted earnings per share (RMB/share) (from the beginning of the year to the end of the reporting period)	N/A	
Weighted average return on net assets (%) (for the reporting period)	Increased by 48.24 pt	
Weighted average return on net assets (%) (from the beginning of the year to the end of the reporting period)	Increased by 65.80 pt	
Net cash flow from operating activities (from the beginning of the year to the end of the reporting period)	N/A	Mainly attributable to the Company's efforts to seize the opportunity of the recovery in the air passenger transportation market, increase in passenger capacity, optimization of the allocation of routes and resources, strengthening of cost control and increase in passenger revenue.

2. INFORMATION OF SHAREHOLDERS

(1) Total number of ordinary shareholders and number of preferred shareholders with restored voting rights and shareholding of the 10 largest shareholders

Total number of ordinary shareholders as at the end of the reporting period	<i>Unit: share</i> 183,222
Total number of preferred shareholders with restored voting rights as at the end of the reporting period (if any)	0

Shareholding of the 10 largest shareholders

Name of shareholder	Nature of shareholder	Number of shares held	Percentage of shares held (%)	Number of shares with trading moratorium held	Pledged, marked or locked-up Status	Number
China Eastern Air Holding Company Limited (中國東方航空集團有限公司)	State-owned legal person	8,780,411,019	39.39%	3,633,883,040	None	0
HKSCC NOMINEES LIMITED	Overseas legal person	4,702,882,885	21.10%	0	Unknown	Unknown
China National Aviation Fuel Holding Company Limited (中國航空油料集團有限公司)	State-owned legal person	730,389,827	3.28%	0	None	0
Shanghai Jidaohang Enterprise Management Company Limited (上海吉道航企業管理有限公司)	Domestic non-state-owned legal person	589,041,096	2.64%	0	None	0
DELTA AIR LINES INC.	Overseas legal person	465,910,000	2.09%	0	None	0
Shanghai Licheng Information Technology Consulting Co., Ltd. (上海勵程信息技術諮詢有限公司)	Domestic non-state-owned legal person	465,838,509	2.09%	0	None	0
CES Finance Holding Co., Ltd. (東航金控有限責任公司)	State-owned legal person	457,317,073	2.05%	0	None	0
China Securities Finance Corporation Limited (中國證券金融股份有限公司)	State-owned legal person	429,673,382	1.93%	0	None	0
China State-owned Enterprises Mixed Ownership Reform Fund Co., Ltd. (中國國有企業混合所有制改革基金有限公司)	State-owned legal person	341,685,649	1.53%	0	None	0
Hong Kong Securities Clearing Company Limited (香港中央結算有限公司)	Overseas legal person	266,305,813	1.19%	0	None	0

Shareholding of the 10 largest holders of shares without trading moratorium

Name of shareholder	Number of listed shares without trading moratorium held	Class and number of shares	
		Class	Number
China Eastern Air Holding Company Limited (中國東方航空集團有限公司)	5,146,527,979	RMB ordinary shares	5,146,527,979
HKSCC NOMINEES LIMITED	4,702,882,885	Overseas listed foreign shares	4,702,882,885
China National Aviation Fuel Holding Company Limited (中國航空油料集團有限公司)	730,389,827	RMB ordinary shares	730,389,827
Shanghai Jidaochang Enterprise Management Company Limited (上海吉道航企業管理有限公司)	589,041,096	RMB ordinary shares	589,041,096
DELTA AIR LINES INC.	465,910,000	Overseas listed foreign shares	465,910,000
Shanghai Licheng Information Technology Consulting Co., Ltd. (上海勵程信息技術諮詢有限公司)	465,838,509	RMB ordinary shares	465,838,509
CES Finance Holding Co., Ltd. (東航金控有限責任公司)	457,317,073	RMB ordinary shares	457,317,073
China Securities Finance Corporation Limited (中國證券金融股份有限公司)	429,673,382	RMB ordinary shares	429,673,382
China State-owned Enterprises Mixed Ownership Reform Fund Co., Ltd. (中國國有企業混合所有制改革基金有限公司)	341,685,649	RMB ordinary shares	341,685,649
Hong Kong Securities Clearing Company Limited (香港中央結算有限公司)	266,305,813	Overseas listed foreign shares	266,305,813

Description of connected relationship or activities in concert among the above shareholders

China Eastern Air Holding Company Limited owns 100% equity interest in CES Finance Holding Co., Ltd. Among the 4,702,882,885 shares held by HKSCC NOMINEES LIMITED, 2,644,522,000 shares are held by CES Global Holdings (Hong Kong) Limited in the capacity of beneficial owner, and CEA Holding owns 100% equity interest in CES Global.

The Company is not aware of any other connected relationship or activities in concert among the 10 largest holders of shares without trading moratorium.

