



中國東方航空  
CHINA EASTERN



世界品位 东方魅力

# 日出東方

## 再次起航



# 2025

## INTERIM REPORT



MIX  
Paper | Supporting  
responsible forestry  
FSC® C021898

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

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HANGHAI

AIRBUS A321

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# Definitions

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

## Traffic capacity

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

## Traffic scale

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

## Traffic efficiency

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

## Unit revenue

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

## Abbreviation

AFK	means Air France-KLM. Official website: <a href="https://www.airfranceklm.com/">https://www.airfranceklm.com/</a>
Airbus	means Airbus S.A.S. Official website: <a href="https://www.airbus.com/en">https://www.airbus.com/en</a>
Audit and Risk Management Committee	means the audit and risk management committee of the Board of the Company
Board	means the board of directors of the Company
Boeing	means Boeing Company. Official website: <a href="https://www.boeing.com/">https://www.boeing.com/</a>
CAAC	means the Civil Aviation Administration of China. Official website: <a href="http://www.caac.gov.cn/">http://www.caac.gov.cn/</a>
CEA Holding	means 中國東方航空集團有限公司(China Eastern Air Holding Company Limited*), the controlling shareholder and a connected person of the Company
CEA Technic	means 東方航空技術有限公司(Eastern Airlines Technic Co., Ltd.), a wholly-owned subsidiary of the Company
CES Finance	means 東航金控有限責任公司(CES Finance Holding Co., Limited), a wholly-owned subsidiary of CEA Holding and a shareholder and connected person of the Company
CES Global	means 東航國際控股(香港)有限公司(CES Global Holdings (Hong Kong) Limited), a wholly-owned subsidiary of CES Finance and a shareholder and connected person of the Company
China Cargo Airlines	means 中國貨運航空有限公司(China Cargo Airlines Co., Limited), a subsidiary of Eastern Logistics and a connected person of the Company
China Eastern Airlines, CEA, or the Company	means 中國東方航空股份有限公司(China Eastern Airlines Corporation Limited)
China United Airlines	means 中國聯合航空有限公司(China United Airlines Co., Limited), a wholly-owned subsidiary of the Company
COMAC	means 中國商用飛機有限責任公司(Commercial Aircraft Corporation of China, Ltd.). Official website: <a href="http://www.comac.cc/">http://www.comac.cc/</a>
CSRC	means the China Securities Regulatory Commission. Official website: <a href="http://www.csrc.gov.cn/">http://www.csrc.gov.cn/</a>
Delta	means Delta AirLines Inc (IATA Code: DL), a shareholder of the Company. Official website: <a href="https://www.delta.com/">https://www.delta.com/</a>
Directors	means the directors of the Company

## Definitions

Eastern Air Jiangsu	means 中國東方航空江蘇有限公司(China Eastern Airlines Jiangsu Co., Limited*), a subsidiary of the Company
Eastern Air Wuhan	means 中國東方航空武漢有限責任公司(China Eastern Airlines Wuhan Limited*), a subsidiary of the Company
Eastern Air Yunnan	means 東方航空雲南有限公司(China Eastern Airlines Yunnan Co., Limited*), a subsidiary of the Company
Eastern Logistics	means 東方航空物流股份有限公司(Eastern Airline Logistics Co., Limited*), a subsidiary of CEA Holding and a connected person of the Company
Eastern Miles	means 東方萬里行, an award scheme for global frequent flyer designed by the Company
End of the Reporting Period	means 30 June 2025
Group	means the Company and its subsidiaries
HKSCC	means Hong Kong Securities Clearing Company Ltd., which operates the Central Clearing and Settlement System (CCASS) of Hong Kong. HKSCC is a wholly-owned subsidiary of the Hong Kong Stock Exchange, and the shares held by H share investors are deposited in HKSCC
Hong Kong Stock Exchange	means The Stock Exchange of Hong Kong Limited. Official website: <a href="http://www.hkex.com.hk/">http://www.hkex.com.hk/</a>
IATA	means the International Air Transport Association, a major international organisation formed by airlines of different countries worldwide, which coordinates and communicates government policies through aviation transportation enterprises and deals with actual operations issues. Official website: <a href="http://www.iata.org/">http://www.iata.org/</a>
Japan Airlines	means Japan Airlines Co., Ltd (IATA Code: JL). Official website: <a href="http://www.jal.com/">http://www.jal.com/</a>
Juneyao Airlines	means 上海吉祥航空股份有限公司(Juneyao Airlines Co., Ltd) (IATA Code: HO), a related party of the Company. Official website: <a href="http://www.juneyaoair.com/">http://www.juneyaoair.com/</a>
Juneyao Group	means 上海均瑤(集團)有限公司(Shanghai Juneyao (Group) Co., Ltd.), the controlling shareholder of Juneyao Airlines and a related party of the Company
Juneyao Hong Kong	means 上海吉祥航空香港有限公司(Shanghai Juneyao Airline Hong Kong Limited), a wholly-owned subsidiary of Juneyao Airlines and a related party of the Company
Listing Rules	means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

Regional	means Hong Kong, China; Macau, China; and Taiwan, China, per routes categorization
Reporting Period	means from 1 January to 30 June 2025
SFO	means the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
Shanghai Airlines	means 上海航空公司(Shanghai Airlines Co., Limited*), a wholly-owned subsidiary of the Company
Shanghai Stock Exchange	means the Shanghai Stock Exchange. Official website: <a href="http://www.sse.com.cn/">http://www.sse.com.cn/</a>
SkyTeam Airline Alliance	means the SkyTeam Alliance, one of the three major international airline alliances in the world. Official website: <a href="http://www.skyteam.com/">http://www.skyteam.com/</a>
The PRC	means the People's Republic of China

\* For identification purposes only.

The Board hereby presents the interim financial results of the Group for the six months ended 30 June 2025 prepared in accordance with International Accounting Standard 34 (which were reviewed and approved by the Board and the Audit and Risk Management Committee on 29 August 2025), with comparative figures for the corresponding period in 2024.

The interim financial results of the Group for the six months ended 30 June 2025 are not necessarily indicative of annual or future results of the Group. Investors should not place undue reliance on the interim financial results of the Group for the six months ended 30 June 2025.

# Company Business Introduction

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

The Company built up a streamlined and efficient modernised fleet, operating 816 passenger aircraft with an average fleet age of 9.2 years. Surrounding Shanghai and Beijing core hubs and Xi'an and Kunming regional hubs, we provided high-quality and convenient air transport and extended services to worldwide travellers and customers.

# Company Profile

## Company Information

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

## Basic Profile

Registered address of the Company	66 Airport Street, Pudong International Airport, Pudong New District, Shanghai
Postal code of registered address of the Company	201202
Place of business of the Company	36 Hongxiang 3rd Road, Minhang District, Shanghai
Postal code of place of business of the Company	201100
The Company's website	<a href="http://www.ceair.com">www.ceair.com</a>
Mobile application (APP)	東方航空
Mobile website	<a href="http://m.ceair.com">m.ceair.com</a>
Email address	<a href="mailto:ir@ceair.com">ir@ceair.com</a>
Service hotline	+86 95530
Sina Weibo	<a href="http://weibo.com/ceair">http://weibo.com/ceair</a>
Weixin/WeChat mini program	中國東方航空
Weixin/WeChat public subscription ID	東方航空訂閱號
Weixin/WeChat ID	donghang_gw
Weixin/WeChat QR code	

## Shares of the Company

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

## Contact person and contact information

Board Secretary, Joint Company Secretary	Li Ganbin
Representative of securities affairs	Yang Hui
Address	36 Hongxiang 3rd Road, Minhang District, Shanghai
Telephone	021-22330932
Fax	021-62686116
Email	<a href="mailto:ir@ceair.com">ir@ceair.com</a>

### CURRENT

#### AS OF THE PUBLICATION DATE OF THIS REPORT

##### DIRECTORS

Wang Zhiqing (Chairman)  
Cheng Guowei (Director)  
Sun Zheng (Independent non-executive Director)  
Lu Xiongwen (Independent non-executive Director)  
Luo Qun (Independent non-executive Director)  
Fung Wing Yee Sabrina (Independent non-executive Director)  
Zheng Hongfeng (Independent non-executive Director)  
Jie Xiaoqing (Employee Representative Director)

##### SENIOR MANAGEMENT

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

##### JOINT COMPANY SECRETARIES

Li Ganbin  
Ngai Wai Fung

##### AUTHORISED REPRESENTATIVES

Wang Zhiqing  
Li Ganbin

##### LEGAL ADVISERS

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

##### PRINCIPAL BANKS

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

##### SHARE REGISTRAR

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

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

##### PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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

##### BUSINESS LICENCE RELATED INFORMATION

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

# Interim Condensed Consolidated Statement of Profit or loss

For the six months ended 30 June 2025

	Notes	For the six months ended 30 June	
		2025 RMB million (Unaudited)	2024 RMB million (Unaudited)
<b>Revenue</b>	5	<b>66,822</b>	64,199
<b>Other operating income and gains</b>	6	<b>3,391</b>	3,200
<b>Operating expenses</b>			
Aircraft fuel		(21,411)	(23,292)
Wages, salaries and benefits		(14,020)	(12,624)
Depreciation and amortisation		(13,328)	(13,203)
Take-off and landing charges		(9,622)	(8,236)
Aircraft maintenance		(3,276)	(3,042)
Food and beverages		(2,274)	(2,006)
Selling and marketing expenses		(2,092)	(1,876)
Civil aviation development fund		(575)	(554)
Impairment losses on financial assets, net		(30)	(27)
Impairment losses on non-financial assets, net		(3)	(4)
Other operating expenses		(3,098)	(2,495)
<b>Total operating expenses</b>		<b>(69,729)</b>	(67,359)
<b>Operating income</b>			
Share of result of associates		143	95
Share of result of joint ventures		17	34
Finance costs	7	(2,216)	(3,088)
Finance income		41	78
<b>Loss before income tax</b>		<b>(1,531)</b>	(2,841)
Income tax expense	8	(61)	(258)
<b>Loss for the period</b>		<b>(1,592)</b>	(3,099)
<b>Loss for the period attributable to:</b>			
Equity holders of the Company		(1,431)	(2,768)
Non-controlling interests		(161)	(331)
		<b>(1,592)</b>	(3,099)
<b>Loss per share attributable to the equity holders of the Company:</b>			
– Basic (expressed in RMB per share)	10	<b>(0.06)</b>	(0.12)

# Interim Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2025

	For the six months ended 30 June	
	2025 RMB million (Unaudited)	2024 RMB million (Unaudited)
<b>Loss for the period</b>	<b>(1,592)</b>	(3,099)
<b>Other comprehensive expense</b>		
<i>Items that may be subsequently reclassified to profit or loss</i>		
Effective portion of changes in fair value of hedging instruments arising during the period, net of tax	(22)	(17)
<i>Items that may not be subsequently reclassified to profit or loss</i>		
Fair value changes of equity investments designated at fair value through other comprehensive income/(loss), net of tax	17	(96)
Share of other comprehensive (loss)/income of associates and joint ventures, net of tax	(2)	2
Actuarial loss on the post-retirement benefit obligations, net of tax	(12)	(85)
<b>Other comprehensive expense, net of tax</b>	<b>(19)</b>	(196)
<b>Total comprehensive expense for the period</b>	<b>(1,611)</b>	(3,295)
<b>Total comprehensive expense for the period attributable to:</b>		
Equity holders of the Company	(1,450)	(2,956)
Non-controlling interests	(161)	(339)
	<b>(1,611)</b>	(3,295)

The notes on pages 14 to 40 are an integral part of this interim condensed consolidated financial information.

# Interim Condensed Consolidated Statement of Financial Position

As at 30 June 2025

	Notes	30 June 2025 RMB million (Unaudited)	31 December 2024 RMB million (Audited)
<b>Non-current assets</b>			
Property, plant and equipment	12	105,572	103,330
Investment properties		89	96
Right-of-use assets	13	115,781	112,433
Intangible assets	14	11,613	11,603
Advanced payments on acquisition of aircraft		13,378	14,986
Investments in associates		2,305	2,218
Investments in joint ventures		529	512
Equity investments designated at fair value through other comprehensive income		1,571	1,417
Deferred tax assets		9,151	9,160
Other non-current assets		3,524	3,984
		<b>263,513</b>	259,739
<b>Current assets</b>			
Flight equipment spare parts		1,988	1,680
Trade and bills receivables	15	3,051	1,949
Prepayments and other receivables		12,259	11,184
Financial assets at fair value through profit or loss		136	101
Derivative financial instruments		27	56
Restricted bank deposits		100	61
Cash and cash equivalents		3,599	4,072
Assets as held for sale		54	–
		<b>21,214</b>	19,103
<b>Current liabilities</b>			
Trade and bills payables	16	15,610	14,515
Other payables and accruals		20,990	20,227
Contract liabilities		10,843	10,678
Current portion of borrowings	17	50,352	49,576
Current portion of lease liabilities		16,332	16,997
Income tax payable		13	71
Current portion of provision for lease return costs for aircraft and engines		2,208	1,939
		<b>116,348</b>	114,003
<b>Net current liabilities</b>		<b>(95,134)</b>	(94,900)
<b>Total assets less current liabilities</b>		<b>168,379</b>	164,839

## Interim Condensed Consolidated Statement of Financial Position

As at 30 June 2025

	Notes	30 June 2025 RMB million (Unaudited)	31 December 2024 RMB million (Audited)
<b>Non-current liabilities</b>			
Borrowings	17	55,456	53,598
Lease liabilities		59,327	55,852
Provision for lease return costs for aircraft and engines		7,522	7,619
Contract liabilities		723	632
Post-retirement benefit obligations		2,175	2,240
Other long-term liabilities		1,157	1,246
Deferred tax liabilities		1	1
		<b>126,361</b>	121,188
<b>Net assets</b>			
		<b>42,018</b>	43,651
<b>Equity</b>			
<b>Equity attributable to equity holder of the Company</b>			
– Share capital	18	22,291	22,291
– Perpetual bond		25,415	25,067
– Reserves		(6,362)	(4,564)
– Treasury Shares		(542)	(20)
		<b>40,802</b>	42,774
<b>Non-controlling interests</b>			
		<b>1,216</b>	877
<b>Total equity</b>			
		<b>42,018</b>	43,651

The notes on pages 14 to 40 are an integral part of this interim condensed consolidated financial information.

# Interim Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2025

	Attributable to equity holders of the Company						Non-controlling interests	Total equity
	Share capital	Perpetual bond	Treasury shares	Other reserves	Accumulated losses	Total		
	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million		
<b>Total equity at 31 December 2024 (Audited)</b>	<b>22,291</b>	<b>25,067</b>	<b>(20)</b>	<b>52,447</b>	<b>(57,011)</b>	<b>42,774</b>	<b>877</b>	<b>43,651</b>
<b>Comprehensive expense:</b>								
Loss for the period	-	-	-	-	(1,431)	(1,431)	(161)	(1,592)
Other comprehensive expense	-	-	-	(19)	-	(19)	-	(19)
<b>Total comprehensive expense</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(19)</b>	<b>(1,431)</b>	<b>(1,450)</b>	<b>(161)</b>	<b>(1,611)</b>
<b>Total transaction with equity holders:</b>								
Distribution to holders of perpetual bond	-	348	-	-	(348)	-	-	-
Repurchase of shares	-	-	(522)	-	-	(522)	-	(522)
Capital injection by non-controlling interests in a subsidiary	-	-	-	-	-	-	500	500
<b>Balance at 30 June 2025 (Unaudited)</b>	<b>22,291</b>	<b>25,415</b>	<b>(542)</b>	<b>52,428</b>	<b>(58,790)</b>	<b>40,802</b>	<b>1,216</b>	<b>42,018</b>

	Attributable to equity holders of the Company						Non-controlling interests	Total equity
	Share capital	Perpetual bond	Other reserves	Accumulated losses	Total			
	RMB million	RMB million	RMB million	RMB million	RMB million			
<b>Total equity at 1 January 2024 (Audited)</b>	<b>22,291</b>	<b>20,057</b>	<b>52,791</b>	<b>(52,185)</b>	<b>42,954</b>	<b>611</b>	<b>43,565</b>	
<b>Comprehensive expense:</b>								
Loss for the period	-	-	-	(2,768)	(2,768)	(331)	(3,099)	
Other comprehensive expense	-	-	(188)	-	(188)	(8)	(196)	
<b>Total comprehensive expense</b>	<b>-</b>	<b>-</b>	<b>(188)</b>	<b>(2,768)</b>	<b>(2,956)</b>	<b>(339)</b>	<b>(3,295)</b>	
<b>Total transaction with equity holders:</b>								
Distribution to holders of perpetual bond	-	294	-	(294)	-	-	-	
Business combination under common control	-	-	(126)	-	(126)	-	(126)	
Others	-	-	(3)	-	(3)	-	(3)	
<b>Balance at 30 June 2024 (Unaudited)</b>	<b>22,291</b>	<b>20,351</b>	<b>52,474</b>	<b>(55,247)</b>	<b>39,869</b>	<b>272</b>	<b>40,141</b>	

The notes on pages 14 to 40 are an integral part of this interim condensed consolidated financial information.

