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

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

(Stock code: 00670)

CONNECTED TRANSACTION

DISPOSAL OF THE PROPERTIES BY A SUBSIDIARY

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On 19 November 2025, the twelfth meeting of the Board of the Company in 2025 considered and approved the Resolution in relation to the Disposal of the Properties at the Shanghai Airlines Hongqiao Base on Suining Road, pursuant to which, the Board unanimously agreed that Shanghai Airlines would transfer the Shanghai Airlines Hongqiao Base held by it to China Cargo Airlines. The consideration of the transfer shall be determined with reference to appraised value filed with the relevant authorities.

On 5 January 2026, Shanghai Airlines, a wholly-owned subsidiary of the Company, entered into the Real Estate Sale and Purchase Agreement with China Cargo Airlines, pursuant to which, Shanghai Airlines agreed to transfer the Shanghai Airlines Hongqiao Base held by it to China Cargo Airlines at a consideration of RMB137,601,800.

IMPLICATIONS UNDER THE HONG KONG LISTING RULES

As at the date of this announcement, Shanghai Airlines is a wholly-owned subsidiary of the Company, while China Cargo Airlines is a controlling subsidiary of Eastern Logistics, and CEA Holding is the controlling shareholder of Eastern Logistics and the Company, holding 54.7574% equity interests in the Company. Therefore, China Cargo Airlines is a connected person of the Company within the meanings of the Hong Kong Listing Rules. The transaction contemplated under the Real Estate Sale and Purchase Agreement constitutes a connected transaction under Chapter 14A of the Hong Kong Listing Rules.

As the highest applicable percentage ratio of the transaction contemplated under the Real Estate Sale and Purchase Agreement exceeds 0.1% but is less than 5%, the transaction contemplated under the Real Estate Sale and Purchase Agreement is subject to the reporting, announcement and annual review requirements but is exempted from the Independent Shareholders' approval requirement under the Hong Kong Listing Rules.

A. BACKGROUND

On 19 November 2025, the twelfth meeting of the Board of the Company in 2025 considered and approved the Resolution in relation to the Disposal of the Properties at the Shanghai Airlines Hongqiao Base on Suining Road, pursuant to which, the Board unanimously agreed that Shanghai Airlines would transfer the Shanghai Airlines Hongqiao Base held by it to China Cargo Airlines. The consideration of the transfer shall be determined with reference to appraised value filed with the relevant authorities.

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B. THE REAL ESTATE SALE AND PURCHASE AGREEMENT

On 5 January 2026, Shanghai Airlines entered into the Real Estate Sale and Purchase Agreement with China Cargo Airlines. The principal terms of the Real Estate Sale and Purchase Agreement are set out as follows:

Date: 5 January 2026

Parties: (1) China Cargo Airlines, as the transferee; and
(2) Shanghai Airlines, as the transferor

Subject matter: The land use right of the Shanghai Airlines Hongqiao Base located on Suining Road, Changning District, Shanghai, together with its above-ground buildings, structures and ancillary facilities and equipment. The specific details of the land and property are as follows:

Holder of the State-owned Land Use Rights: Shanghai Airlines

Location: No. 2550 Hongqiao Road, Changning District, Shanghai
(Street address: No. 23 Suining Road)

Registered Gross Floor Area: 23,182.84 square meters (Registered land area: 32,828 square meters)

There are no mortgages, pledges or any other restrictions on the transfer of the Subject of the Transaction, no litigation, arbitration or judicial measures such as seizure or freezing, and there are no other circumstances that would impede the transfer of ownership.

The assets involved in the Transaction are in normal use and maintenance condition, and depreciation has been accrued for all fixed assets in accordance with accounting standards.

