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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 PROPERTY ASSETS BY A SUBSIDIARY**

### **DISPOSAL OF PROPERTY ASSETS BY A SUBSIDIARY**

On 2 December 2025, the thirteenth ordinary meeting of the tenth session of the Board of the Company reviewed and approved the Resolution in relation to the Disposal of Property Owned by Shanghai Airlines in the Catic Building. The Board unanimously agreed that Shanghai Airlines would dispose of the Shanghai Airlines property and ancillary equipment assets it held in the Catic Building to Eastern Air Property, with the transfer price not being lower than the evaluated and filed price.

On 19 January 2026, Shanghai Airlines, the wholly-owned subsidiary the Company, entered into the Contract with Eastern Air Property, pursuant to which, Shanghai Airlines transferred its Shanghai Airlines property and ancillary equipment assets it held in the Catic Building to Eastern Air Property at a transaction price of approximately RMB134.29 million.

### **IMPLICATIONS UNDER THE HONG KONG LISTING RULES**

As at the date of this announcement, Shanghai Airlines is a wholly-owned subsidiary of the Company, Eastern Air Property is a wholly-owned subsidiary of the CEA Asset and CEA Holding is the controlling Shareholder of CEA Asset and the Company, holding 54.7574% equity interests in the Company. Therefore, Eastern Air Property is a connected person of the Company within the meanings of the Hong Kong Listing Rules. The transaction contemplated under the Contract 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 Contract exceeds 0.1% but is less than 5%, the transaction contemplated under the Contract 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 2 December 2025, the thirteenth ordinary meeting of the tenth session of the Board of the Company reviewed and approved the Resolution in relation to the Disposal of Property Owned by Shanghai Airlines in the Catic Building. The Board unanimously agreed that Shanghai Airlines would dispose of the Shanghai Airlines property and ancillary equipment assets it held in the Catic Building to Eastern Air Property, with the transfer price not being lower than the evaluated and filed price.

On 19 January 2026, Shanghai Airlines, the wholly-owned subsidiary the Company, entered into the Contract with Eastern Air Property, pursuant to which, Shanghai Airlines transferred its Shanghai Airlines property and ancillary equipment assets it held in the Catic Building to Eastern Air Property at a transaction price of approximately RMB134.29 million.

## B. THE CONTRACT

On 19 January 2026, Shanghai Airlines entered into the Contract with Eastern Air Property. The principal terms of the Contract are set out as follows:

**Date:** 19 January 2026

**Parties:** (1) Eastern Air Property, as the transferee; and  
(2) Shanghai Airlines, as the transferor

**Consideration and basis of determination:** The transfer consideration under the Contract is approximately RMB134.29 million, which is determined by parties based on the assets valuation report (the “**Assets Valuation Report**”), prepared by Guo Zhong Lian Asset Valuation Land and Real Estate Appraisal Co., Ltd.\* (國眾聯資產評估土地房地產估價有限公司), an independent and qualified valuer (the “**Valuer**”) through the market approach with a valuation benchmark date of 31 May 2025. The appraised value was approximately RMB134,000,000. As negotiated by parties on an arm’s length basis, the transaction consideration was RMB134.29 million.

**Payment method and term:** The transferee shall remit the full amount of the transfer consideration into the bank account opened by the transferor within 10 working days after the Contract takes effect.

**Delivery or transfer schedule:**

Eastern Air Property shall, within 30 working days after the execution of the Contract, complete the ownership transfer registration procedures for the Subject Asset with the registration authority in accordance with relevant national regulations. Shanghai Airlines shall provide necessary assistance and cooperation. Shanghai Airlines shall, within 10 working days from the effective date of the Contract, transfer the Subject Asset and corresponding information to Eastern Air Property.

**Conditions for effectiveness of the agreement:**

The Contract shall take effect from the date when both parties affix their official seals and their legal representatives or authorized representatives sign or affix their seals.

**Liabilities of default:**

If either party proposes to terminate the Contract without cause or fails to deliver the Subject Asset as stipulated in the Contract, it shall pay a one-time penalty equivalent to 3% of the transfer consideration under the Contract to the other party. If losses are incurred as a result, the breaching party shall also bear corresponding liability for compensation; if one party fails to deliver the Subject Asset as stipulated in the Contract, the other party shall have the right to terminate the Contract. If any material undisclosed or omitted matters concerning the Subject Asset may cause significant adverse effects on the Subject Asset or may affect the transfer price, Eastern Air Property shall have the right to terminate the Contract. If Eastern Air Property does not terminate the Contract, it shall have the right to require Shanghai Airlines to compensate for the relevant matters, with the compensation amount equivalent to the losses that Eastern Air Property may incur due to the aforementioned undisclosed or omitted matters.