# Interim Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2025

	Note	For the six months ended	
		30 June 2025 RMB million (Unaudited)	2024 RMB million (Unaudited)
<b>Cash flow from operating activities</b>			
Cash generated from operations	22	12,634	10,835
Income tax paid		(87)	(117)
<b>Net cash generated from operating activities</b>		<b>12,547</b>	<b>10,718</b>
<b>Cash flow from investing activities</b>			
Purchase of property, plant and equipment and other non-current assets		(7,808)	(7,869)
Proceeds on disposal of interest in associates		86	–
Purchase of equity instruments designated at fair value through other comprehensive income		(132)	–
Proceeds on disposal of property, plant and equipment		88	15
Dividends received from equity investments		2	2
Withdrawal of restricted bank deposits		–	175
Placement of restricted bank deposits		(38)	–
Refund of prepayments for financial leasing of aircraft		3,976	348
<b>Net cash used in investing activities</b>		<b>(3,826)</b>	<b>(7,329)</b>
<b>Cash flows from financing activities</b>			
Repayments of short-term debentures		(2,000)	(6,500)
Repayments of short-term bank loans		(34,707)	(20,900)
Proceeds from issuance of short-term debentures		10,000	18,000
Proceeds from issuance of long-term debentures		4,000	–
Proceeds from draw-down of short-term bank loans		26,846	18,900
Proceeds from draw-down of long-term bank loans		18,200	7,500
Repayments of principal of lease liabilities		(9,355)	(15,037)
Repayments of long-term debentures		(3,500)	(6,000)
Repurchase of treasury shares		(522)	–
Interest paid		(2,421)	(2,981)
Repayments of long-term bank loans		(16,263)	(4,406)
Net settlement relating to derivative financial instruments		7	28
Capital injection from non-controlling interests		500	–
Consideration for business combination under common control		–	(126)
<b>Net cash used in financing activities</b>		<b>(9,215)</b>	<b>(11,522)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(494)</b>	<b>(8,133)</b>
Cash and cash equivalents at beginning of the period		4,072	11,858
Exchange differences on cash and cash equivalents		21	(12)
<b>Cash and cash equivalents at the end of the period</b>		<b>3,599</b>	<b>3,713</b>

The notes on pages 14 to 40 are an integral part of this interim condensed consolidated financial information.

# Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2025

## 1 Corporate information

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

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

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

These financial statements were approved and authorised for issue by the Company’s Board of Directors (the “Board”) on 29 August 2025.

This condensed consolidated interim financial information has not been audited.

## 2 Basis of preparation

The condensed consolidated financial statements, comprising interim condensed consolidated statement of financial position as at 30 June 2025, interim condensed consolidated statement of profit or loss, interim condensed consolidated statement of profit or loss and other comprehensive income, interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the six months ended 30 June 2025 (collectively referred to as the “interim financial information”), has been prepared in accordance with International Accounting Standard (“IAS”) 34 “Interim Financial Reporting”. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2024, which have been prepared in accordance with IFRS Accounting Standards (“IFRSs”) as issued by the International Accounting Standard Board (“IASB”).

For the six months ended 30 June 2025, the Group incurred net loss of RMB 1.59 billion. As at 30 June 2025, the Group’s current liabilities exceeded its current assets by approximately RMB 95.13 billion. In preparing the financial statements, the Board has conducted a detailed review over the Group’s going concern ability based on its financial condition and operating results. The Board has also considered the following factors:

- Sufficient unutilised banking facilities as at 30 June 2025;
- The Group’s sound credit standing and history of cooperation with banks and other financial institutions; and
- The Group’s expected net cash inflows from operating activities for not less than 12 months starting from the period end of the financial statements, considering the recovery of flights and the Group’s major operating costs including fuel prices during such period.

## Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2025

### 2 Basis of preparation *(continued)*

The Board believes that the Group has sufficient source of financing to enable it to operate, as well as to meet its liabilities as and when they become due, and to support its the capital expenditures in the foreseeable future of not less than twelve months starting from the period end of the financial statements. Accordingly, the Board continued to prepare the Group's financial statements as of and for six months ended 30 June 2025 on a going concern basis.

### 3 Accounting policies

The accounting policies adopted in the preparation of the unaudited interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial information for the year ended 31 December 2024, as described therein, except for estimation of income tax for the interim periods using the tax rate that would be applicable to expected total annual earnings and the adoption of the following amendments effective for the six months ended 30 June 2025 as described below.

#### (a) Application of amendments to IFRS Accounting Standards

In the current interim period, the Group has applied the following amendments to IFRS Accounting Standards issued by the IASB for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2025 for the preparation of the Group's condensed consolidated financial statements:

Amendments to IAS 21	Lack of Exchangeability
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The application of the amendments to IFRS Accounting Standards in the current interim period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

#### (b) Impact of standards issued but not yet applied by the Group

Certain new accounting standards, amendments and interpretations have been published but are not mandatory for the financial year beginning 1 January 2025 and have not been early adopted by the Group.

### 4 Segment information

#### (a) Chief operating decision maker ("CODM") has been identified as the office of the General Manager, who reviews the Group's internal reporting in order to assess performance and allocate resources.

The Group has two reportable segments:

- "Airline transportation operations" mainly comprises the provision of passenger, cargo, mail delivery and ground service.
- "Other operations segment" primarily includes tour operations, air catering and other miscellaneous services that are not included within the airline transportation operations segment, as their internal reports are separately provided to the CODM. The results of these operations are included in the "other operations segment" column.

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

## Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2025

### 4 Segment information (continued)

- (a) Chief operating decision maker (“CODM”) has been identified as the office of the General Manager, who reviews the Group’s internal reporting in order to assess performance and allocate resources. (continued)

In accordance with IFRS 8, segment disclosure has been presented in a manner that is consistent with the information used by the Group’s CODM. The Group’s CODM monitors the results, assets and liabilities attributable to each reportable segment based on financial results prepared under the PRC Accounting Standards for Business Enterprises (the “PRC Accounting Standards”), which differ from IFRSs in certain aspects. Segment revenue and loss before income tax are the same as the consolidated figures as reported in the consolidated financial statement for the six months ended 30 June 2025 and 2024. The difference between reportable segment assets and consolidated figures as reported in the consolidated financial statements, arising from different accounting policies is set out in Note 4(a)(ii) below.

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

	Airline Transportation operations RMB million (Unaudited)	Other operations segment RMB million (Unaudited)	Eliminations RMB million (Unaudited)	Unallocate <sup>0</sup> RMB million (Unaudited)	Total RMB million (Unaudited)
<b>Segment revenue (Note 5)</b>					
Reportable segment revenue from external customers	66,650	172	-	-	66,822
Inter-segment sales	-	545	(545)	-	-
Reportable segment revenue	66,650	717	(545)	-	66,822
Reportable segment (loss)/profit before income tax	(1,767)	39	-	197	(1,531)
<b>Other segment information</b>					
Depreciation and amortisation	13,194	134	-	-	13,328
Impairment losses on financial assets	30	-	-	-	30
Impairment losses on non-financial assets	3	-	-	-	3
Interest income	49	7	(15)	-	41
Interest expenses	2,209	13	(15)	-	2,207
Capital expenditure	17,492	111	(34)	-	17,569

## Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2025

### 4 Segment information *(continued)*

- (a) Chief operating decision maker (“CODM”) has been identified as the office of the General Manager, who reviews the Group’s internal reporting in order to assess performance and allocate resources. *(continued)*

The segment results for the six months ended 30 June 2024 were as follows:

	Airline Transportation operations RMB million (Unaudited)	Other operations segment RMB million (Unaudited)	Eliminations RMB million (Unaudited)	Unallocate <sup>0</sup> RMB million (Unaudited)	Total RMB million (Unaudited)
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#### Segment revenue (Note 5)

Reportable segment revenue					
from external customers	64,044	155	–	–	64,199
Inter-segment sales	–	582	(582)	–	–
Reportable segment revenue	64,044	737	(582)	–	64,199
Reportable segment (loss)/profit before income tax	(3,155)	168	–	146	(2,841)

#### Other segment information

Depreciation and amortisation	13,079	124	–	–	13,203
Impairment losses/(gains) on financial assets	32	(5)	–	–	27
Impairment losses on non-financial assets	4	–	–	–	4
Interest income	92	6	(20)	–	78
Interest expenses	2,713	17	(20)	–	2,710
Capital expenditure	11,372	116	(218)	–	11,270

## Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2025

### 4 Segment information *(continued)*

- (a) Chief operating decision maker (“CODM”) has been identified as the office of the General Manager, who reviews the Group’s internal reporting in order to assess performance and allocate resources. *(continued)*

The segment assets and liabilities as at 30 June 2025 and 31 December 2024 were as follows:

	Airline transportation operations RMB million (Unaudited)	Other operations segment RMB million (Unaudited)	Eliminations RMB million (Unaudited)	Unallocated (i) RMB million (Unaudited)	Total RMB million (Unaudited)
<b>At 30 June 2025</b>					
Reportable segment assets (ii)	267,092	4,237	(2,563)	13,719	282,485
Reportable segment liabilities	243,527	1,744	(2,563)	1	242,709
<b>At 31 December 2024</b>					
Reportable segment assets (ii)	261,705	4,275	(2,844)	13,464	276,600
Reportable segment liabilities	236,235	1,799	(2,844)	1	235,191

- (i) Unallocated assets primarily represent investments in associates and joint ventures, derivative financial instruments, financial asset at fair value through profit or loss and equity instruments designated at fair value through other comprehensive income. Unallocated results primarily represent the share of results of associates and joint ventures, fair value changes of financial asset at fair value through profit or loss and dividend income relating to equity instruments designated at fair value through other comprehensive income.
- (ii) The difference between reportable segment assets and consolidated figures as reported in the consolidated financial statements of RMB 2,242 million represents the different measurement of the fair value of acquisition cost of the shares from Shanghai Airlines between the PRC Accounting standards and IFRSs, which results in the different measurement of goodwill.

- (b) The Group’s business operates in three main geographical areas, even though they are managed on a worldwide basis.

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

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

## Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2025

### 4 Segment information *(continued)*

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

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

	For the six months ended 30 June	
	2025 RMB million (Unaudited)	2024 RMB million (Unaudited)
Domestic	44,036	44,961
Regional	1,839	1,831
International	20,947	17,407
	<b>66,822</b>	64,199

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

(c) **Seasonality of operations**

The civil aviation industry is subject to seasonal fluctuations, with peak demand during the holiday season in the second half of the year. As such, the revenues and results of the Group in the first half of the year are generally lower than those in the second half of the year.

### 5 Revenue

An analysis of revenue is as follows:

	For the six months ended 30 June	
	2025 RMB million (Unaudited)	2024 RMB million (Unaudited)
Revenue from contracts with customers	66,713	64,077
Revenue from other sources		
– Rental income	109	122
	<b>66,822</b>	64,199

## Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2025

### 5 Revenue (continued)

Disaggregated revenue information for revenue from contracts with customers:

#### For the six months ended 30 June 2025

Segments	Airline transportation operations RMB million (Unaudited)	Others RMB million (Unaudited)	Total RMB million (Unaudited)
<b>Types of goods or services</b>			
Traffic revenues			
– Passenger	61,813	–	61,813
– Cargo and mail	2,577	–	2,577
Ticket cancellation and commission	1,161	–	1,161
Ground service income	417	–	417
Others	573	172	745
Total revenue from contracts with customers	66,541	172	66,713
<b>Geographical markets</b>			
Domestic	43,755	172	43,927
Regional	1,839	–	1,839
International	20,947	–	20,947
Total revenue from contracts with customers	66,541	172	66,713

#### For the six months ended 30 June 2024

Segments	Airline transportation operations RMB million (Unaudited)	Others RMB million (Unaudited)	Total RMB million (Unaudited)
<b>Types of goods or services</b>			
Traffic revenues			
– Passenger	59,338	–	59,338
– Cargo and mail	2,371	–	2,371
Ticket cancellation and commission	1,248	–	1,248
Ground service income	362	–	362
Others	603	155	758
Total revenue from contracts with customers	63,922	155	64,077
<b>Geographical markets</b>			
Domestic	44,684	155	44,839
Regional	1,831	–	1,831
International	17,407	–	17,407
Total revenue from contracts with customers	63,922	155	64,077

## Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2025

### 6 Other operating income and gains

	For the six months ended 30 June	
	2025 RMB million (Unaudited)	2024 RMB million (Unaudited)
Co-operation routes income (Note (a))	2,335	2,320
Routes subsidy income	96	323
Other subsidy income	692	307
Gain on disposal of items of property, plant and equipment and right-of-use assets	40	13
Compensation from ticket sales agents	142	125
Others	86	112
	<b>3,391</b>	3,200

Note:

- (a) Co-operation routes income represents subsidies granted by various local authorities and other parties, with which the Group developed certain routes to support the development of local economy. The amounts granted are calculated based on the agreements entered into by all parties.

### 7 Finance costs

	For the six months ended 30 June	
	2025 RMB million (Unaudited)	2024 RMB million (Unaudited)
Interest relating to lease liabilities	1,115	1,540
Interest on borrowings	1,059	1,084
Interest on bonds and debentures	190	302
Interest relating to post-retirement benefit obligations	21	30
Interest relating to interest rate swap contracts	(7)	(28)
Less: amount capitalised (Note (a))	(171)	(218)
	<b>2,207</b>	2,710
Foreign exchange losses, net (Note (b))	9	378
	<b>2,216</b>	3,088

Notes:

- (a) The weighted average interest rate used for interest capitalisation is 2.61% per annum for the six months ended 30 June 2025 (for the six months ended 30 June 2024: 3.21%).
- (b) The exchange losses primarily related to the translation of the Group's foreign currency denominated borrowings and lease liabilities.

## Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2025

### 8 Income tax expense

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

	For the six months ended 30 June	
	2025	2024
	RMB million	RMB million
	(Unaudited)	(Unaudited)
Current income tax	50	90
Deferred income tax	11	168
	<b>61</b>	258

Pursuant to the “Notice on the continuation of the Income Tax Policies for Enhancing the Implementation of Western Region Development Strategy.” (Ministry of Finance Announcement [2020] No. 23), and other series of tax regulations, enterprises located in the western regions and engaged in the industrial activities as listed in the “Catalogue of Encouraged Industries in Western Regions”, will be entitled to a reduced corporate income tax rate of 15% from 2021 to 2030 upon approval from the tax authorities. CEA Yunnan, a subsidiary of the Company, obtained approval from the tax authorities and has been entitled to a reduced corporate income tax rate of 15% from 1 January 2011. The Company’s Sichuan branch, Gansu branch and Xibei branch also obtained approvals from the respective tax authorities and are entitled to a reduced corporate income tax rate of 15%. The subsidiaries incorporated in Hong Kong are subject to Hong Kong profits tax rate of 16.5% (2024: 16.5%). China Eastern Airlines E-Commerce Co., Ltd. (“Eastern E-Commerce”) and China Eastern Airlines Application Development Center Co., Ltd (“Application Development Center”), two subsidiaries of the Company, were qualified as High and New Technology Enterprises (“HNTE”) in accordance with applicable Enterprise Income Tax Law of the PRC and are subject to income tax at a preferential tax rate of 15%. The HNTE certificates of Eastern E-Commerce and Application Development Center were issued in 2022 with certificate No. GR202231007540 and GR202231007675 respectively, and will be expired at the end of 2025. In the opinion of the management of the Group, the aforementioned subsidiaries with HNTE certificates fulfill the renewal requirements and are in the process to renew the HNTE certificates. Accordingly, the management continues to use the tax rate of 15% to calculate the current tax for the six months ended 30 June 2025 and 2024.