Description of the 10 largest shareholders and the 10 largest holders of shares without trading moratorium engaging in margin financing and securities lending as well as margin and securities refinancing business (if any)

N/A

As at the end of the reporting period, CES Global Holdings (Hong Kong) Limited has pledged in aggregate 2,370,000,000 H shares of the Company; Shanghai Juneyao (Group) Co., Ltd. has pledged 108,000,000 H shares of the Company.

3. OTHER REMINDERS

Other important information on the operating condition of the Company during the reporting period that investors need to be reminded of

✓ Applicable ☐ Not Applicable

- (1) On 12 July 2023, a total of 2,277,904,327 A shares of the Company with trading moratorium held by 19 shareholders including UBS AG, China State-owned Enterprises Mixed Ownership Reform Fund Co., Ltd., and China National Aviation Fuel Holding Company Limited became tradable. For details, please refer to the announcement of the Company published on the websites of the Shanghai Stock Exchange and the Hong Kong Stock Exchange on 6 July 2023.
- (2) China Eastern Air Holding Company Limited, the controlling shareholder of the Company, and CES Finance Holding Co., Ltd., a wholly-owned subsidiary of China Eastern Air Holding Company Limited through its wholly-owned subsidiary CES Global Holdings (Hong Kong) Limited, propose to, subject to certain market conditions, increase their shareholdings in the Company with their own funds within 12 months from the date of the initial increase in shareholding on 12 September 2023. The proposed total shareholding of the A shares and H shares of the Company shall be no less than RMB500 million (inclusive) and no more than RMB1 billion (inclusive). For details, please refer to the announcements of the Company disclosed on the websites of the Shanghai Stock Exchange and the Hong Kong Stock Exchange on 12 September 2023 and 27 September 2023.
- (3) On 28 September 2023, the 24th ordinary meeting of the ninth board of directors of the Company considered and approved the “Resolution on the Introduction of Domestic Aircraft by the Company”. The Company intended to purchase 100 C919 aircraft from COMAC, on the same date, the two parties signed an agreement. Such issue is subject to consideration at the general meeting. For details, please refer to the announcement of the Company published on the websites of the Shanghai Stock Exchange and the Hong Kong Stock Exchange on 28 September 2023.
- (4) On 28 September 2023, the 24th ordinary meeting of the ninth board of directors of the Company considered and approved the “Resolution on the Appointment of Vice President of the Company” and it was agreed to appoint Mr. Wan Qingchao as the vice president of the Company. For details, please refer to the announcement of the Company on the websites of the Shanghai Stock Exchange and the Hong Kong Stock Exchange on 28 September 2023.
- (5) On 27 October 2023, the 25th ordinary meeting of the ninth session of the board of directors of the Company considered and approved the “Resolution on the Nomination of Candidate for Director of the Ninth Session of the Board” and it was agreed to nominate Mr. Wang Zhiqing as a candidate for director of the ninth session of the Board of the Company, his term of service shall be the same as that of the ninth session of the Board of the Company; and the resolution electing Mr. Wang Zhiqing as a director of the Company shall be submitted to the next general meeting of the Company for consideration. For details, please refer to the announcement of the Company published on the websites of the Shanghai Stock Exchange and the Hong Kong Stock Exchange on 27 October 2023.

4. QUARTERLY FINANCIAL STATEMENTS

(1) Type of audit opinion

☐ Applicable ☒ Not Applicable

(2) Financial statements

Consolidated Statement of Financial Position 30 September 2023

Prepared by: China Eastern Airlines Corporation Limited

Unit: million Currency: RMB Type of audit: Unaudited

Item	30 September 2023	31 December 2022
Current assets:		
Monetary capital	13,327	17,553
Held-for-trading financial assets	70	72
Hedge instruments	64	1
Trade receivables	2,448	754
Prepayments	253	311
Other receivables	2,017	2,269
Inventory	1,691	1,626
Non-current assets due within one year	230	235
Other current assets	5,555	4,592
Total current assets	25,655	27,413
Non-current assets:		
Long-term equity investment	2,782	2,716
Other equity instrument investments	448	452
Hedge instruments	—	94
Investment properties	229	243
Fixed assets	88,094	85,470
Construction in progress	18,760	17,727
Right-of-use assets	119,850	126,031
Intangible assets	2,453	2,530
Goodwill	9,028	9,028
Long-term deferred expenses	2,229	2,161
Deferred income tax assets	10,454	9,858
Other non-current assets	2,087	2,019
Total non-current assets	256,414	258,329
Total assets	282,069	285,742

(2) Financial statements (Cont'd)