## **C. INFORMATION ON THE SUBJECT ASSET**

### **(1) Basic Information on the Subject Asset**

#### **1. *Subject Asset***

The assets to be transferred in the Transaction are the ancillary premises owned by Shanghai Airlines in the Catic Building located at Jiangning Road, Jing'an District, Shanghai. The specific details are as follows:

Owner of the premises: Shanghai Airlines  
 Location of the premises: No. 212, Jiangning Road, Jing'an District, Shanghai  
 (Ground Floor Commercial Units, 20F, 21F, 22F)  
 Total gross floor area stated: 5155.70 square meters

**2. *Statement on the ownership status of the Subject Asset***

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

**3. *Operation status of the relevant assets***

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

**(2) Key financial information of the Subject Asset**

The key financial information of the Subject Asset for the two financial years ended 31 December 2024 and the six months ended 30 June 2025 is set out as follows:

*Unit: RMB0'000*

	<b>For the six months ended June 30 2025 (Unaudited)</b>	<b>For the year ended 31 December</b>	
		<i>2024 (Audited)</i>	<i>2023 (Audited)</i>
Net profit/(loss) before tax and extraordinary items	20,601.72	(19,920.96)	(204,536.79)
Net profit/(loss) after tax and extraordinary items	12,859.53	(36,422.00)	(213,925.01)

Based on the unaudited financial information of the Subject Asset, the net book value of the Subject Asset as at 30 June 2025 was approximately RMB82.8699 million.

**D. REASONABLENESS OF VALUATION AND PRICING**

**Valuation Method Adopted by the Valuer and Reasons for Its Selection**

The cases selected under the market approach demonstrate strong relevance and comparability with the subject of valuation. Their prices are readily comprehensible to all parties involved in the transaction. It is the most direct and persuasive valuation method, and its valuation results are relatively close to market prices. Therefore, the market approach is adopted as the valuation conclusion for the Transaction.

**Valuation Assumptions**

The assumptions made by the valuer are as follows:

### ***I. Basic assumptions***

- (i) **Open market assumption:** The open market assumption is a hypothetical explanation or limitation about the conditions of the market in which the asset is intended to enter and the impact that the asset will receive under such market conditions. The open market refers to fully developed and perfect market conditions, and refers to a competitive market with willing buyers and sellers. In this market, buyers and sellers have equal status and have the opportunity and time to obtain sufficient market information, and transactions between buyers and sellers are conducted under voluntary, sensible, non-mandatory or unrestricted conditions;
- (ii) **Continuing use assumption:** Continuing use assumption first assumes that the appraised assets (including assets currently being employed and reserved assets) are being used and, based on the relevant data and information, will continue to be employed. Continuing use assumption describes the market conditions or environment for the appraised entity and particularly describes the entity's status of continuance. Specifically, it includes continuing to be used as the existing usage; continuing to be used with a change of usage; continuing to be used at a different location or space. Continuing to be used as existing usage refers to the case when the appraised asset will continue to be used according to the existing usage purpose and manner after change in the property rights or related business. Continuing to be used with a change of usage refers to the case when the appraised asset will continue to be used with a change of the existing usage purpose being replaced by a new usage purpose after change in property rights or related business. Continuing to be used at a different location or space refers to the case when the appraised asset in use will continue to be used with a change of location or space and continue to be used at another location or space after change in property rights or related business. We assume continuing to be used as the existing usage is applied for the use of assets in this valuation;
- (iii) **Transactional assumption:** Transactional assumption is to assume that all the appraised assets are already in the course of transaction and the valuer carries out the valuation based on a simulated market with reference to the conditions of the trade of the appraised assets. The transactional assumption is one of the most fundamental assumptions for the performance of asset valuation.

### ***II. General assumptions***

- (i) It is assumed that subsequent to the valuation benchmark date, there are no significant changes in the relevant prevailing laws, regulations and policies of the country, no significant changes in the macro-economic conditions of the country and no significant changes in the political, economic and social environment in the regions where the parties to the Transaction are located;
- (ii) Changes in the current bank credit rates and foreign exchange rates in the country will remain within a reasonable range;

- (iii) Apart from changes already known to the public, there will be no other significant changes to the current tax system in the country;
- (iv) The parameters used in this valuation calculation do not take into account inflation factors, and all prices are constant prices;
- (v) It is assumed that no other force majeure or unforeseeable factors will have any material adverse impact on the entity being appraised.