The Company and its subsidiaries, except for CEA Yunnan, Eastern E-Commerce, Application Development Center, Sichuan branch, Gansu branch, Xibei branch and those incorporated in Hong Kong, are generally subject to the PRC standard corporate income tax rate of 25% (2024: 25%)

### 9 Dividend

The Board has not declared any dividend for the six months ended 30 June 2025 and 2024.

### 10 Loss per share

The calculation of basic loss per share is based on the unaudited consolidated loss attributable to equity holders of the Company of approximately RMB 1,431 million and the weighted average number of shares of 22,182 million in issue during the six months ended 30 June 2025. The Company had no potentially dilutive ordinary shares in issue for the six months ended 30 June 2025 and 2024.

## Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2025

### 11 Profit appropriation

No appropriation to the statutory reserves has been made for the six months ended 30 June 2025 and 2024. Such appropriations will be made at year end in accordance with the relevant PRC regulations and the Articles of Association of individual group companies.

### 12 Property, plant and equipment

	<b>Aircraft, engines and flight equipment</b>	<b>Others</b>	<b>Total</b>
	<b>RMB million</b>	<b>RMB million</b>	<b>RMB million</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Carrying amount at 1 January 2025	<b>85,683</b>	<b>17,647</b>	<b>103,330</b>
Additions	<b>3,258</b>	<b>1,194</b>	<b>4,452</b>
Transfer from right-of-use assets (Note 13)	<b>4,044</b>	<b>–</b>	<b>4,044</b>
Transfer from investment properties	<b>–</b>	<b>2</b>	<b>2</b>
Transfer to right-of-use assets (Note 13)	<b>–</b>	<b>(101)</b>	<b>(101)</b>
Transfer to intangible assets (Note 14)	<b>–</b>	<b>(28)</b>	<b>(28)</b>
Depreciation charges	<b>(5,501)</b>	<b>(571)</b>	<b>(6,072)</b>
Disposals	<b>(41)</b>	<b>(14)</b>	<b>(55)</b>
<b>Carrying amount at 30 June 2025</b>	<b>87,443</b>	<b>18,129</b>	<b>105,572</b>
Carrying amount at 1 January 2024	77,763	18,228	95,991
Additions	4,639	264	4,903
Transfer from right-of-use assets (Note 13)	4,761	–	4,761
Depreciation charges	(4,679)	(593)	(5,272)
Disposals	(6)	(61)	(67)
<b>Carrying amount at 30 June 2024</b>	<b>82,478</b>	<b>17,838</b>	<b>100,316</b>

## Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2025

### 13 Right-of-use assets

	Aircraft, engines and flight equipment RMB million (Unaudited)	Others RMB million (Unaudited)	Total RMB million (Unaudited)
Carrying amount at 1 January 2025	108,298	4,135	112,433
Additions	11,685	2,379	14,064
Transfer from property, plant and equipment (Note 12)	–	101	101
Transfer to property, plant and equipment (Note 12)	(4,044)	–	(4,044)
Disposals	–	(9)	(9)
Depreciation provided during the period	(6,048)	(716)	(6,764)
<b>Carrying amount at 30 June 2025</b>	<b>109,891</b>	<b>5,890</b>	<b>115,781</b>
Carrying amount at 1 January 2024	113,879	4,452	118,331
Additions	3,352	1,489	4,841
Transfer to property, plant and equipment (Note 12)	(4,761)	–	(4,761)
Depreciation provided during the period	(6,385)	(1,071)	(7,456)
<b>Carrying amount at 30 June 2024</b>	<b>106,085</b>	<b>4,870</b>	<b>110,955</b>

### 14 Intangible assets

	Goodwill (Note) RMB million (Unaudited)	Others RMB million (Unaudited)	Total RMB million (Unaudited)
Carrying amount at 1 January 2025	11,272	331	11,603
Additions	–	60	60
Transfer from property, plant and equipment (Note 12)	–	28	28
Amortisation	–	(78)	(78)
<b>Carrying amount at 30 June 2025</b>	<b>11,272</b>	<b>341</b>	<b>11,613</b>
Carrying amount at 1 January 2024	11,272	335	11,607
Additions	–	66	66
Amortisation	–	(82)	(82)
<b>Carrying amount at 30 June 2024</b>	<b>11,272</b>	<b>319</b>	<b>11,591</b>

Note: The balance represents goodwill arising from the acquisition of Shanghai Airlines. The value of the goodwill is attributable to strengthening the competitiveness of the Group's airline transportation operations, attaining synergy through integration of the resources and accelerating the development of international air transportation in Shanghai. For the purpose of impairment assessment, goodwill was allocated to the cash-generating unit ("CGU") of airline transportation operations that the Group operates and benefits from the acquisition.

## Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2025

### 15 Trade and bills receivables

An ageing analysis of the trade and bills receivables as at the end of the reporting period, based on the invoice/billing date and net of loss allowance, is as follows:

	<b>30 June 2025</b>	31 December 2024
	<b>RMB million (Unaudited)</b>	RMB million (Audited)
Trade and bills receivables	<b>3,154</b>	2,047
Less: impairment	<b>(103)</b>	(98)
	<b>3,051</b>	1,949

	<b>30 June 2025</b>	31 December 2024
	<b>RMB million (Unaudited)</b>	RMB million (Audited)
Within 90 days	<b>3,035</b>	1,970
91 to 180 days	<b>45</b>	5
181 to 365 days	<b>15</b>	3
Over 365 days	<b>59</b>	69
	<b>3,154</b>	2,047

### 16 Trade and bills payables

	<b>30 June 2025</b>	31 December 2024
	<b>RMB million (Unaudited)</b>	RMB million (Audited)
Within 90 days	<b>5,875</b>	3,388
91 to 180 days	<b>9,480</b>	10,838
181 to 365 days	<b>1</b>	33
1-2 years	<b>69</b>	46
Over 2 years	<b>185</b>	210
	<b>15,610</b>	14,515

## Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2025

### 17 Borrowings

	<b>30 June 2025 RMB million (Unaudited)</b>	31 December 2024 RMB million (Audited)
<b>Non-current:</b>		
Long-term bank borrowings (Note (a))		
– secured	<b>15,781</b>	16,740
– unsecured	<b>28,370</b>	29,702
Guaranteed bonds	<b>4,306</b>	4,156
Unsecured bonds (Note (b))	<b>6,999</b>	3,000
	<b>55,456</b>	53,598
<b>Current:</b>		
Current portion of non-current borrowings (Note (a))		
– secured	<b>1,779</b>	1,781
– unsecured	<b>12,589</b>	8,365
Current portion of guaranteed bonds	<b>59</b>	34
Current portion of unsecured bonds (Note (b))	<b>56</b>	3,668
Short-term bank borrowings (Note (c))		
– unsecured	<b>27,847</b>	35,728
Short-term debentures (Note (d))	<b>8,022</b>	–
	<b>50,352</b>	49,576
	<b>105,808</b>	103,174

#### Notes

- (a) As at 30 June 2025, the secured bank borrowings of the Group were secured by the related aircrafts with a net carrying amount of RMB 21,253 million.

The borrowings are repayable from 2025 to 2045. The interest rates relating to the long-term bank borrowings were 1.87% to 3.00%.

- (b) For the six months ended 30 June 2025, the Company has repaid the following bonds with the total principal amount of RMB 3.5 billion:

	Issue date	Principal	Interest rate
Three-year medium-term bonds	2022/4/13	RMB2 billion	2.92%
Three-year medium-term bonds	2022/4/19	RMB1.5 billion	2.92%

- (c) The interest rates relating to the short-term bank borrowings were 0.90% to 2.60%.

- (d) As at 30 June 2025, detailed short-term debentures were listed below:

	Principal	Maturity	Issue date	Interest rate
2025 1st Short-term debentures	RMB 2 billion	269 days	2025/2/17	1.81%
2025 3rd Short-term debentures	RMB 2 billion	130 days	2025/4/11	1.64%
2025 4th Short-term debentures	RMB 2 billion	114 days	2025/6/17	1.51%
2025 5th Short-term debentures	RMB 2 billion	160 days	2025/6/18	1.53%

## Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2025

### 18 Share capital

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

Pursuant to articles 50 and 51 of the Company's articles of association, both the listed A shares and listed H shares are registered ordinary shares and carry equal rights.

### 19 Commitments

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

	<b>30 June 2025</b>	31 December 2024
	<b>RMB million (Unaudited)</b>	RMB million (Audited)
Contracted for:		
– Aircraft, engines and flight equipment (Note)	<b>71,878</b>	81,464
– Other property, plant and equipment	<b>2,630</b>	5,252
– Investments	<b>42</b>	174
	<b>74,550</b>	86,890

Note:

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

	<b>30 June 2025</b>	31 December 2024
	<b>RMB million (Unaudited)</b>	RMB million (Audited)
Within one year	<b>22,567</b>	27,736
In the second year	<b>20,341</b>	21,518
In the third year	<b>14,159</b>	15,191
Over three years	<b>14,811</b>	17,019
	<b>71,878</b>	81,464

## Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2025

### 20 Related party transactions

The Group is controlled by CEA Holding, which directly owns 39.74% of the Company's shares as at 30 June 2025 (31 December 2024: 39.74%). In addition, through CES Global Holdings (Hong Kong) Limited and CES Finance Holding Co., Limited, two wholly-owned subsidiaries of CEA Holding, CEA Holding indirectly owns additional shares of the Company of approximately 12.46% and 2.05% respectively as at 30 June 2025 (31 December 2024: 12.46% and 2.05%).

The Company is a state-owned enterprise established in the PRC and is controlled by the PRC government, which also owns a significant portion of the productive assets in the PRC. In accordance with IAS 24 "Related Party Disclosures", government-related entities and their subsidiaries, directly or indirectly controlled, jointly controlled or significantly influenced by the PRC government are defined as related parties of the Group. On that basis, related parties include CEA Holding and its subsidiaries (other than the Group), other government-related entities and their subsidiaries ("Other State-owned Enterprises"), or vice versa, other entities and corporations over which the Company is able to control or exercise significant influence and key management personnel of the Company as well as their close family members.

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

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

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

## Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2025

### 20 Related party transactions *(continued)*

#### (b) Related party transactions

Nature of transactions	Related parties	Pricing policy and decision Process	For the six months ended 30 June	
			2025 RMB million (Unaudited)	2024 RMB million (Unaudited)
<b>Purchase of goods and services</b>				
Payments on food and beverages*	Eastern Air Catering	(i)	<b>1,586</b>	1,545
Repairs and maintenance expense for aircraft and engines	Shanghai P&W	(i)	<b>2,074</b>	1,613
	Technologies Aerospace	(i)	<b>152</b>	103
	XIESA	(i)	<b>101</b>	139
Payments on conference and training services	CES Hangzhou Training	(i)	<b>11</b>	–
Payments on system services	Xian Kaiya	(i)	<b>4</b>	–
	China Kaiya	(i)	<b>–</b>	2
Equipment maintenance fee*	Collins Aviation	(i)	<b>14</b>	13
Automobile maintenance service, aircraft maintenance, providing transportation automobile and other products*	Eastern Investment	(i)	<b>48</b>	20
Property management and green maintenance expenses*	Eastern Investment	(i)	<b>87</b>	173
Payments on hotel accommodation service*	Eastern Investment	(i)	<b>95</b>	119
	Shanghai Airlines Tours	(i)	<b>38</b>	29
Aviation Internet services*	Air Ground Internet	(i)	<b>43</b>	57
Financial services fees*	Eastern Air Finance Company	(iii)	<b>1</b>	6
Payments on construction and management agent*	Eastern Investment	(i)	<b>6</b>	5
Civil aviation information network services**	TravelSky	(i)	<b>695</b>	361
Payments on aviation transportation cooperation and support services**	AFK	(i)	<b>4</b>	2

## Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2025

### 20 Related party transactions *(continued)*

#### (b) Related party transactions *(continued)*

Nature of transactions	Related parties	Pricing policy and decision Process	For the six months ended 30 June	
			2025 RMB million (Unaudited)	2024 RMB million (Unaudited)
<b>Purchase of goods and services</b>				
<i>(continued)</i>				
Flight equipment spare parts maintenance and support services	AFK	(i)	39	39
Payments on logistics services	Eastern Logistics	(i)	74	66
Cargo terminal business support services*	Eastern Logistics	(i)	213	205
Bellyhold container management	Eastern Logistics	(i)	8	7
<b>Provision of services</b>				
Exclusive operation transportation in relation to the passenger aircraft cargo business*	Eastern Logistics	(i)	2,577	2,371
Freight logistics support services*	Eastern Logistics	(i)	154	154
Provision of services	Eastern Investment	(i)	–	8
Aviation transportation cooperation and support services**	AFK Juneyao Air	(i) (i)	17 5	15 11
Flight equipment spare parts maintenance and support services	Juneyao Air	(i)	9	21
Aviation transportation cooperation services	Sichuan Air	(i)	11	10
Sale of Goods	Eastern Air Catering	(i)	23	35
Software system and support services	Eastern Logistics	(i)	10	9
Transfer of pilots	Eastern Logistics	(i)	52	80
Sale of Internet products	Air Ground Internet	(i)	6	2

## Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2025

### 20 Related party transactions (continued)

#### (b) Related party transactions (continued)

Nature of transactions	Related parties	Pricing policy and decision Process	For the six months ended 30 June	
			2025 RMB million (Unaudited)	2024 RMB million (Unaudited)
<b>Provision of services (continued)</b>				
Provision of services	Shanghai Airlines Tours	(i)	4	–
	Collins Aviation	(i)	5	–
	Technologies Aerospace	(i)	7	–
Provision of aviation material import services	XIESA	(i)	14	–
<b>Rental Income</b>				
Rental income from cargo stations*	Eastern Logistics	(ii)	48	45
Rental income from land and buildings*	Sichuan Air	(ii)	13	9
	Eastern Air Catering	(ii)	12	10
	CEA Holding	(ii)	2	2
	Juneyao Air	(ii)	2	1
Rental income from intangible assets	Eastern Logistics	(ii)	3	2
<b>Lease Payments</b>				
Lease Payments for land and buildings	Eastern Investment	(ii)	38	74
	Eastern Air Catering	(ii)	1	4
	Eastern Logistics	(ii)	1	1
	CEA Holding	(ii)	–	15
Lease payments for special vehicle and equipment	Eastern Investment	(ii)	82	129
Settlements of lease liabilities on aircraft and engines	CES Lease Company	(ii)	3,233	6,505
<b>Addition in right-of-use assets on new leases</b>				
Aircraft and engines*	CES Lease Company	(ii)	6,678	462
Ground assets	Eastern Investment	(ii)	127	–
	CEA Holding	(ii)	50	–

## Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2025

### 20 Related party transactions (continued)

#### (b) Related party transactions (continued)

Nature of transactions	Related parties	Pricing policy and decision Process	For the six months ended 30 June	
			2025 RMB million (Unaudited)	2024 RMB million (Unaudited)
<b>Addition in right-of-use assets on new leases (continued)</b>				
Land and buildings	Eastern Investment	(ii)	32	–
	CASC	(ii)	2	–
Interest on lease liabilities				
Aircraft and engines*	CES Lease Company	(ii)	303	470
Land and buildings*	Eastern Investment	(ii)	5	5
Ground assets*	Eastern Investment	(ii)	4	6
<b>Interest expense</b>				
Interest expense on loans	CEA Holding	(iii)	51	83
	Eastern Air Finance Company	(iii)	5	25
<b>Interest income</b>				
Interest income on deposits	Eastern Air Finance Company	(iii)	24	10
<b>Perpetual bond</b>				
Interest expense on perpetual bond	CEA Holding	(iii)	348	294
<b>Asset sales or purchases</b>				
Purchase 55% equity of China Eastern Airlines Media	CEA Holding	(i)	–	126
Sale of fixed assets	CEA Holding	(i)	83	–
Increase capital in proportion to other investors	Sichuan Air	(i)	132	–

## Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2025

### 20 Related party transactions (continued)

#### (b) Related party transactions (continued)

- (i) The Group's pricing policies on goods and services purchased from and provided to related parties are mutually agreed between contract parties.
- (ii) The Group's pricing policies on related party lease payments are mutually agreed between contract parties.
- (iii) The Group's pricing policies on related party interest rates are mutually agreed based on benchmark interest rates.