Consolidated Statement of Financial Position (Cont'd)
30 September 2023

Prepared by: China Eastern Airlines Corporation Limited

Unit: million Currency: RMB Type of audit: Unaudited

Item	30 September 2023	31 December 2022
Current liabilities:		
Short-term borrowings	29,816	49,229
Notes payables	486	752
Trade payables	16,841	10,818
Account collected in advance	22	14
Contract liabilities	5,994	3,166
Staff remuneration payable	2,043	2,566
Tax payable	1,732	1,344
Other payables	3,030	3,970
Non-current liabilities due within one year	34,158	34,372
Other current liabilities	11,332	215
Total current liabilities	105,454	106,446
Non-current liabilities:		
Long-term borrowings	55,019	38,359
Bonds payable	10,629	19,580
Lease liabilities	69,440	78,387
Long-term payables	804	1,074
Long-term staff remuneration payable	2,623	2,477
Estimated liabilities	8,869	8,008
Deferred income	58	65
Other non-current liabilities	1,714	1,245
Total non-current liabilities	149,156	149,195
Total liabilities	254,610	255,641

(2) Financial statements (Cont'd)

Consolidated Statement of Financial Position (Cont'd)
30 September 2023

Prepared by: China Eastern Airlines Corporation Limited

Unit: million Currency: RMB Type of audit: Unaudited

Item	30 September 2023	31 December 2022
Owners' equity (or shareholders' equity):		
Paid-up capital (or share capital)	22,291	22,291
Capital reserves	53,488	53,488
Other comprehensive income	-3,026	-2,954
Surplus reserves	782	782
Undistributed profits	-47,134	-44,527
Total owners' equity (or shareholders' equity) attributable to owners of the parent company	26,401	29,080
Minority interests	1,058	1,021
Total owners' equity (or shareholders' equity)	27,459	30,101
Total liabilities and owners' equity (or shareholders' equity)	282,069	285,742

Person-in-charge
of the Company:
Li Yangmin

Officer-in-charge
of accounting:
Zhou Qimin

Officer-in-charge of the
accounting department:
Yu Yahong

(2) Financial statements (Cont'd)

Consolidated Statement of Profit or Loss and Other Comprehensive Income
January – September 2023

Prepared by: China Eastern Airlines Corporation Limited

Unit: million Currency: RMB Type of audit: Unaudited

Item	First three quarters of 2023 (January – September)	First three quarters of 2022 (January – September)
I. Total revenue	85,538	35,850
Of which: Revenue	85,538	35,850
II. Total operating costs	92,563	68,218
Of which: Operating costs	80,962	56,330
Taxes and surcharges	223	131
Selling expenses	3,107	1,665
Administrative expenses	2,436	2,577
Research and development expenses	218	206
Finance expenses	5,617	7,309
Of which: Interest expenses	4,876	4,601
Interest income	411	366
Add: Other gains	3,723	2,332
Investment gains (“-” indicating losses)	103	3
Of which: Gains from investments in associates and joint ventures	98	-3
Gains arising from changes in fair value (“-” indicating losses)	-2	-15
Credit impairment losses (“-” indicating losses)	-44	-1
Asset impairment losses (“-” indicating losses)	—	-5
Gains from disposal of assets (“-” indicating losses)	9	12
III. Operating profit (“-” indicating loss)	-3,236	-30,042
Add: Non-operating income	209	114
Less: Non-operating expenses	35	13
IV. Total profits (“-” indicating total losses)	-3,062	-29,941
Less: Income tax expenses	-492	-7

(2) Financial statements (Cont'd)

Consolidated Statement of Profit or Loss and Other Comprehensive Income (Cont'd)
January – September 2023

Prepared by: China Eastern Airlines Corporation Limited

Unit: million Currency: RMB Type of audit: Unaudited

Item	First three quarters of 2023 (January – September)	First three quarters of 2022 (January – September)
V. Net profit (“-” indicating net loss)	-2,570	-29,934
(I) Classified by continuation of business		
1. Net profit from continuing activities (“-” indicating net loss)	-2,570	-29,934
2. Net profit from discontinued activities (“-” indicating net loss)	—	—
(II) Classified by ownership		
1. Net profit attributable to shareholders of the parent company (“-” indicating net loss)	-2,607	-28,116
2. Minority interests (“-” indicating net loss)	37	-1,818
VI. Other comprehensive income, net of tax	-72	108
(I) Other comprehensive income, net of tax, attributable to owners of the parent company	-72	113
1. Other comprehensive income that cannot be reclassified into profit or loss	-44	-86
(1) Changes in the remeasurement of defined benefit plans	-47	13
(2) Other comprehensive income that cannot be transferred to profit or loss under the equity method	5	—
(3) Changes in fair value of other equity instrument investments	-2	-99
(4) Changes in fair value of the enterprise’s own credit risk	—	—