### ***III. Special assumptions***

- (i) In terms of the legal description or legal issues of the appraised assets (including their ownership or encumbrance limitations) in the valuation report, the Company has performed general investigation according to relevant standards. Apart from those disclosed in the work report, the ownership of the appraised assets is assumed to be in good condition and tradable in the market, not subject to any lien and easement, have not been violated and bearing no other encumbrances;
- (ii) In terms of the information provided by the principal and other parties which all or part of the assessment conclusion set out in the valuation report relied upon, the Company has only conducted independent review pursuant to the valuation procedures. The Company makes no representation as to the authenticity and accuracy of such information;
- (iii) The valuations are made based on the purchasing power of local currency on the valuation benchmark date;
- (iv) It is assumed that the subject of valuation is not real estate prohibited from transfer by administrative regulations;
- (v) It is assumed that all improvements made by the property owner to all relevant assets comply with all relevant legal provisions and regulations of relevant superior authorities in other legal, planning, or engineering aspects;
- (vi) The estimations in the valuation report are made under the premise that all important and potential factors that may affect the value analysis have been fully disclosed between us and the principal and the property owner.

The results of the valuation are valid only under the condition that the above valuation assumptions are satisfied. If the valuation assumptions followed in the valuation change, the valuation results will generally become invalid.

### **Valuation Parameters**

The primary valuation parameters selected for the valuation include:  $P = P' \times A \times B \times C \times D \times E$

Where:

P' – Price of comparable transaction instance;

A – Transaction circumstances adjustment;

- B – Transaction date adjustment;
- C – Location adjustment;
- D – Physical characteristics adjustment;
- E – Interest adjustment coefficient.

### **Analysis of Pricing Rationality**

The transaction price for the Subject Asset is determined based on its appraised value. The main reason for the book value being lower than the appraised value is the early acquisition date of the property by the enterprise, and the increase in market transaction prices for real estate as at the valuation benchmark date has led to an appreciation in the valuation. The pricing based on the appraised value is fair and reasonable. The pricing for the Transaction was determined through mutual agreement among all parties involved, ensuring its reasonableness and fairness. There is no situation that harms the interests of the Company and its shareholders, particularly minority shareholders.

### **FINANCIAL IMPACT AND USE OF PROCEEDS**

Upon the transfer of the Subject Asset, the expected gain of the Company is approximately RMB42,500,000 (calculated based on the difference between the book value as determined by the valuation as of 31 May 2025 and the actual proceeds received (after income tax)). The aforementioned financial impact is for illustrative purposes only, and the actual gain recognized 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 Asset 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 transfer for its daily operations.

### **E. REASONS FOR AND BENEFITS OF THE EQUITY TRANSFER**

The transaction will help optimize Shanghai Airlines' asset and liability's structure and further concentrate resources on its core aviation 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, Eastern Air Property is a controlling subsidiary of the CEA Asset and CEA Holding is the controlling Shareholder of CEA Asset and the Company, holding 54.7574% equity interests in the Company. Therefore, Eastern Air Property is a connected person of the Company within the meanings of the Hong Kong Listing Rules. The transaction contemplated under the Contract 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 Contract exceeds 0.1% but is less than 5%, the transaction contemplated under the Contract 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.

Certain Directors (namely Mr. Wang Zhiqing, Mr. Gao Fei, 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 ultimately wholly-owned by the State Council of China;

- (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 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 CEA Asset**

CEA Asset is principally engaged in the consulting services for industrial investment and related businesses, real estate investment development and operation, self-owned house leasing and property management.

### **Information in relation to Eastern Air Property**

Eastern Air Property is principally engaged in real estate development and operation, and property management businesses.

## **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  |
| “Contract”     | means the physical asset transaction contract dated 19 January 2026 entered into between Shanghai Airlines and Eastern Air Property, pursuant to which Shanghai Airlines transferred the Shanghai Hongqiao base owned by it to Eastern Air Property at a transaction price of approximately RMB134.29 million |
| “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   |

“CEA Asset”	means 東航資產投資管理有限公司(China Eastern Airlines Assets Investment Management Co., Ltd.), a wholly-owned subsidiary of CEA Holding
“Eastern Air Property”	means 上海東航置業有限公司(Shanghai Eastern Air Property Co., Ltd.), a wholly-owned subsidiary of CEA Asset
“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
“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
“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 Asset”	means certain property and ancillary equipment assets owned by Shanghai Airlines in the Catic Building located at No. 212, Jiangning Road, Jing’an District, Shanghai

“Transaction”	means the transfer by Shanghai Airlines of the Shanghai Hongqiao base held by it to Eastern Air Property
“Shareholder(s)”	means the shareholder(s) of the Company
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited
“%”	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  
19 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).*