\* These related party transactions also constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

\*\* This related party transaction constitutes a continuing connected transaction pursuant to the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange.

During the six months ended 30 June 2025 and 2024, the Group's significant transactions with entities that are controlled, jointly controlled or significantly influenced by the PRC government mainly include most of its bank deposits/borrowings and the corresponding interest income/expense and part of sales and purchases of goods and services. The price and other terms of such transactions are set out in the agreements governing these transactions or as mutually agreed.

#### (c) Balances with related parties

##### (i) Amounts due from related parties

	30 June 2025 RMB million (Unaudited)	31 December 2024 RMB million (Audited)
<b>Trade receivables</b>		
Eastern Logistics	1,047	682
Eastern Air Catering	24	33
Juneyao Air	9	7
Others	21	26
	<b>1,101</b>	748

## Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2025

### 20 Related party transactions (continued)

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

##### (i) Amounts due from related parties (continued)

	30 June 2025 RMB million (Unaudited)	31 December 2024 RMB million (Audited)
<b>Prepayments and other receivables</b>		
Eastern Air Finance Company	456	379
TravelSky	248	230
CEA Holding	31	30
Technologies Aerospace	37	20
Juneyao Air	2	8
Others	31	24
	<b>805</b>	691
<b>Other Non-current Assets</b>		
XIESA	1	4

##### (ii) Amounts due to related parties

	30 June 2025 RMB million (Unaudited)	31 December 2024 RMB million (Audited)
<b>Trade payables and bills payables, Other payables and accruals</b>		
TravelSky	1,598	985
Shanghai P&W	932	642
Eastern Air Catering	537	405
Air Ground Internet	70	114
Technologies Aerospace	77	82
CEA Holding	77	57
XIESA	71	55
Eastern Investment	31	50
China Kaiya	2	1
Juneyao Air	1	4
Collins Aviation	6	5
Others	27	23
	<b>3,429</b>	2,423

## Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2025

### 20 Related party transactions *(continued)*

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

##### (ii) Amounts due to related parties *(continued)*

	30 June 2025 RMB million (Unaudited)	31 December 2024 RMB million (Audited)
<b>Lease liabilities</b>		
CES Lease Company	33,441	29,882
Eastern Investment	557	567
CEA Holding	86	36
Eastern Logistics	1	2
Eastern Air Catering	1	3
	<b>34,086</b>	30,490
<b>Perpetual bond</b>		
CEA Holding	25,415	25,067
<b>Other long-term liabilities</b>		
Eastern Air Catering	65	63
<b>Contact liabilities</b>		
Eastern Investment	86	–
Eastern Air Catering	4	13
CASC	4	–
Juneyao Air	3	1
	<b>97</b>	14

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

## Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2025

### 20 Related party transactions (continued)

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

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

	Average interest rate		30 June 2025	31 December 2024
	For the six months ended			
	30 June 2025	2024		
	(Unaudited)	(Unaudited)	RMB million (Unaudited)	RMB million (Audited)
<b>Short-term deposits (included in cash and cash equivalents)</b>				
Eastern Air Finance Company	0.20%	0.15%	2,032	2,774
<b>Short-term borrowings</b>				
Eastern Air Finance Company	-	2.60%	-	1,600
CES Finance	-	-	-	7
CEA Holding	2.00%	2.00%	1,701	1,701
Eastern Investment	-	-	-	1,000
<b>Long-term borrowings</b>				
CEA Holding	2.00%	2.00%	6,904	1,001

#### (d) Guarantees by the holding company

As at 30 June 2025, bonds of the Group guaranteed by CEA Holding amounted to RMB 1,535 million (31 December 2024: RMB 1,510 million).

### 21 Fair value measurement of financial instruments

#### (a) Fair value hierarchy

The table below analyses the Group's financial instruments carried at fair value as at 30 June 2025 and 31 December 2024 by level of the inputs to valuation techniques used to measure fair value. Such inputs are categorised into three levels within a fair value hierarchy as follows:

**Level 1:** The fair value of financial instruments traded in active markets (such as publicly traded derivatives and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1.

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

## Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2025

### 21 Fair value measurement of financial instruments *(continued)*

#### (a) Fair value hierarchy *(continued)*

As at 30 June 2025 and 31 December 2024, the Group had certain financial assets carried at fair value, including equity investments designated at fair value through other comprehensive income, listed equity investments recorded as financial assets at fair value through profit or loss, and the derivative financial instruments.

#### As at 30 June 2025

	Fair value measurement using			Total RMB million (Unaudited)
	Quoted prices in active markets (Level 1) RMB million (Unaudited)	Significant observable inputs (Level 2) RMB million (Unaudited)	Significant unobservable inputs (Level 3) RMB million (Unaudited)	
<b>Assets</b>				
Equity investments designated at fair value through other comprehensive income	203	–	1,368	1,571
Derivative financial instruments				
– Interest rate swaps	–	2	–	2
– Foreign exchange swaps	–	25	–	25
Financial asset at fair value through profit or loss	136	–	–	136
<b>Total</b>	<b>339</b>	<b>27</b>	<b>1,368</b>	<b>1,734</b>

#### As at 31 December 2024

	Fair value measurement using			Total RMB million (Audited)
	Quoted prices in active markets (Level 1) RMB million (Audited)	Significant observable inputs (Level 2) RMB million (Audited)	Significant unobservable inputs (Level 3) RMB million (Audited)	
<b>Assets</b>				
Equity investments designated at fair value through other comprehensive income	204	–	1,213	1,417
Derivative financial instruments				
– Interest rate swaps	–	9	–	9
– Foreign exchange swaps	–	47	–	47
Financial asset at fair value through profit or loss	101	–	–	101
<b>Total</b>	<b>305</b>	<b>56</b>	<b>1,213</b>	<b>1,574</b>

## 21 Fair value measurement of financial instruments *(continued)*

### (a) Fair value hierarchy *(continued)*

The Group enters into derivative financial instruments, including forward currency contracts and interest rate swaps with various counterparties, principally financial institutions with high credit ratings

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

As at 30 June 2025, the marked to market value of the derivative asset position is net of a credit valuation adjustment attributable to derivative counterparty default risk. The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationship and other financial instruments recognised at fair value.

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

	Valuation technique	Significant unobservable input	Range
Unlisted equity investments	Valuation multiples	Discount for lack of marketability	30 June 2025: 28% (31 December 2024:28%)

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

## Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2025

### 21 Fair value measurement of financial instruments *(continued)*

#### (a) Fair value hierarchy *(continued)*

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

	Equity investments designated at fair value through other comprehensive income RMB million
<b>Opening balance as at 31 December 2024 (Audited)</b>	<b>1,213</b>
Recognised in other comprehensive income – net	155
<b>Closing balance as at 30 June 2025 (Unaudited)</b>	<b>1,368</b>

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

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

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

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

Significant differences were identified for the following instruments as at 30 June 2025

	Carrying amount RMB million (Unaudited)	Fair value RMB million (Unaudited)
Financial liabilities -		
Long-term borrowings	55,456	55,680

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

## Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2025

### 22 Cash generated from operations

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

	For six months ended 30 June	
	2025	2024
	RMB million	RMB million
	(Unaudited)	(Unaudited)
Loss for the year before income tax	<b>(1,531)</b>	(2,841)
Adjustments for:		
Depreciation of property, plant and equipment (Note 12)	<b>6,072</b>	5,272
Depreciation of right-of-use assets (Note 13)	<b>6,764</b>	7,456
Depreciation of investment properties	<b>5</b>	9
Amortisation of other long-term assets	<b>409</b>	384
Amortisation of intangible assets (Note 14)	<b>78</b>	82
(Gains)/losses on disposals of property, plant and equipment	<b>(34)</b>	1
Fair value gains on financial assets at fair value through profit or loss	<b>(35)</b>	(16)
Loss allowance for trade and other receivables	<b>30</b>	27
Provision for impairment of flight equipment spare parts	<b>3</b>	4
Interest expense	<b>2,207</b>	2,710
Net foreign exchange (gains)/losses	<b>(49)</b>	73
Share of results of a joint venture and an associate	<b>(160)</b>	(129)
Dividend income from equity investments designated at fair value through other comprehensive income	<b>(2)</b>	(1)
Changes in working capital:		
Increase in flight equipment spare parts	<b>(311)</b>	(174)
Increase in operating receivables	<b>(1,807)</b>	(1,130)
Increase/(decrease) in operating payables	<b>995</b>	(892)
Cash generated from operations	<b>12,634</b>	10,835
Income tax paid	<b>(87)</b>	(117)
Net cash flows generated from operating operations	<b>12,547</b>	10,718

# Summary of Operating Data

	For the six months ended 30 June		
	2025	2024	Change
<b>Passenger transportation data</b>			
<b>ASK (available seat-kilometres) (millions)</b>	<b>155,022.29</b>	144,237.41	7.48%
– Domestic routes	<b>101,528.31</b>	100,449.48	1.07%
– International routes	<b>50,303.48</b>	40,444.61	24.38%
– Regional <sup>1</sup> routes	<b>3,190.50</b>	3,343.32	-4.57%
<b>RPK (revenue passenger-kilometres) (millions)</b>	<b>131,477.90</b>	117,143.47	12.24%
– Domestic routes	<b>87,717.88</b>	82,670.69	6.11%
– International routes	<b>41,145.20</b>	31,959.54	28.74%
– Regional routes	<b>2,614.82</b>	2,513.25	4.04%
<b>Number of passengers carried (thousands)</b>	<b>73,169.63</b>	67,729.34	8.03%
– Domestic routes	<b>61,284.77</b>	58,114.56	5.46%
– International routes	<b>10,012.35</b>	7,822.30	28.00%
– Regional routes	<b>1,872.51</b>	1,792.48	4.46%
<b>Passenger load factor (%)</b>	<b>84.81</b>	81.22	3.59pts
– Domestic routes	<b>86.40</b>	82.30	4.10pts
– International routes	<b>81.79</b>	79.02	2.77pts
– Regional routes	<b>81.96</b>	75.17	6.79pts
<b>Passenger-kilometres yield (RMB)<sup>Note</sup></b>	<b>0.488</b>	0.526	-7.22%
– Domestic routes	<b>0.488</b>	0.530	-7.92%
– International routes	<b>0.474</b>	0.501	-5.39%
– Regional routes	<b>0.696</b>	0.722	-3.60%

1 In order to facilitate data statistics and analysis, the business is divided into “domestic routes”, “international routes” and “regional routes” in conjunction with industry practices. Among them, the term “regional” refers to Hong Kong, China; Macau, China; and Taiwan, China.

	For the six months ended 30 June		
	2025	2024	Change
<b>Freight transportation data</b>			
<b>AFTK (available freight tonne-kilometres) (millions)</b>	<b>5,223.40</b>	4,778.83	9.30%
– Domestic routes	<b>1,953.93</b>	1,952.84	0.06%
– International routes	<b>3,185.33</b>	2,726.27	16.84%
– Regional routes	<b>84.13</b>	99.72	-15.63%
<b>RFTK (revenue freight tonne-kilometres) (millions)</b>	<b>1,932.25</b>	1,785.17	8.24%
– Domestic routes	<b>466.42</b>	469.56	-0.67%
– International routes	<b>1,452.17</b>	1,301.93	11.54%
– Regional routes	<b>13.66</b>	13.68	-0.15%
<b>Weight of freight carried (million kg)</b>	<b>530.65</b>	510.64	3.92%
– Domestic routes	<b>306.43</b>	306.08	0.11%
– International routes	<b>212.97</b>	193.12	10.28%
– Regional routes	<b>11.26</b>	11.44	-1.57%
<b>Freight load factor (%)</b>	<b>36.99</b>	37.36	-0.37pts
– Domestic routes	<b>23.87</b>	24.04	-0.17pts
– International routes	<b>45.59</b>	47.76	-2.17pts
– Regional routes	<b>16.24</b>	13.72	2.52pts
<b>Freight tonne-kilometres yield (RMB) <sup>Note</sup></b>	<b>1.334</b>	1.328	0.45%
– Domestic routes	<b>0.682</b>	0.650	4.92%
– International routes	<b>1.513</b>	1.544	-2.01%
– Regional routes	<b>4.539</b>	4.094	10.87%

## Summary of Operating Data

	For the six months ended 30 June		
	2025	2024	Change
<b>Consolidated data</b>			
<b>ATK (available tonne-kilometres) (millions)</b>	<b>19,175.40</b>	17,760.19	7.97%
– Domestic routes	<b>11,091.48</b>	10,993.30	0.89%
– International routes	<b>7,712.65</b>	6,366.28	21.15%
– Regional routes	<b>371.28</b>	400.62	-7.32%
<b>RTK (revenue tonne-kilometres) (millions)</b>	<b>13,505.80</b>	12,071.12	11.89%
– Domestic routes	<b>8,184.71</b>	7,724.18	5.96%
– International routes	<b>5,078.22</b>	4,113.20	23.46%
– Regional routes	<b>242.88</b>	233.75	3.91%
<b>Overall load factor (%)</b>	<b>70.43</b>	67.97	2.46pts
– Domestic routes	<b>73.79</b>	70.26	3.53pts
– International routes	<b>65.84</b>	64.61	1.23pts
– Regional routes	<b>65.42</b>	58.35	7.07pts
<b>Revenue tonne-kilometres yield (RMB) <sup>Note</sup></b>	<b>4.940</b>	5.304	-6.86%
– Domestic routes	<b>5.270</b>	5.713	-7.75%
– International routes	<b>4.275</b>	4.383	-2.46%
– Regional routes	<b>7.745</b>	8.000	-3.19%

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

# Fleet Structure

In recent years, the Group continues to implement its green development philosophy while optimising its fleet structure. In the first half of 2025, the Company centered around the new major models, introduced a total of 24 aircraft and had 12 aircraft retired. As the world's first user of the domestic C919 passenger aircraft, the Company operated a total of 11 C919 aircraft as at 30 June 2025, helping accumulate experience in large-scale operation of domestically manufactured large aircraft.

As at 30 June 2025, the Company operated a total of 816 aircraft.