Consideration and basis of determination:	The consideration under the Real Estate Sale and Purchase Agreement is RMB137,601,800, which is determined by parties based on the assets valuation report (the “ Assets Valuation Report ”) prepared by Shanghai Orient Appraisal Co., Ltd.* (上海東洲資產評估有限公司) (the “ Valuer ”), an independent qualified valuer, using the income approach with an valuation benchmark date (“ Valuation Benchmark Date ”) of 30 June 2025, wherein the appraised value is RMB137,601,800. The consideration of the Transaction after arm’s length negotiation is RMB137,601,800.
Payment method and term:	The consideration of the Transaction shall be paid in cash. China Cargo Airlines shall pay the entire consideration of transfer in a lump sum to the bank account designated by Shanghai Airlines within 10 business days from the effective date of the Real Estate Sale and Purchase Agreement and upon receipt of the relevant invoice.
Delivery or transfer schedule:	Both parties confirm that they shall jointly apply to the Real Estate Trading Center for the transfer registration procedures within 60 business days from the effective date of the Real Estate Sale and Purchase Agreement. The date of transfer of the real estate rights shall be subject to the date on which the Real Estate Trading Center issues the new Real Estate Right Certificate.
Conditions for effectiveness of the agreement:	The Real Estate Sale and Purchase Agreement shall become effective upon execution by the legal representatives or authorized representatives of both parties and affixation of the contract seal or company seal, and shall remain in force until the completion of the transfer registration procedures by both parties.

Liabilities of default: If the transferee fails to make payment within the period stipulated in the Real Estate Sale and Purchase Agreement, for each day of delay, the transferee shall pay the transferor a late-payment penalty equal to 1% of the outstanding amount, and the Real Estate Sale and Purchase Agreement shall continue to be performed. If the transferor fails to hand over the property within the period stipulated in the Real Estate Sale and Purchase Agreement or complete the property transfer registration as stipulated in the Real Estate Sale and Purchase Agreement, for each day of delay, the transferor shall pay the transferee a late-payment penalty equal to 1% of the amount received and the Real Estate Sale and Purchase Agreement shall continue to be performed.

The transferor undertakes that, prior to the inspection and hand-over of the Premises, should any of the decorative finishes or ancillary fittings listed in the annex to the Real Estate Sale and Purchase Agreement be damaged or removed, it shall, within a reasonable period, repair or replace the same; where repair or replacement is not possible, it shall pay the Transferee a penalty equal to 3% of the replacement cost of the relevant item.

C. REASONABLENESS OF VALUATION AND PRICING

Valuation method adopted by the Valuer and the reasons for its selection

The Subject is an industrial property, and with rental cases of similar properties in the vicinity, it is suitable for the application of the income approach. Therefore, the income approach is adopted for the valuation of the Subject.

Valuation assumptions

The valuation assumptions made by the Valuer are as follows:

I. Basic Assumptions

- (i) **Transaction assumption:** It is assumed that all the assets to be evaluated are already in the process of transaction. The Valuer evaluates based on a simulated market such as transaction conditions and other market factors of the assets to be evaluated. The transaction assumption is the most fundamental premise that enables the asset valuation to proceed.

- (ii) **Open market assumption:** The open market assumption is an assumption about the conditions under which an asset is intended to enter the market and the impacts that the asset will receive under such market conditions. An open market refers to fully developed and complete market conditions. It is a competitive market with voluntary buyers and sellers, where buyers and sellers have equal status and both have the opportunity and time to obtain sufficient market information. Transactions between buyers and sellers are conducted under voluntary, rational, non-mandatory or unrestricted conditions. The open market assumption is based on the assumption that assets are publicly tradable in the market.
- (iii) **Assumption of the use of assets for their existing purpose:** The assumption of the use of assets for their existing purpose refers to the assumption that the assets will continue to be used for their existing purpose. Firstly, it is assumed that the assets within the scope of valuation are in use. Secondly, the assets will continue to be used in the manner and for the purpose which they are currently being used, without regard to conversion of assets to other uses or conditions of optimal utilization.
- (iv) **Assumption of in-situ use:** The assumption of in-situ use refers to the assumption that an asset will remain in continuous use at its original location or installation site.

II. General Assumptions

- (i) This valuation assumes that after the Valuation Benchmark Date, there will be no unforeseen major adverse changes in external economic conditions, such as the current national laws, macroeconomic conditions, financial environment or industrial policies, and that no other force majeure or unforeseeable factors will cause significant impact.
- (ii) This valuation does not take into account the potential impact on the valuation conclusion arising from any future mortgages, guarantees, or other obligations that may be undertaken by the property owner and its assets, nor the additional consideration that may be paid due to special transaction arrangements.
- (iii) It is assumed that no significant changes occur in the socioeconomic environment of the property owner's location, as well as the applicable tax policies, tax burdens, and tax rates, remain as currently implemented, while financial policies including credit policies, interest rates, and exchange rates remain fundamentally stable.