(2) Financial statements (Cont'd)

Consolidated Statement of Profit or Loss and Other Comprehensive Income (Cont'd)
January – September 2023

Prepared by: China Eastern Airlines Corporation Limited

Unit: million Currency: RMB Type of audit: Unaudited

Item	First three quarters of 2023 (January – September)	First three quarters of 2022 (January – September)
2. Other comprehensive income that will be reclassified into profit or loss	-28	199
(1) Other comprehensive income that will be transferred to profit or loss under the equity method	—	—
(2) Changes in fair value of other debt investments	—	—
(3) Amount of financial assets reclassified into other comprehensive income	—	—
(4) Credit impairment provisions for other debt investments	—	—
(5) Cash flow hedge reserve	-28	199
(II) Other comprehensive income, net of tax, attributable to minority interests	<u>—</u>	<u>-5</u>
VII. Total comprehensive income	-2,642	-29,826
(I) Total comprehensive income attributable to owners of the parent company	-2,679	-28,003
(II) Total comprehensive income attributable to minority interests	<u>37</u>	<u>-1,823</u>
VIII. Earnings per share:		
(I) Basic earnings per share (RMB/share)	-0.1170	-1.4897
(II) Diluted earnings per share (RMB/share)	<u>-0.1170</u>	<u>-1.4897</u>

Person-in-charge
of the Company:
Li Yangmin

Officer-in-charge
of accounting:
Zhou Qimin

Officer-in-charge
of the accounting department:
Yu Yahong

(2) Financial statements (Cont'd)

Consolidated Statement of Cash Flows
January – September 2023

Prepared by: China Eastern Airlines Corporation Limited

Unit: million Currency: RMB Type of audit: Unaudited

Item	First three quarters of 2023 (January – September)	First three quarters of 2022 (January – September)
1. Cash flow from operating activities:		
Cash received from sales of goods and provision of labour services	93,025	37,258
Refund of taxes	1,851	5,699
Other cash received from operating activities	8,316	4,433
Sub-total of cash inflow from operating activities	103,192	47,390
Cash paid for purchase of goods and receiving of labour services	51,657	27,931
Cash paid to and for employees	17,742	15,570
Taxes paid	2,061	707
Other cash paid for operating activities	5,438	3,442
Sub-total of cash outflow from operating activities	76,898	47,650
Net cash flow from operating activities	26,294	-260
2. Cash flow from investing activities:		
Cash received from disposal of investment	2	—
Investment income in cash	56	11
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	34	139
Other cash received from investing activities	2,393	1,382
Sub-total of cash inflow from investing activities	2,485	1,532
Amount paid in cash in relation to purchases of fixed assets, intangible assets and other long-term assets	12,928	5,717
Sub-total of cash outflow from investing activities	12,928	5,717
Net cash flow from investing activities	-10,443	-4,185

(2) Financial statements (Cont'd)

Consolidated Statement of Cash Flows (Cont'd)
January – September 2023

Prepared by: China Eastern Airlines Corporation Limited

Unit: million Currency: RMB Type of audit: Unaudited

Item	First three quarters of 2023 (January – September)	First three quarters of 2022 (January – September)
3. Cash flow from financing activities:		
Cash received from borrowings	63,500	110,102
Sub-total of cash inflow from financing activities	63,500	110,102
Cash paid for repayment of indebtedness	63,976	77,634
Cash payments for distribution of dividends, profits expense or payment of interest	4,233	4,124
Other cash paid for financing activities	15,373	13,299
Sub-total of cash outflow from financing activities	83,582	95,057
Net cash flow from financing activities	-20,082	15,045
4. Effect of changes in exchange rate on cash and cash equivalents	3	11
5. Net increase in cash and cash equivalents	-4,228	10,611
Add: Balance of cash and cash equivalents at the beginning of the period	17,541	12,950
6. Balance of cash and cash equivalents at the end of the period	13,313	23,561

Person-in-charge
of the Company:
Li Yangmin

Officer-in-charge
of accounting:
Zhou Qimin

Officer-in-charge
of the accounting department:
Yu Yahong

Adjustment to financial statements at the beginning of the year upon adoption of the new accounting standards or interpretation for the first time starting from 2023

☐ Applicable ☒ Not Applicable

**The Board of
CHINA EASTERN AIRLINES CORPORATION LIMITED**
27 October 2023

As at the date of this announcement, the directors of the Company include Li Yangmin (Vice Chairman, President), Tang Bing (Director), Lin Wanli (Director), Cai Hongping (Independent non-executive Director), Dong Xuebo (Independent non-executive Director), Sun Zheng (Independent non-executive Director), Lu Xiongwen (Independent non-executive Director) and Jiang Jiang (Employee Representative Director).