## Fleet structure as at 30 June 2025

No.	Model	Manufacturer	Net increase in the first half of 2025	Sub-total	Self-owned	Under finance lease	Under operating lease	Average fleet age (years)
1	B777-300ER	Boeing	0	20	12	8	0	9.4
2	B787 Series	Boeing	1	13	3	10	0	5.0
3	A350-900	Airbus	0	20	7	13	0	4.1
4	A330 Series	Airbus	0	56	36	15	5	11.6
<b>Total number of wide-body aircraft</b>			<b>1</b>	<b>109</b>	<b>58</b>	<b>46</b>	<b>5</b>	<b>9.0</b>
5	A320 Series	Airbus	8	391	172	119	100	9.3
6	B737 Series	Boeing	-1	278	122	58	98	10.3
7	C919	COMAC	1	11	4	7	0	1.2
<b>Total number of narrowbody aircraft</b>			<b>8</b>	<b>680</b>	<b>298</b>	<b>184</b>	<b>198</b>	<b>9.6</b>
8	C909	COMAC	3	27	15	12	0	2.4
<b>Total number of regional passenger aircraft</b>			<b>3</b>	<b>27</b>	<b>15</b>	<b>12</b>	<b>0</b>	<b>2.4</b>
<b>Total number of aircraft</b>			<b>12</b>	<b>816</b>	<b>371</b>	<b>242</b>	<b>203</b>	<b>9.2</b>

Notes:

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

# Management's Discussion and Analysis

## Industry Development Status

In the first half of 2025, the external environment became more complex and severe. The growth momentum of the world economy weakened, trade barriers multiplied, and major economies showed divergent performance. Inflation trends and monetary policy adjustments remained uncertain. Since the beginning of the year, the global aviation industry has continued to recover, yet it has been impacted by factors such as heightened uncertainty in global trade and economic policies and escalating geopolitical tensions.

In the first half of 2025, China's economy maintained a stable and positive development trend, showed strong resilience and vitality, and remained an important engine and stabilizing force for global economic growth, laying a solid foundation for the development of China's air transport. The continuous expansion of China's visa-free countries list has consistently stimulated the aviation market. In the first half of the year, China's civil aviation maintained steady progress and a positive development trend, with transport scale reaching a record high. The industry completed a total traffic volume of 78.35 billion tonne-kilometres, served 370 million passengers and realized cargo and mail transportation volume of 4,784,000 tonnes, representing a year-on-year increase of 11.4%, 6% and 14.6% respectively. At the same time, issues such as excessive homogenized competition persisted, and the industry continued to face the challenge of "high passenger volume but low profitability."



## Review of Operations

Driven by the steady growth of China's economy and supported by various domestic policies implemented to boost domestic demand and consumption and expand high-level opening-up, the demand for air travel continued to increase. In the first half of 2025, China's civil aviation industry showed the characteristics of "overall stability, rapid international growth, strong cargo resilience, and increased efficiency and effectiveness", maintaining steady progress and a positive development trend. However, the operating pressure on airlines remained huge in the face of substantial uncertainties of external environment during the development of the industry and the prominent problem of "over competition with diminishing returns".

Facing the complex and severe external environment, the Group worked in concerted efforts and forged ahead with determination, coordinated and promoted various tasks such as safe operation, production and operation, cost control, brand services, reform and transformation, and corporate governance, thereby achieving new progress and results in various tasks. In the first half of 2025, it completed a total traffic volume of 13,506 million tonne-kilometres and served 73,169,630 passengers, representing a year-on-year increase of 11.89% and 8.03% respectively. The cargo and mail transportation volume was 530,700 tonnes, representing a year-on-year increase of 3.92%. The revenue amounted to RMB66,822 million, representing a year-on-year increase of 4.09%, and the net loss attributable to the shareholders of the Company amounted to RMB1,431 million, representing a significant year-on-year decrease in loss of RMB1,337 million.

### → Overall Stability in Safe Operation

The Group has always regarded safety as a top priority and has taken practical actions to ensure "Two Absolute Safeties". With the opening of a number of new international long-range routes and a significant increase in the total traffic volume, it achieved overall stability in safe operation. In the first half of 2025, the Group completed a total of 1,350.8 thousand hours of safe flights and 519 thousand take-offs and landings, representing a year-on-year increase of 5.28% and 2.24% respectively.

**Strengthening accountability for work safety.** Adhering to the principle of "safety first", the Company prioritised safety with a rigorous approach, meticulous measures, a pragmatic style, and unwavering resilience, continuously improving the production safety accountability system for all staff. It also organised activities to improve the list of safety responsibilities throughout the Company, held a safety lecture on "Comprehensive Implementation of Safety Responsibilities", and promoted the accountability system targeting various levels of staff, with a coverage rate of 100%.

### **Strengthening the construction of safe operation system.**

The Company continued to strengthen the construction of safety management system, production and operation system, flight training system and aircraft maintenance system, improving the capability and level of safe operation in a systematic way.

### **Strengthening the development of professional teams.**

The Company carried out activities on "Safety Education Day", held flight and aircraft maintenance skills competitions, enhanced mental health management of pilots, and vigorously promoted safety culture, striving to build a team of aircrew with "strong political competence, high business proficiency, excellent work style and strict discipline".

## Management's Discussion and Analysis

### → Steady Improvement in Operating Efficiency

In serving national strategies, the Group continued to figure out its direction and position, fulfill its missions and pursue development. It put emphasis on market development on one hand and cost control on the other hand, achieving significant improvement in operating performance.

#### **Continuing to focus on hubs and enhancing market control over main bases.**

As a main base airline of Shanghai, the Group actively served the construction of Shanghai as a world-class aviation hub, further strengthening its control in Shanghai market. By the end of June 2025, its market share in Shanghai reached 43.1%, representing a year-on-year increase of 1.2 percentage points. The Group achieved transit of 5.98 million passengers, representing a year-on-year increase of 23.2%, including international transit of 4.955 million passengers, with a year-on-year increase of 25.3%. The number of its international flights departing from Shanghai has recovered to the level of more than 110% of 2019, making it the largest carrier in the aviation markets of China-Japan, China-South Korea, China-Australia/New Zealand, and China-Singapore/Malaysia/Thailand, and the second-largest carrier in China-Europe and China-North America aviation markets.

#### **Adhering to the principle of “Three Flights” and strengthening the layout of international aviation network.**

Under the guidelines of “more long-range flights, more international flights and more flights in emerging markets”, the Company opened 14 new international routes and became the domestic airline covering the most international destinations. It has built the air corridor with Shanghai Pudong International Airport as its hub connecting Japan and South Korea to Eurasia and connecting Europe to Oceania and Southeast Asia. It has also developed international long-range routes from Shanghai Pudong to London, Sydney, Moscow, Paris, etc., as well as international express and sub-express routes from Shanghai Pudong to Japan, South Korea, Singapore, Malaysia and Thailand.

#### **Adhering to the “Aviation+” strategy and innovating product marketing models.**

The Company proactively carried out three-dimensional marketing such as the “aviation + culture, sports, business and tourism exhibition”. In the first half of 2025, it recorded online sales revenue of RMB6.1 billion, representing a year-on-year increase of 30%, and recorded revenue from new retail products of exceeding RMB2,258 million, representing a year-on-year increase of 24.77%. It also expanded the multimodal transportation products of Air-rail, Air-bus, Air-water and Air-track. Moreover, it further explored innovative cooperation models such as joint membership, achieving strategic cooperation with Starbucks through introduction of the innovative “coffee + air travel” service.

#### **Insisting on the integration of passenger and cargo services and improving passenger aircraft bellyhold revenue.**

The Company captured the opportunity of strong cargo demand and coordinated with Eastern Logistics to explore the cargo market, enhancing the bellyhold revenue. By introducing the aviation season pre-sale model, it improved the efficiency of bellyhold space cargo loading and optimised the distribution of heavy cargo on passenger and cargo routes, which effectively improved the passenger aircraft bellyhold revenue. In the first half of the year, the passenger aircraft bellyhold revenue amounted to RMB2,577 million, representing a year-on-year increase of 8.69%.

#### **Continuing to promote business and finance integration and strengthen cost management and control.**

A cost management committee was established, with eight teams to strengthen cost management and control in a dedicated manner. Major costs such as take-off and landing service fees, passenger boarding bridge fees, and jet fuel costs were controlled through refined management. In terms of take-off and landing costs, the Group recorded a year-on-year decrease of 9.5% in the average bridge occupancy time at major terminals, and a reduction of approximately RMB11 million in passenger boarding bridge fees and bridge-mounted equipment costs as compared with the same period of last year. In terms of jet fuel costs, jet fuel consumption per unit continued to drop, driven by optimisation of flight height, execution of single-engine taxiing and other measures.

### ➔ Remarkable Results of Brand Services

By fully implementing the “Four Fines” service philosophy, being “meticulous, precise, exquisite and refined” services, and upholding the belief of “starting from the heart”, the Company provided customers with thoughtful and attentive services, further demonstrating its brand value. The Company was awarded the “Top 30 Central Enterprise in Brand Building Capacity” for the fifth consecutive year. It was also ranked among “2024 Top 10 Most Valuable Global Airline Brands” of Brand Finance.

**Providing high-quality services to ensure the successful hosting of Harbin Asian Winter Games.** As the official airline service partner of an international comprehensive event for the first time, the Company successfully safeguarded the provision of transportation services for Harbin Asian Winter Games and received unanimous praise from all parties. Taking this as an opportunity, it launched the painted aircraft on the theme of “Asian Winter Games (亞冬號)”, and established Changchun base and Harbin base to develop 4 “Air Express” routes in the Northeast region, further enhancing its brand influence.

**Achieving large-scale operation of domestically manufactured large aircraft.** Bearing in mind “the country’s most fundamental interests”, the Company supported the domestically manufactured large aircraft business. As the world’s first operator of the C919 passenger aircraft, the Company expanded its fleet to 11 aircraft, with 14 routes arranged, and completed more than 30 thousand hours of safe flights, over the past two years since its commercial operation.

**Systematically improving service quality.** The Company focused on 9 key touchpoints in the whole process of passenger services, promoted 28 services and further implemented the “Four Fines” services. It carried out the service brand enhancement action, and promoted 9 key breakthroughs in work and 11 key supporting tasks, further strengthening the brand consistency. It launched English, French, German, Russian, Japanese, Korean and other foreign language customer service hotlines to establish a global service support system, further enhancing its overseas service capabilities.

**Innovatively implementing featured services.** The Company launched personalised services such as “Star Wing Escort (星翼護航)”, “Online Meal Selection (線上選餐)”, “Oriental Premium (東方尊享)” and “Pet in Cabin (小動物進客艙)”. It launched 5 types of transit products, including Shanghai Airport Link Line, Transit VIP Lounge at Beijing Daxing International Airport and Overnight Transit. The Beijing-Shanghai “Air Express” service was fully upgraded to focus on business travel needs. It launched a more flexible policy of “Easy Boarding (易登機)” for free rescheduling, and exclusive in-flight Wi-Fi benefits. To address the pain points of passenger experience on non-scheduled flights, services such as self-service ticket changing and issuance of flight delay meal coupons within the quarantine area were launched.

**Fulfilling social responsibility as a central enterprise.** By practising the philosophy of low-carbon environmental protection, the Company launched the product of “Light Flight Enjoyment • Air Selection (輕飛享•雲端臻選)” service. The Company continued to provide targeted assistance to our paired assistance areas Cangyuan and Shuangjiang, two counties of Yunnan, by providing assistance to local industries, consumption and education. The “MU Tea (東航那杯茶)” was selected as the featured product brand on central enterprises’ contribution to rural revitalisation. The project of “supporting the construction of teaching staff and promoting high-quality development of education in border ethnic minority areas” was selected into the Blue Book on Central State-owned Enterprises’ Contribution to Rural Revitalisation (2024).

### ➔ Continuously Deepened Reform and Transformation

Centring on the requirements of high-quality development, the Company deepened the reform in key areas and steadily promoted transformation and innovation.

**Continuing to deepen major reform tasks.** By implemented the spirit of the Third Plenary Session of the 20th CPC Central Committee, the Company defined 43 tasks and 127 reform measures for further comprehensively deepening the reform. It deepened the reform of marketing system and promoted integrated marketing management and control in the Yangtze River Delta region. Organisational reform was further advanced to secondary units, by downsizing institutions, streamlining personnel and improving efficiency. It promoted the reform of flight team and formulated a reform plan for the Chief Flight Team. It comprehensively implemented the reform of the management and control model of “overall management by headquarters, line empowerment and coordination between bases”, to actively explore penetration management and establish an assessment mechanism for coordination between bases.

## Management's Discussion and Analysis

**Accelerating the process of digital transformation.** The Company established a digital transformation working group and an "AI+" special working group to promote various tasks in a coordinated way. In terms of smart safety, the core functional modules of phase III safety net were launched to promote the digitalisation of the whole process of flight training management. In terms of smart marketing, the smart cabin control system covered the departure routes of all domestic sales units, with an operation rate of 45%. In respect of smart maintenance, aircraft digital aprons and airline mobile operation system were implemented on a trial basis at both Hongqiao International Airport and Pudong International Airport, and the automatic distribution system of aviation equipment under periodic inspection was launched. In respect of smart travel, the Company launched AI-enabled itinerary assistant and various functions such as cross-airline ticket changing, self-service ticket changing after flight delay, identification of transit passengers, "One Code for All (一碼全通)" and verification of international certificates. In terms of smart ground service, the Company realised full staff shift scheduling, with the ratio of electronic task assignments reaching 71%; and it connected the digital aprons with vehicle positioning data and the video data of Pudong International Airport.

**Continuing to strengthen scientific and technological innovation.** The Company convened science and technology innovation conference, strengthened innovation cooperation between upstream and downstream enterprises, established a science and technology innovation alliance for the air transportation service industry chain, and carried out science and technology innovation cooperation with 15 enterprises. The Company improved its organisational system for scientific and technological innovation, established 4 corporate-level science and technology innovation laboratories, including safety operation laboratory, engineering maintenance laboratory, digitalisation laboratory and AI application innovation centre, and focused on exploring corporate-level science and technology innovation projects, so as to empower the innovative development of businesses with scientific and technological innovation.

### → Effectively Enhanced Corporate Governance

The Company continued to improve the modern enterprise system with Chinese characteristics, launched a special action to improve the corporate governance system, broke down 5 types of tasks and formulated 22 detailed measures.

**Further optimised systems.** In accordance with the new Company Law, the Company systematically revised relevant supporting systems of the Board, the general meeting, the Party committee and the office meeting of the General Manager, dynamically defined the rights and responsibilities of each governance body, refined and standardised the decision-making mechanism of each governance body, and improved the corporate governance system with the Articles of Association as its core. It optimised the composition of the Board and the special committee, paid more attention to the follow-up and implementation of the opinions and suggestions of independent Directors, so as to improve the quality and efficiency of decision-making by the Board.

**More robust market value management.** In accordance with the requirements of the China Securities Regulatory Commission, the Company formulated the Market Value Management System. It promoted share repurchases in a compliant and orderly manner. As of 30 June 2025, the Company repurchased a total of 173,231,900 A shares and H shares, with the investment amount of approximately RMB542 million. In particular, in early April 2025, when the capital market was subject to large fluctuations, the Company took the initiative to speed up the implementation of the share repurchase program with a view to boosting market confidence. After issuing the action plan of "Enhancing Quality, Increasing Efficiency and Focusing on Returns", the Company regularly reviewed the implementation to continuously improve the quality and efficiency of the Company's operations.

**More effective risk management and control.** The Company continued to strengthen risk management and control in key areas and major businesses. **Preventing and defusing financial risks.** The Company adopted diversified financing means such as ultra-short-term financing bonds, medium-term notes and commercial bills, to ensure the safety of its cash flows. It strengthened capital management and control, continued to reduce the balance of daily monetary capital, and improved the efficiency of capital use. The Company deepened the construction of the treasury system, improved the monitoring and early warning functions, and monitored matters such as the payments of large amounts of funds and expenditures of important projects in real time. **Preventing and defusing internal control risks.** The Company continued to carry out quarterly monitoring with regard to major risk management, and strengthened the construction of internal control system by improving the quality and efficiency of the whole-process supervision before, during and after the event. Focusing on key areas such as the Company's revenue management, cost of the meals and on-board supplies, and personnel efficiency, the Company carried out systematic and full-scale big data audit to prevent operational risks and ensure high-quality development. **Preventing and defusing compliance risks.** The Company formulated compliance manuals for operations in North America and the European Union and identified legal risks arising from systemic challenges such as trade wars, so as to ensure compliant operations overseas. The Company optimised the management of authorisation and delegation for contract review, strengthened the monitoring of contract performance, and carried out special inspections on contracts, so as to strengthen the whole-process management and control capabilities for contracts.