Valuation Parameters

The calculation formula and main valuation parameters selected for this valuation include:

P=The sum of the present values of income derived from the future income period

$$= \sum_{i=1}^n \frac{F_i}{(1+r)^i}$$

Where,

P-Appraisal results (discounted value)

r-The discount rate selected

n-Income period

F_i-The forecasted annual income for the future income period.

Pricing Reasonableness Analysis

The transaction price of the subject assets is determined based on the appraised value. The book value lower than the appraised value is mainly due to the fact that the land was acquired by the Company at an early date. The increase in real estate market prices as of the Valuation Benchmark Date also contributed to the valuation appreciation. Therefore, the appraised value used for pricing is fair and reasonable.

D. FINANCIAL IMPACT AND USE OF PROCEEDS

Upon the transfer of the Shanghai Airlines Hongqiao Base, the expected gain of the Company is approximately RMB43.50 million. The aforementioned financial impact is for illustrative purposes only, and the actual gain recognised in the financial statements of the Company shall be subject to, among other things, the actual costs and expenses related to the disposal, the net book value of the subject assets as at the date of completion of the disposal and the consolidated financial statements of the Company audited by the auditors of the Company.

The Company intends to use the proceeds from the Transaction for its daily operations.

E. REASONS FOR AND BENEFITS OF THE EQUITY TRANSFER

The transaction will facilitate the optimization of assets and liabilities structure of Shanghai Airlines and the recovery of funds to support the development of its main business.

Based on the above, the Directors (including the independent non-executive Directors) are of the view that the transaction is carried out upon arm's length negotiations between both parties, conducted on normal commercial terms, entered into in the ordinary course of business of the Company, being fair and reasonable and in the interests of the Company and the Shareholders as a whole.

F. IMPLICATIONS UNDER THE HONG KONG LISTING RULES

As at the date of this announcement, Shanghai Airlines is a wholly-owned subsidiary of the Company, while China Cargo Airlines is a controlling subsidiary of Eastern Logistics, and CEA Holding is the controlling shareholder of Eastern Logistics and the Company, holding 54.7574% equity interests in the Company. Therefore, China Cargo Airlines is a connected person of the Company within the meanings of the Hong Kong Listing Rules. The transaction contemplated under the Real Estate Sale and Purchase Agreement constitutes a connected transaction under Chapter 14A of the Hong Kong Listing Rules.

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Certain Directors (namely Mr. Wang Zhiqing, Mr. Cheng Guowei and Mr. Jie Xiaoqing) are the directors of CEA Holding, which may be deemed to have material interests in the connected transaction. Therefore, they have abstained from voting at the Board meeting convened for approving the Equity Transfer. Save for those disclosed above, no Director has any material interests in the Equity Transfer.

G. GENERAL INFORMATION

Information in relation to the Group

The Group is principally engaged in the operation of civil aviation passenger transport and related businesses.

Information in relation to CEA Holding

CEA Holding is principally engaged in the operation of all the state-owned assets and equity interests invested and formed by the state in CEA Holding and its invested entities.

As at the date of this announcement, the controlling shareholder and the actual controller of CEA Holding is SASAC, and CEA Holding is owned by the following parties:

- (i) as to 68.42% by SASAC;
- (ii) as to 11.21% by China Life Investment Insurance Asset Management Company Limited (國壽投資保險資產管理有限公司), which is directly wholly-owned by China Life Insurance (Group) Company (中國人壽保險(集團)公司) and is ultimately wholly-owned by the State Council of the PRC;
- (iii) as to 10.19% by Shanghai Jiushi (Group) Co., Ltd. (上海久事(集團)有限公司), which is directly wholly-owned by Shanghai SASAC;

- (iv) as to 5.09% by China Reform Asset Management Co., Ltd. (中國國新資產管理有限公司), which is directly wholly-owned by China Reform Holdings Corporation Ltd. (中國國新控股有限責任公司) and is ultimately wholly-owned by the SASAC; and
- (v) as to 5.09% by China Tourism Group Co., Ltd. (中國旅遊集團有限公司), which is directly wholly-owned by SASAC.