## Financial Overview

### Operating Revenue

In the first half of 2025, the Group's revenue from main operations amounted to RMB66,822 million, representing an increase of 4.09% from the same period last year. In particular, traffic revenue amounted to RMB64,390 million, representing an increase of 4.34% from the same period last year, and other revenue amounted to RMB2,432 million, representing a decrease of 2.33% from the same period last year.

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

In the first half of 2025, the Group's passenger revenue amounted to RMB61,813 million, representing an increase of 4.17% from the same period last year, and accounted for 96.00% of the Group's traffic revenue. Passenger traffic volume was 131,477.90 million passenger-kilometres, representing an increase of 12.24% from the same period last year.

The passenger revenue of domestic routes amounted to RMB41,286 million, representing a decrease of 2.09% from the same period last year, and accounted for 66.79% of the passenger revenue. The passenger traffic volume was 87,717.88 million passenger-kilometres, representing an increase of 6.11% from the same period last year.

The passenger revenue of international routes amounted to RMB18,750 million, representing an increase of 21.78% from the same period last year, and accounted for 30.33% of the passenger revenue. The passenger traffic volume was 41,145.20 million passenger-kilometres, representing an increase of 28.74% from the same period last year.

The passenger revenue of regional routes amounted to RMB1,777 million, representing an increase of 0.11% from the same period last year, and accounted for 2.88% of the passenger revenue. The passenger traffic volume was 2,614.82 million passenger-kilometres, representing an increase of 4.04% from the same period last year.

In the first half of 2025, the Group's cargo revenue amounted to RMB2,577 million, representing an increase of 8.69% from the same period last year, and accounting for 4.00% of the Group's traffic revenue. Cargo and mail traffic volume was 1,932.25 million tonne-kilometres, representing an increase of 8.24% from the same period last year. The increase in the Group's cargo revenue was mainly due to the growth in freight turnover as a result of strong demand for international air cargo during the Reporting Period.

## Management's Discussion and Analysis

### Operating Expenses

In the first half of 2025, the Group's total operating expenses were RMB69,729 million, representing an increase of 3.52% from the same period last year. In the first half of 2025, the analysis of the changes in the Group's operating cost items is set out as follows:

In the first half of 2025, the Group's aircraft fuel costs amounted to RMB21,411 million, representing a decrease of 8.08% from the same period last year, and was primarily due to the increase in the number of flights and flight hours. The volume of refuelling increased by 4.96% from the same period last year, leading to an increase in aircraft fuel costs by RMB1,156 million. As crude oil prices decreased, the average price of aircraft fuel decreased by 12.42% from the same period last year, leading to a decrease in aircraft fuel cost by RMB3,037 million.

In the first half of 2025, the Group's take-off and landing charges amounted to RMB9,622 million, representing an increase of 16.83% from the same period last year, and was primarily due to the year-on-year increase in the number of international flight take-offs and landings and the number of passengers.

In the first half of 2025, the Group's depreciation and amortisation amounted to RMB13,328 million, representing an increase of 0.95% from the same period last year, and was primarily due to the increase in the size of its fleet.

In the first half of 2025, the Group's wages, salaries and benefits amounted to RMB14,020 million, representing an increase of 11.06% from the same period last year, and was primarily due to the natural progression in employee grades, leading to the increase in remuneration.

In the first half of 2025, the Group's aircraft maintenance expenses amounted to RMB3,276 million, representing an increase of 7.69% from the same period last year, and was primarily due to the increase in the size of its fleet, the increase in transportation volume, and the increase in the aircraft and daily engine maintenance expenses.

In the first half of 2025, the Group's catering supply expenses amounted to RMB2,274 million, representing an increase of 13.36% from the same period last year, and was primarily due to a year-on-year increase in the number of international passengers.

In the first half of 2025, the Group's sale and marketing expenses amounted to RMB2,092 million, representing an increase of 11.51% from the same period last year, and was primarily due to the increase in the number of international passengers, leading to an increase in the system reservation fees.

### Other Operating Income

In the first half of 2025, the Group's other operating income amounted to RMB3,391 million, representing an increase of 5.97% from the same period last year, and was primarily due to the increase in the number of passengers, increased investment in transportation capacity and the increase in income from co-operation routes.

### Net Loss

In the first half of 2025, net loss attributable to equity holders of the Company amounted to RMB1,431 million and in the first half of 2024, net loss attributable to equity holders of the Company amounted to RMB2,768 million. The loss per share attributable to equity holders of the Company was RMB0.06.

### Liquidity and Capital Structure

As at 30 June 2025, the Group had total assets of RMB284,727 million, representing an increase of 2.11% from 31 December 2024. Its asset-to-liability ratio was 85.24%, representing an increase of 0.90 percentage point from 31 December 2024.

In particular, total current assets amounted to RMB21,214 million, which accounted for 7.45% of the total assets and represented an increase of 11.05% from 31 December 2024. Non-current assets amounted to RMB263,513 million, which accounted for 92.55% of the total assets and represented an increase of 1.45% from 31 December 2024.

As at 30 June 2025, the Group had total liabilities of RMB242,709 million, which comprised current liabilities of RMB116,348 million which accounted for 47.94% of total liabilities, and non-current liabilities of RMB126,361 million which accounted for 52.06% of total liabilities.

Among the current liabilities, interest-bearing liabilities (short-term bank borrowings, super short-term debentures, long-term bank borrowings due within one year, bonds payable due within one year and lease liabilities due within one year) amounted to RMB66,571 million, representing an increase of 0.22% from 31 December 2024.

Among the non-current liabilities, interest-bearing liabilities (long-term bank borrowings, bonds payable and lease liabilities) amounted to RMB114,868 million, representing an increase of 4.86% from 31 December 2024.

In the first half of 2025, in order to deal with exchange rate fluctuations, the Group actively optimised the currency structure of the Group's liabilities and reduced exchange rate risks. As at 30 June 2025, the breakdown of the Group's interest-bearing obligations by currencies is as follows:

Currency	Unit: RMB million				
	As at 30 June 2025		As at 31 December 2024		Movement (%)
	Amount	Proportion (%)	Amount	Proportion (%)	
RMB	157,357	86.73	148,070	84.15	6.27
USD	21,209	11.69	25,166	14.30	-15.72
Others	2,873	1.58	2,733	1.55	5.12
<b>Total</b>	<b>181,439</b>	<b>100.00</b>	<b>175,969</b>	<b>100.00</b>	<b>3.11</b>

As at 30 June 2025, the Group's interest-bearing liabilities included long-term and short-term bank borrowings, bonds payable and super short-term debentures equivalent to RMB105,627 million, representing an increase of 2.65% from RMB102,902 million as at 31 December 2024. The breakdown by currencies is as follows:

Currency	Unit: RMB million		
	As at 30 June 2025	As at 31 December 2024	Movement (%)
RMB	102,823	100,247	2.57
SGD	2,804	2,655	5.61
<b>Total</b>	<b>105,627</b>	<b>102,902</b>	<b>2.65</b>

As at 30 June 2025, the lease liabilities in the Group's interest-bearing liabilities amounted to RMB75,812 million, representing an increase of 3.76% from RMB73,067 million as at 31 December 2024. The breakdown by currencies is as follows:

Currency	Unit: RMB million		
	As at 30 June 2025	As at 31 December 2024	Movement (%)
RMB	54,534	47,823	14.03
USD	21,209	25,166	-15.72
HKD	3	4	-25.00
JPY	23	24	-4.17
SGD	2	3	-33.33
Others	41	47	-12.77
<b>Total</b>	<b>75,812</b>	<b>73,067</b>	<b>3.76</b>

### Interest Rate Fluctuation

The interest-bearing liabilities of the Group include short-term interest-bearing liabilities and long-term interest-bearing liabilities, of which the proportion of interest-bearing liabilities with fixed interest rates is 49.65%, and the proportion of interest-bearing liabilities with floating interest rates is 50.35%. The Group's total interest-bearing liabilities as at 30 June 2025 and 31 December 2024 were equivalent to RMB181,439 million and RMB175,969 million (including long-term and short-term bank borrowings, lease liabilities, bonds payable and super short-term debentures), of which short-term interest-bearing liabilities accounted for 36.69% and 37.75%, respectively.

## Management's Discussion and Analysis

The Group's interest-bearing liabilities were primarily denominated in USD and RMB. As at 30 June 2025 and 31 December 2024, the Group's interest-bearing liabilities denominated in USD accounted for 11.69% and 14.30%, respectively, of total interest-bearing liabilities while the Group's interest-bearing liabilities denominated in RMB accounted for 86.73% and 84.15%, respectively, of total interest-bearing liabilities. Fluctuations in the USD and RMB interest rates have a relatively significant impact on the Group's finance costs. Through interest rate swap contracts, the Group may lock in interest rates to reduce the exposure to fluctuations in floating rate of the USD-denominated debts.

In the first half of 2025, the Group made careful assessments based on the derivatives market conditions and did not enter into any new interest rate swap contract transactions. As at 30 June 2025, the outstanding interest rate swap contracts held by the Group amounted to a notional amount of approximately USD18 million, which will expire in 2025. As at 31 December 2024, such amount was approximately USD53 million.

### Exchange Rate Fluctuation

As at 30 June 2025, the Group's total interest-bearing liabilities denominated in foreign currencies amounted to RMB24,082 million, of which interest-bearing liabilities denominated in USD accounted for 88.07% of all interest-bearing liabilities denominated in foreign currencies. In the case of significant fluctuations in the USD exchange rate, USD assets and liabilities will generate a larger amount of foreign exchange gains and losses, which will affect the Company's profitability and assets and liabilities. The Group can lock the exchange rate through forward currency contracts to hedge against the impact of fluctuations in the USD exchange rate.

As of 30 June 2025, the Group held outstanding forward currency contracts with a notional amount of approximately USD295 million, which will expire in 2025. As at 31 December 2024, such amount was approximately USD216 million.

### Fluctuation of Jet Fuel Prices

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

In the first half of 2025, the Group made careful assessments based on the derivatives market conditions and did not carry out any jet fuel hedging transactions. As at 30 June 2025, the Group had no outstanding jet fuel hedging contracts.

### Pledges on Assets and Contingent Liabilities

As at 30 June 2025, the value of the Group's assets used to secure certain bank loans was equivalent to RMB34,064 million, representing a year-on-year decrease of 0.52% from RMB34,243 million as at 31 December 2024.

As at 30 June 2025, the Group had no significant contingent liabilities.

### Human Resources

As at 30 June 2025, the Group had 85,196 employees, the majority of whom were located in China. The wages of the Group's employees primarily consisted of basic salaries and performance bonuses.

### Compliance with the Relevant Laws and Regulations which may have a Significant Impact on the Group

As at 30 June 2025, the Board was not aware of any significant matters which may cause impact on the Group or any non-compliance with the laws and regulations which may have a significant impact on the Group.

## Investment in Securities

*Unit: RMB million*

Type of securities	Stock code	Stock abbreviation	Initial investment cost	Source of capital	Carrying amount at the beginning of the period	Profit and loss from changes in fair value in the period	Cumulative fair value changes included in equity	Purchase during the period	Sale during the period	Investment profit and loss for the period	Carrying amount at the end of the period	Accounting Item
Share	00696	TravelSky	18.50	Equity acquisition	204.27	-1.17	184.59	-	-	-	203.10	Equity investments designated at fair value through other comprehensive income
Share	600000	Pudong Development Bank	122.14	Equity replacement	100.74	35.15	-	-	-	-	135.89	Financial assets at fair value through profit or loss
Share	600221	Hainan Airlines Holding	0.07	Debt-to-equity swap	0.06	-0.01	-	-	-	-	0.05	Financial assets at fair value through profit or loss
<b>Total</b>	/	/	140.71	/	305.07	33.97	184.59	-	-	-	339.04	/

## Financial assets measured at fair value

*Unit: RMB million*

Type of assets	Amount at the beginning of the period	Profit and loss from changes in fair value in the period	Cumulative fair value changes included in equity	Impairment provision for the period	Purchase during the period	Sale/redemption during the period	Other changes	Amount at the end of the period
Interest rate swap contracts	8.81	-6.61	2.20	-	-	-	-	2.20
Forward currency contracts	46.90	-22.10	24.80	-	-	-	-	24.80
Financial assets at fair value through profit or loss	100.80	35.14	-	-	-	-	-	135.94
Equity investments designated at fair value through other comprehensive income	1,416.78	22.33	237.60	-	132.20	-	-	1,571.31
<b>Total</b>	1,573.29	28.76	264.60	-	132.20	-	-	1,734.25

## Management's Discussion and Analysis

### Analysis on major controlled subsidiaries and affiliates

*Unit: RMB million*

Name of company	Eastern Air Jiangsu	Eastern Air Wuhan	Eastern Air Yunnan	Shanghai Airlines	China United Airlines	CEA Technic
Date of establishment	1993	2002	2010	2010	1984	2014
Registered capital (RMB100 million)	40	67.5	36.62	100	33.2	46.52
Main operations	Air passenger and cargo transportation	Aviation maintenance and engineering				
Share holdings (%)	62.56	60	65	100	100	100
Revenue (RMB million)	5,074	2,353	5,422	6,577	3,328	6,131
Change on YoY (%)	2.65	8.43	0.13	6.39	-19.11	8.13
Operating profit during the reporting period (RMB million)	-299	-10	-216	57	-60	-48
Net profit during the reporting period (RMB million)	-252	2	-192	103	-28	-72
Net profit during the previous reporting period (RMB million)	-542	-26	-336	-163	94	18
Total assets (RMB million)	12,989	6,812	13,568	28,687	11,575	11,227
Net assets (RMB million)	-1,785	2,928	2,891	461	2,356	1,384
Passenger traffic volume (million)	10,216.34	4,673.32	10,666.42	12,667.15	8,717.60	-
Change on YoY (%)	8.2	18.4	9.1	11.4	-5.3	-
Number of passengers carried (million)	6.98	4.02	6.93	7.65	5.60	-
Change on YoY (%)	9.8	13.6	4.0	8.3	-3.4	-
Fleet size (units)	76	36	75	86	60	-

## Core Competitiveness

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

The Company enjoys relatively strong location advantages. Being one of the three major state-owned aviation companies, the headquarters and main operation bases of the Company are located in the super-sized international city — Shanghai. As China's key economic center and international shipping center, the Yangtze River Delta directly served by Shanghai is one of the most economically vibrant regions in China with the highest degree of openness and the strongest innovative capacity as well as the key intersection of the “Belt and Road” and “Yangtze River Economic Belt”, and has always had very close economic and trade connection with the Asia-Pacific region, Europe and America. The time it takes to fly from Shanghai to major Asian cities is about 2 to 5 hours, and to Europe and the west coast of North America is about 10 to 12 hours.

The Company is the airline with the largest market share in Shanghai Hongqiao International Airport and Pudong International Airport. Benefiting from the implementation of the national “Yangtze River Delta Integration” strategy, the construction of Shanghai's five international “economic, financial, shipping, trade, science and technology innovation” centers and the continuous promotion of the overall plan for the construction of Hongqiao International Open Hub, the Company possesses favorable development opportunities and customer resources. The Company actively builds and optimizes the route network with Shanghai as the core hub, and continues to increase the resource allocation to destinations within the Yangtze River Delta. Through measures such as connecting flights via regional feeder routes in the Yangtze River Delta, air-rail and air-bus intermodal transport, constructing the Suzhou City Airport Terminal, and establishing a transfer center at Hongqiao Railway Station, the Company has connected cities in the Yangtze River Delta with the Shanghai Hub more closely, and built a comprehensive and three-dimensional transportation network that is interconnected and accessible in all directions, enabling passengers and cargo from the Yangtze River Delta to reach destinations worldwide with greater convenience.

### 2. Flight Hub and Network Layout with Unique Advantages

As a member of SkyTeam Airline Alliance, the Company boasts an aviation transport network covering 1,000 destinations in 160 countries and regions around the world. Frequent flyer members of “Eastern Miles” (東方萬里行) can enjoy member benefits and use any one of the 750 VIP airport lounges of the SkyTeam Airline Alliance member airlines across the world.

Focusing on serving the national development strategy and the development requirements of civil aviation, the Company continues to optimize the “four beams and eight pillars” route network layout, improve the hub operation quality, and spare no effort in building Shanghai and Beijing as dual-core hubs and Kunming and Xi'an as regional gateway hubs. For the domestic market, the Company prioritizes establishing high-capacity and high-frequency backbone routes connecting the “four poles”<sup>1</sup>, increasing capacity deployment at hubs, strengthening regional coordination, and enhancing outward radiation capabilities. For the international market, the Company actively supports China's high-level opening-up under the guidelines of “more long-range flights, more international flights and more flights in emerging markets”. It has built the air corridor with Shanghai as its hub connecting Japan and South Korea to Eurasia and connecting Europe to Oceania and Southeast Asia. It has also developed international long-range routes from Shanghai to London, Sydney, Moscow, Paris, etc., as well as international express and sub-express routes from Shanghai to Japan, South Korea, Singapore, Malaysia and Thailand. The Company has accelerated its international expansion, launching new routes this year including Shanghai-Abu Dhabi/Geneva/Milan/Almaty/Copenhagen and Xi'an-Istanbul/Tashkent, while establishing multiple international express routes such as Shanghai-Hong Kong/Bangkok/Tokyo/Osaka/Seoul.

1 The four poles refer to the Beijing-Tianjin-Hebei, Yangtze River Delta, Greater Bay Area and Chengdu-Chongqing economic clusters

## Management's Discussion and Analysis

### 3. Streamlined and Efficient Fleet Structure

The Company has always strived on practicing the concept of green and low carbon development as well as updating and optimizing the fleet structure. The Company operates a modern fleet of over 800 aircraft comprised of C919, A350 series, A320 series, B787 series and B737 series aircraft, and owns the largest wide-body fleet with leading business and technology models in China providing in-flight Internet access. The Company optimized fleet deployment and fleet performance by digital means to continue to achieve better match between aircraft and the route network and improve operational efficiency of the fleet.

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

The Group focused intensively on the strategic goal of becoming a "World Class" airline by continuously improving the quality of services and promoting the development of service brand. The Group has continuously provided services by following the "Four Fines"<sup>2</sup> service philosophy through continuously optimizing service processes and innovating service products, thereby bringing a wonderful travel experience to passengers.

The Group has won many awards in areas such as operational quality, service experience, corporate governance and social responsibility. In 2024, the Group was awarded the "Top 30 Central Enterprise in Brand Building Capacity" for the fifth consecutive year. It was also ranked among "2024 Top 10 Most Valuable Global Airline Brands" of Brand Finance.

### 5. High Quality Customer Cluster and Outstanding Partners

The Group has always maintained a high service quality and keeps enhancing the travel experience of its passengers. The Group has launched an upgraded version of the "Eastern Miles" membership program, with the number of frequent flyers exceeding 70.93 million.

The Group actively promotes cooperation with SkyTeam Airline Alliance, and has established a more stable and close comprehensive strategic cooperation relationship with Delta and AFK through capital and business collaboration. The Group actively promoted joint operation with AFK and cooperation with alliance partners such as Japan Airlines, Etihad Airways, Virgin Atlantic and Saudia in cooperative marketing and code sharing, and eagerly coordinated and carried out projects in the alliance regarding seamless transit, lounges and frequent flyers. In the domestic aviation industry, through carrying out strategic cooperation using the "equity + business" model with Juneyao Airlines, the competitiveness of the Group's Shanghai main base has been further enhanced.

In the upstream and downstream of the aviation industry chain, the Group has actively explored brand cooperation with world-renowned companies to create mutual benefits. The Group established the "Airline + Internet" cooperation model with Ctrip to promote cooperation in product and route promotion. It cooperates with China National Railway Group Co., Ltd. to realize one-stop booking of "air ticket + train ticket". It also cooperates with Douyin, Shanghai Museum, Disney, Asian Winter Games, etc. to launch a featured product named "Museum Priority (博物館優享)", which includes "air ticket + museum ticket", and new painted aircraft on the theme of "Asian Winter Games" and "Zootopia".

### 6. High-quality Fulfilment of Social Responsibility

With a strong sense of social responsibility, the Group implements the ESG principles and continuously expands its investment in aspects like aviation safety, passenger services, caring for employees, community development and green flight.

2 Four Fines: "meticulous, precise, exquisite and refined"

The Group upholds the concept of sustainable development, accelerates the construction of ESG system, continuously improves and optimizes the management system of sustainable development (ESG), and improves the level of ESG governance and performance. Under the guidance of the Aviation Safety and Environment Committee of the Board, the Group has formulated and implemented an annual work plan for environmental and sustainable development, specially prepared the “Carbon Peak Action Plan”, actively participated in the “Sustainable Flight Challenge” organised by SkyTeam Airline Alliance and promoted the deployment and application of sustainable aviation fuels (SAF). The Group has published high-quality social responsibility and ESG reports for 17 consecutive years since 2009. The Group received the “2024 China CSR Ranking by YICAI – Environmental and Ecological Contribution Award” and “Golden Bee 2024 Excellent Corporate Sustainability Report – Longevity Award”, and was selected as one of the “China ESG Listed Companies Yangtze River Delta Pioneer 50”.

## Risk Analysis

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

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

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

### 2. Policy and Regulation Risk

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

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

### 3. Operational Safety Risk

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

## Management's Discussion and Analysis

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

### 4. Core Resources Risk

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

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

### 5. Competition Risk

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

The Group has actively responded to industry competition, proactively strived for new air traffic rights and time slots in hub markets and core markets, continuously refined its route network, and steadily improved and consolidated its market share in the hubs and core markets. Through improving service quality and enhancing flight punctuality rates, the passenger experience was enhanced, which further strengthened the Company's competitiveness.

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

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

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

As at 30 June 2025, the impacts of changes in jet fuel prices, exchange rates, and interest rates on the Company are as follows:

Sensitivity analysis on the changes in jet fuel prices, exchange rates, and interest rates	Unit: RMB million			
	Effect on total profit		Effect on other comprehensive income	
	Increase	Decrease	Increase	Decrease
Increase or decrease by 1% in average jet fuel price	-214	214	-	-
Increase or decrease by 25 basis points in floating interest rates	-228	228	-	-
Appreciation or depreciation by 1% of USD against RMB	-201	201	1	-1

In terms of the risk associated with the fluctuation of jet fuel prices, the Group has optimised its transportation capacity deployment, strengthened marketing and increased passenger load factor and unit yield level, so as to respond to the pressure of rising jet fuel prices. The Group has also proactively analysed the trend of oil prices, and, as authorised by the Board, prudently conducted jet fuel hedging activities. Exposure to jet fuel price fluctuations may be partially offset for the airlines by the implementation of fuel surcharge mechanism in China's civil aviation industry.

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

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

#### **7. Digital and Information Security Risk**

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

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

#### **8. Development and Transformation Risk**

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

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

#### **9. Supply Chain Risk**

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

## Management's Discussion and Analysis

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

### 10. Securities Market Fluctuations Risks

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

The Company has continuously enhanced its corporate governance standards, earnestly fulfilled its obligations of information disclosure, constantly improved its operational management capability and striven for outstanding operating results. In the meantime, the Company has strengthened the communication with capital markets and various investors, paid close attention to the Company's share price performance and media coverage, given timely response to the market and striven to avoid abnormal fluctuations in the Company's share price.

### 11. Risk Associated with the Changes in Environmental Policy

The increasing importance attached to environmental policies including carbon emissions and noise control globally and changes in consumption behavior caused by passengers' low carbon travel may impose restrictions on airline operations. In order to meet the changes in regulatory requirements of environmental policies, airlines may increase its investment in issues related to saving energy and reducing emissions and noise control, which in turn increases operating costs.

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

### 12. Other Force Majeure and Unforeseeable Risks

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

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

## Outlook for the Second Half of 2025

In the second half of 2025, the Group will remain steadfast and unwavering in pursuing its annual mission goals, maintaining strong confidence and rising to challenges as the Company continuously enhances its core competitiveness and accelerates high-quality development.

### → Consolidating the safety foundation resolutely

Adhering to “a rigorous approach, meticulous measures, a pragmatic style, and unwavering resilience” in safety work, we will take practical actions to ensure “Two Absolute Safeties”. **Strengthening the construction of safety system** with the continuous improvement in the safety management system, production operation system, flight training system and aircraft maintenance system. **Strengthening the rectification of potential safety hazards** by focusing on key units and key personnel, with particular attention to key nodes, key links and key positions, and carrying out the rectification and treatment of potential safety hazards on a regular basis. **Strengthening the construction of three fundamentals** by enhancing the capabilities and work ethics of professional teams to persistently build a team of aircrew with “strong political competence, high business proficiency, excellent work style and strict discipline”, while comprehensively extending these standards to all safety operation units.

### → Striving to improve business quality

We will maintain coordinated development between international and domestic operations while balancing passenger and cargo services, with equal emphasis on revenue growth and cost control through various measures to improve the operating efficiency. We **focus on the hub construction** by accelerating the improvement of the “four-in, four-out” flight wave at Shanghai Pudong Airport, continuously strengthening the major air corridor network centered on Shanghai to elevate its status as an international aviation hub, including launching new Shanghai-South America routes to establish a “Southern Link”. We **focus on the air network layout** by expanding more domestic express and semi-express routes while developing emerging markets in the Middle East, Africa and South America, and strengthening coverage in underdeveloped regions such as Xinjiang and Northeast China. We **focus on cost reduction and efficiency improvement** by deepening business and finance integration and implementing dynamic, quantitative cost control measures.

### → Continuing to highlight the service brand

The service philosophy of “Four Fines” will be implemented throughout the entire operations, with emphasis on providing “meticulous” services. We **focus on the enhancement of the service system** by upgrading the service standard system continuously, with emphasis on strengthening the establishment of online service platform, irregular flight service capability and operation service guarantee capability. We **focus on service brand building** by comprehensively carrying out service brand upgrading activities, and solidly promoting important brand projects such as the upgrading service brand of C919, developing benchmark express route brand and “Oriental Premium” service offerings. We **focus on the elevation of service quality** by optimising all aspects of the service process to ensure effective implementation of key service indicators and significantly enhance passenger experience. We **focus on service and product innovation** by exploring distinctive product models such as “aviation + scenic spots” and “aviation + performing arts”.

### → Improving corporate governance effectiveness

The Group will uphold and improve the modern enterprise system with Chinese characteristics, consolidating the foundation for high-quality development through high-efficiency governance. **Continuing to strengthen the construction of the Board.** By building a scientific, rational and highly effective Board, it will be able to support independent directors in fulfilling their duties diligently and conducting market value management in compliance with laws and regulations. **Continuing to strengthen compliance management.** We will advance the “Three Levels of Defense” mechanism and implement dedicated programs to improve compliance management. **Continuing to strengthen risk prevention and control.** By focusing on risks in areas such as large capital flows, major projects and overseas operations, we will be able to adopt proactive measures to mitigate potential risks at early stages.

### → Accelerating the promotion of reform and innovation

We will thoroughly implement the spirit of the Third Plenary Session of the 20th CPC Central Committee and persist in deriving momentum and vitality from reform. We will **deepen key reform initiatives** by advancing the implementation of the fleet restructuring plan and exploring the establishment of a value creation-oriented internal market assessment mechanism. We will **accelerate technological innovation** by vigorously building an industrial technology innovation ecosystem that effectively connects research, academic and industry sectors, achieving breakthroughs in critical areas. We will **expedite digital transformation** by rapidly implementing results in key domains including safety management, marketing, passenger services, ground support, aircraft maintenance and cost management.

## Management's Discussion and Analysis

### Fleet Plan

#### Introduction and Retirement Plan of Aircraft for the Second Half of 2025 to 2027

Model	Second Half of 2025		2026		2027		(Units)
	Introduction	Retirement	Introduction	Retirement	Introduction	Retirement	
C919	9	–	10	–	10	–	
C909	8	–	–	–	–	–	
<b>Total number of COMAC aircraft</b>	<b>17</b>	<b>–</b>	<b>10</b>	<b>–</b>	<b>10</b>	<b>–</b>	
A350-900	–	–	–	–	–	–	
A320 Series	11	9	24	17	18	14	
<b>Total number of Airbus aircraft</b>	<b>11</b>	<b>9</b>	<b>24</b>	<b>17</b>	<b>18</b>	<b>14</b>	
B787 Series	4	–	2	–	7	–	
B737 Series	2	3	–	7	6	12	
<b>Total number of Boeing aircraft</b>	<b>6</b>	<b>3</b>	<b>2</b>	<b>7</b>	<b>13</b>	<b>12</b>	
<b>Total number of aircraft</b>	<b>34</b>	<b>12</b>	<b>36</b>	<b>24</b>	<b>41</b>	<b>26</b>	

Note:

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

## Significant Events

1. As at 30 June 2025 and the publication date of this report, the shareholding structure of the Company is set out as follows:

	Total number of shares	Approximate percentage in shareholding (%)
<b>I A Shares</b>	17,114,518,793	76.78
1. Listed shares with trading moratorium	0	0
2. Listed shares without trading moratorium	17,114,518,793	76.78
<b>II H Shares</b>	5,176,777,777	23.22
1. Listed shares with trading moratorium	0	0
2. Listed shares without trading moratorium	5,176,777,777	23.22
<b>III Total number of shares</b>	22,291,296,570	100.00

2. **Total Number of Shareholders**

As at 30 June 2025, the total number of registered shareholders of the Company was 155,129.

3. **Substantial Shareholders**

So far as the Directors are aware, as at 30 June 2025, the following persons (other than the Directors, Supervisors and Chief Executive of the Company) had interests or short positions in the shares and/or underlying shares of the Company which were required to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO, or as otherwise notified to the Company and the Hong Kong Stock Exchange:

Name of substantial shareholder	Class of shares	Number of shares held	Capacity	Percentage in the relevant class of issued shares	Percentage in total issued shares
CEA Holding	A shares	8,858,963,273(L) <sup>Note 2</sup>	Beneficial owner	51.76%(L)	39.74%(L)
		457,317,073(L) <sup>Note 2</sup>	Interests of controlled corporation	2.67%(L)	2.05%(L)
CES Global	H shares	2,778,396,000(L) <sup>Note 3</sup>	Interests of controlled corporation	53.67%(L)	12.46%(L)
	H shares	2,778,396,000(L) <sup>Note 3</sup>	Beneficial owner	53.67%(L)	12.46%(L)
Juneyao Group	H shares	566,705,777(L) <sup>Note 5</sup>	Interests of controlled corporation	10.93%(L)	2.54%(L)
Juneyao Airlines	A shares	808,441,233(L) <sup>Note 4</sup>	Beneficial owner	4.72%(L)	3.63%(L)
	H shares	12,000,000(L) <sup>Note 5</sup>	Beneficial owner	0.23%(L)	0.05%(L)
		554,705,777(L) <sup>Note 5</sup>	Interests of controlled corporation	10.72%(L)	2.49%(L)
Juneyao Hong Kong	H shares	554,705,777(L) <sup>Note 5</sup>	Beneficial owner	10.72%(L)	2.49%(L)
Wang Junjin	A shares	808,441,233(L) <sup>Note 4</sup>	Interests of controlled corporation	4.89%(L)	3.76%(L)
	H shares	566,705,777(L) <sup>Note 5</sup>	Interests of controlled corporation	10.95%(L)	2.54%(L)
Wang Han	A shares	808,441,233(L) <sup>Note 4</sup>	Interests of controlled corporation	4.89%(L)	3.76%(L)
	H shares	566,705,777(L) <sup>Note 5</sup>	Interests of controlled corporation	10.95%(L)	2.54%(L)
Ye Jinqi	A shares	808,441,233(L) <sup>Note 4</sup>	Interests of spouse	4.89%(L)	3.76%(L)
	H shares	566,705,777(L) <sup>Note 5</sup>	Interests of spouse	10.95%(L)	2.54%(L)

## Management's Discussion and Analysis

Notes:

1. The letter (L) denotes a long position. The data disclosed above is mainly based on the information provided on the website of the Hong Kong Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and by China Securities Depository and Clearing Corporation Limited.
2. 8,858,963,273 A shares were held directly by CEA Holding; and 457,317,073 A shares were held directly by CES Finance, which in turn was entirely held by CEA Holding. Therefore, CEA Holding is deemed to be interested in the 457,317,073 A shares held directly by CES Finance.
3. CES Global directly held 2,778,396,000 H shares in the capacity of beneficial owner through HKSCC, and CEA Holding indirectly owned the entire interests of CES Global through CES Finance. Therefore, CEA Holding is deemed to be interested in the 2,778,396,000 H shares held directly by CES Global.