Information in relation to Shanghai Airlines

Shanghai Airlines is principally engaged in the operation of civil aviation passenger transport and related businesses.

Information in relation to Shanghai Airlines Hongqiao Base

The Shanghai Airlines Hongqiao Base under the Real Estate Sale and Purchase Agreement refers to the land use right of the Shanghai Airlines Hongqiao Base located on Suining Road, Changning District, Shanghai, together with its above-ground buildings, structures and ancillary facilities and equipment. According to the Assets valuation report, as at the Valuation Benchmark Date, the book value and appraised value of the assets of the Shanghai Airlines Hongqiao Base are RMB50,976,900 and RMB137,601,800, respectively.

Given that Shanghai Airlines has not maintained separate accounting for Shanghai Airlines Hongqiao Base, the assets of Shanghai Airlines Hongqiao do not have a corresponding net profit (before or after deducting taxes and non-recurring items) for the financial year ended 31 December 2024 and 2025.

Information in relation to Eastern Logistics

Eastern Logistics is a joint stock company listed on the main board of the Shanghai Stock Exchange, principally engaged in aviation logistics businesses.

Information in relation to China Cargo Airlines

China Cargo Airlines is principally engaged in international (regional) and domestic air cargo transportation services.

H. DEFINITIONS

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

“associate(s)”	has the meaning ascribed to it under the Hong Kong Listing Rules
“Board”	means the board of Directors of the Company
“CEA Holding”	means 中國東方航空集團有限公司(China Eastern Air Holding Company Limited), the controlling Shareholder of the Company
“China Cargo Airlines”	means 中國貨運航空有限公司(China Cargo Airlines Co., Limited), a controlling subsidiary of Eastern Logistics
“Company”	means 中國東方航空股份有限公司(China Eastern Airlines Corporation Limited), a joint stock limited company incorporated in the PRC with limited liability, whose H shares and A shares are listed on the Stock Exchange and the Shanghai Stock Exchange, respectively
“connected person(s)”	has the meaning ascribed to it under the Hong Kong Listing Rules
“Director(s)”	means the director(s) of the Company
“Eastern Logistics”	means 東方航空物流股份有限公司(Eastern Air Logistics Co., Ltd.), a listed company controlled by CEA Holding and its shares are listed on the Shanghai Stock Exchange (stock code: 601156.SH)
“Group”	means the Company and its subsidiaries
“Hong Kong”	means the Hong Kong Special Administrative Region of the PRC
“Hong Kong Listing Rules”	means the Rules Governing the Listing of Securities on the Stock Exchange
“Independent Shareholders”	means the Shareholders, excluding CEA Holding and its associate(s)
“PRC”	means the People’s Republic of China
“Real Estate Sale and Purchase Agreement”	means the Shanghai Real Estate Sale and Purchase Agreement dated 5 January 2026 entered into between Shanghai Airlines and China Cargo Airlines, pursuant to which Shanghai Airlines transferred the Shanghai Airlines Hongqiao Base held by it to China Cargo Airlines at a consideration of RMB137,601,800

“RMB”	means Renminbi, the lawful currency of the PRC
“SASAC”	means the State-owned Assets Supervision and Administration Commission
“Shanghai Airlines”	means 上海航空有限公司(Shanghai Airlines Co., Limited), a wholly-owned subsidiary of the Company
“Subject” or “Shanghai Airlines Hongqiao Base”	means the land use right of the Hongqiao base of Shanghai Airlines located on Suining Road, Changning District, Shanghai, together with its above-ground buildings, structures and ancillary facilities and equipment
“Shareholder(s)”	means the shareholder(s) of the Company
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited
“Transaction”	means the transfer by Shanghai Airlines of its holdings in the Shanghai Airlines Hongqiao Base to China Cargo Airlines
“%”	means per cent.

By order of the Board
CHINA EASTERN AIRLINES CORPORATION LIMITED
Li Ganbin
Joint Company Secretary
Shanghai, the People’s Republic of China
5 January 2026

As at the date of this announcement, the directors of the Company include Wang Zhiqing (Chairman), Gao Fei (Vice Chairman, President), 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) and Jie Xiaoqing (Employee Representative Director).