As at 30 June 2025, CES Global had pledged 2,370,000,000 H shares. For details, please refer to the announcement of the Company published on the website of the Hong Kong Stock Exchange on 18 July 2023.

4. Based on the information provided by China Securities Depository and Clearing Corporation Limited, 808,441,233 A shares were held directly by Juneyao Airlines. Mr. Wang Han and Mr. Wang Junjin were interested in 71.77% of shares of Juneyao Group; and Juneyao Group is the controlling shareholder of Juneyao Airlines. Ms. Ye Jinqi is the spouse of Mr. Wang Junjin. Therefore, Mr. Wang Han and Mr. Wang Junjin are deemed to be interested in 808,441,233 A shares held directly by Juneyao Airlines; and Ms. Ye Jinqi is deemed to be interested in 808,441,233 A shares held indirectly by Mr. Wang Junjin.
5. Juneyao Airlines directly held 12,000,000 H shares; and Juneyao Hong Kong directly held 554,705,777 H shares in the capacity of beneficial owner through HKSCC. Mr. Wang Han and Mr. Wang Junjin were interested in 71.77% of shares of Juneyao Group; Juneyao Group is the controlling shareholder of Juneyao Airlines; and Juneyao Airlines owned the entire equity interests of Juneyao Hong Kong. Ms. Ye Jinqi is the spouse of Mr. Wang Junjin. Therefore, Juneyao Group, Mr. Wang Han and Mr. Wang Junjin are deemed to be interested in 12,000,000 H shares and 554,705,777 H shares held directly by Juneyao Airlines and Juneyao Hong Kong; Juneyao Airlines is deemed to be interested in 554,705,777 H shares held directly by Juneyao Hong Kong; and Ms. Ye Jinqi is deemed to be interested in 566,705,777 H shares held indirectly by Mr. Wang Junjin.

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

#### 4. Shareholdings of Directors, Supervisors and Senior Management

As at 30 June 2025, none of the Directors, chief executive, Supervisors or members of senior management of the Company and their associates had any interest or short position in the shares, underlying shares and/or debentures (as the case may be) of the Company and/or any of its associated corporations (within the meaning of Part XV of the SFO) which was required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the SFO (including any interest or short position which were taken or deemed to have under such provisions of the SFO), or recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code as set out in the Appendix C3 to the Listing Rules.

## 5. Dividends

The Board does not recommend the payment of a dividend for the half year ended 30 June 2025.

## 6. Purchase, Sale or Redemption of Securities

Pursuant to the resolution on granting the general mandate to the Board to repurchase H shares and A shares of the Company that was considered and approved by the Company at the 2024 first extraordinary general meeting, 2024 first H shareholders class meeting and 2024 first A shareholders class meeting convened on 8 November 2024, as at 30 June 2025, the Company repurchased a total of 89,553,900 A shares with a par value of RMB1.00 per share on the Shanghai Stock Exchange at a repurchase price ranging from RMB3.53 to RMB4.10 per A share for a total repurchase price of approximately RMB336,800,200 (excluding transaction fees), and a total of 83,678,000 H shares with a par value of RMB1.00 per share on the Hong Kong Stock Exchange at a repurchase price ranging from HK\$2.26 to HK\$3.03 per H share for a total repurchase price of approximately HK\$222,297,700 (excluding transaction fees). All such shares will be cancelled in accordance with laws.

Save as disclosed above, during the six months ended 30 June 2025, the Group did not purchase, sell or redeem any of its listed securities ("**securities**", having the meaning ascribed thereto under section 1 of Appendix D2 to the Listing Rules).

## 7. Material Litigation

During the six months ended 30 June 2025, the Group was not involved in any material litigation, arbitration or claim.

## 8. Corporate Governance

The Board has reviewed the relevant provisions under the Corporate Governance Code (the "**Code**") as set out in Appendix C1 to the Listing Rules and the corporate governance practices adopted by the Company, and took the view that the Company's corporate governance standards for the six months ended 30 June 2025 met the requirements of the code provisions under the Part 2 of the Code.

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

During the six months ended 30 June 2025, the Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules as the securities transactions code for the Directors. Having made specific enquiries to all the Directors, it is the Company's understanding that the Directors have complied with the requirements as set forth in the Model Code regarding Directors' securities transactions.

## 9. Audit and Risk Management Committee

The Audit and Risk Management Committee has reviewed the accounting principles and methods adopted by the Group with the management of the Group, and has discussed with the Board the internal controls and financial reporting issues, including a review of the consolidated results for the six months ended 30 June 2025 prepared in accordance with IAS 34.

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

## Management's Discussion and Analysis

### 10. Changes in Personnel

Name	Position(s) held	Change	Reason for Change	Date of Change
Liu Tiexiang	Chairman and member of the Planning, Development and Digitalization Committee of the Board	Cessation	Work arrangement	29 April 2025
	Vice president, Director, President and chairman and member of the Aviation Safety and Environment Committee of the Board	Cessation	Work adjustment	26 August 2025
Cheng Guowei	Director	Election	Elected by general meeting	12 February 2025
	Chairman and member of the Planning, Development and Digitalization Committee of the Board	Appointment	Appointed by the Board	29 April 2025
Luo Qun	Member of the Nomination and Remuneration Committee of the Board	Cessation	Work arrangement	29 April 2025
Fung Wing Yee Sabrina	Member of the Nomination and Remuneration Committee of the Board	Appointment	Appointed by the Board	29 April 2025
Jie Xiaoqing	Employee representative Director	Election	Elected by employee representatives' meeting	30 May 2025
Guo Junxiu	Chairman of the Supervisory Committee	Cessation	Abolishment of the Supervisory Committee	29 August 2025
Zhou Huaxin	Employee representative supervisor	Cessation	Abolishment of the Supervisory Committee	29 August 2025
Shao Zumin	Supervisor	Cessation	Abolishment of the Supervisory Committee	29 August 2025
He Xiaoqun	Vice president	Appointment	Appointed by the Board	17 January 2025
Li Zhiyong	Vice president	Appointment	Appointed by the Board	23 June 2025

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

Name	Name of other entities	Position(s) held	Date of appointment	Date of cessation
Cheng Guowei	CEA Holding	Director	January 2025	–
	Shanghai Pratt & Whitney Aircraft Engine Maintenance Co., Ltd.	Chairman	March 2020	July 2025
	TravelSky Technology Limited	Director	July 2023	June 2025
Lu Xiongwen	Baoshan Iron & Steel Co., Ltd.	Independent Director	May 2018	August 2025
Jie Xiaoqing	CEA Holding	Chairman of the labour union	April 2025	–
	CEA Holding	Employee representative Director	May 2025	–
Shao Zumin	Eastern Air Group Finance Co., Ltd.	Supervisor	November 2018	April 2025
	Eastern Air Group Finance Co., Ltd.	Chairman	April 2025	–
	Central Enterprises Rural Industry Investment Fund Co., Ltd.	Supervisor	August 2019	March 2025
	Shanghai Airlines Tours International (Group) Co., Ltd.	Chairman of the Supervisory Committee	May 2019	June 2025
	Eastern Air Overseas (Hong Kong) Corporation Limited	Chairman	July 2025	–
Zhou Qimin	Eastern Air Overseas (Hong Kong) Corporation Limited	Chairman	October 2020	July 2025
	China National Aviation Corporation (Hong Kong) Limited	Vice Chairman	December 2020	March 2025
	China Logistics Group Co., Ltd.	Director	September 2024	March 2025
Wan Qingchao	China Logistics Group Co., Ltd.	Director	March 2025	–
	Air France-KLM	Director	June 2025	–
He Xiaoqun	TravelSky Technology Limited	Director	June 2025	–
Li Zhiyong	CEA Holding	Party member	April 2025	–
	CEA Holding	Safety director	May 2025	–
	CEA Holding	Vice president	May 2025	–
	Shanghai Pratt & Whitney Aircraft Engine Maintenance Co., Ltd.	Chairman	July 2025	–
Li Ganbin	CEA Holding	Board secretary	January 2025	–

## Management's Discussion and Analysis

### 12. Provision of Guarantees

<i>Unit: RMB million</i>	
<b>Guarantees provided by the Company and its subsidiaries for subsidiaries</b>	
Total amount of guarantees provided for subsidiaries during the Reporting Period	–
Total amount of guarantees for subsidiaries outstanding at the end of the Reporting Period	912.49
<b>Total amount of guarantees of the Company (including those provided for subsidiaries)</b>	
Total amount of guarantees	912.49
Total amount of guarantees as a percentage of the Company's net assets (%) including:	2.37
Guarantees provided for shareholders, de facto controllers and related parties	–
Amount of debt guarantees provided directly or indirectly for companies with debt ratio of over 70%	912.49
The amount of guarantees in excess of 50% of the net assets	–
<b>Total amount of the above three guarantee items</b>	<b>912.49</b>

Note: The debt guarantees provided by the Company directly or indirectly for companies with debt ratio of over 70% as described above amounted to approximately RMB912 million and were provided by the Company to its wholly-owned SPV companies. The amount of guarantees is within the mandate limit granted at the general meeting.

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

Serial no.	Established SPV companies	Guaranteed amounts <i>(in USD million)</i>
1	東津天一(天津)飛機租賃有限公司 (Dongjin Tian One (Tianjin) Company Limited*)	11.73
2	東津天五(天津)飛機租賃有限公司 (Dongjin Tian Five (Tianjin) Company Limited*)	11.29
3	東津天八(天津)飛機租賃有限公司 (Dongjin Tian Eight (Tianjin) Company Limited*)	6.09
4	東津天九(天津)飛機租賃有限公司 (Dongjin Tian Nine (Tianjin) Company Limited*)	6.09
5	東津天十(天津)飛機租賃有限公司 (Dongjin Tian Ten (Tianjin) Company Limited*)	0.15
6	東津天十一(天津)飛機租賃有限公司 (Dongjin Tian Eleven (Tianjin) Company Limited*)	0.89
7	東津天十二(天津)飛機租賃有限公司 (Dongjin Tian Twelve (Tianjin) Company Limited*)	15.96
8	東滬天一(上海)飛機租賃有限公司 (Donghu Tian One (Shanghai) Company Limited*)	36.75
9	東滬天二(上海)飛機租賃有限公司 (Donghu Tian Two (Shanghai) Company Limited*)	0.43
10	東滬天三(上海)飛機租賃有限公司 (Donghu Tian Three (Shanghai) Company Limited*)	0.85
11	東滬天六(上海)飛機租賃有限公司 (Donghu Tian Six (Shanghai) Company Limited*)	37.25
<b>Total</b>		<b>127.47</b>

As at the end of the Reporting Period, the actual amount of guarantees provided by the Company to the above 11 SPV was USD127 million, which was approximately RMB912 million based on the exchange rate of US dollar to RMB of 7.1586. The amount of guarantees is within the mandate limit granted at the general meeting.

### 13. Future Plans for Material Investments and Capital Assets

As at 30 June 2025, the Company did not have future plans for material investments and acquisition of capital assets.

### 14. Miscellaneous

The Company wishes to highlight the following information:

- (1) On 8 November 2024, the seventh ordinary meeting of the tenth session of the Board of the Company considered and approved the Resolution in relation to the Transfer of Equity Interests in New Shanghai International Tower. On 24 June 2025, the Company entered into an equity transfer agreement with China Eastern Airlines Assets Investment Management Co., Ltd. ("**CEA Asset**"), a wholly-owned subsidiary of CEA Holding, to transfer 20% equity interests held in its shareholding subsidiary New Shanghai International Tower Co., Ltd. ("**New Shanghai International**") to CEA Asset for a transaction price of approximately RMB286,437,800. Please refer to the announcements published by the Company on the websites of the Shanghai Stock Exchange and the Hong Kong Stock Exchange on 8 November 2024 and 24 June 2025.
- (2) The Company held the 4th regular meeting of the Board of Directors in 2024, the first extraordinary general meeting in 2024, the first A share class meeting in 2024 and the first H share class meeting in 2024 on 30 August 2024 and 8 November 2024, respectively, at which the Resolution on the Plan of Repurchase of Shares through Centralised Price Bidding was considered and approved. The Company was permitted to repurchase its A shares and H shares through centralised price bidding. The consideration for the contemplated repurchase of A shares is not less than RMB250 million (inclusive) and not more than RMB500 million (exclusive), while that for the contemplated repurchase of H shares is not less than RMB250 million (inclusive) and not more than RMB500 million (exclusive), which will be ultimately translated to Hong Kong Dollars at the prevailing exchange rate. The implementation period of share repurchase commenced on 8 November 2024 and will end on 7 November 2025. As of 31 July 2025, the Company had cumulatively bought back 203,559,900 shares, accounting for 0.9132% of the total number of shares of the Company. Among which, 89,553,900 A shares were repurchased by the Company cumulatively in a total transaction amount of approximately RMB336,800,200; 114,006,000 H shares were repurchased by the Company cumulatively in a total transaction amount of approximately HK\$311,346,700. For details, please refer to the Repurchase Report on the Repurchase of Shares through Centralised Price Bidding published on 18 December 2024 and the Announcement on the Progress of Share Repurchase published on 4 August 2025 by the Company.

## Management's Discussion and Analysis

- (3) The estimated transaction caps for the continuing connected transactions, which were considered and approved by the Board and at the general meetings of the Company, and their actual amounts incurred up to 30 June 2025, are set out as follows:

Transactions	Unit: million Currency: RMB	
	Actual amount incurred in the first half of 2025	2025 continuing connected transaction caps
Maximum balance of deposits per day	7,537	17,000
Maximum balance of comprehensive credit line per day	1,600	17,000
Total amounts of the service fees of other financial services	6	60
Total amount for leasing of aircraft and engines – amount paid <sup>1</sup>	6,429	USD4,600 million or equivalent RMB
Total value of right-of-use assets of leasing of aircraft and engines <sup>2</sup>	6,678	USD3,650 million or equivalent RMB
Catering-related services and on-board supplies support services – amount paid	1,586	4,840
Businesses related to catering support services – as a lessor – annual rent of properties and catering support services – amount received	35	360
Businesses related to catering support services – as a lessee – annual rent of properties – amount paid	2	8
Businesses related to catering support services – as a lessee – total value of right-of-use assets of properties leasing	32	150
Aviation ancillary services – amount paid	230	2,000
Aviation ancillary services – total value of right-of-use assets <sup>3</sup>	350	1,550
Import and export services – amount paid	–	1,000
Properties leasing and construction and management agency services – as a lessor – annual rent of properties leasing – amount received	3	8
Properties leasing and construction and management agency services – as a lessee – annual rent of properties leasing and fees for construction and management agency services – amount paid	126	370
Properties leasing and construction and management agency services – as a lessee – total value of right-of-use assets of properties leasing <sup>4</sup>	115	630
Advertising agency services – amount paid	–	90
Freight logistics business support services – amount received	267	780
Cargo terminal business support services – amount paid	296	920
Transportation service fees of exclusive operation service for passenger aircraft cargo business – amount received	2,577	8,800
Aviation internet services – amount paid	43	140
Aviation information technology services – amount paid	695	1,050
AIR FRANCE-KLM aviation transportation cooperation and support services – amount paid	43	470
AIR FRANCE-KLM aviation transportation cooperation and support services – amount received	17	240

Notes:

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