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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or the appropriate course of action, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other appropriate independent advisers.

**If you have sold or transferred** all your shares in **China Eastern Airlines Corporation Limited**, you should at once hand this circular to the purchaser or the transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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)**

**MAJOR TRANSACTION  
IN RELATION TO AIRCRAFT PURCHASE**

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## DEFINITIONS

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

“Aircraft”	means 100 new C919 series aircraft
“Aircraft Purchase”	means the purchase of Aircraft pursuant to the Aircraft Purchase Agreement
“Aircraft Purchase Agreement”	means the C919 aircraft purchase agreement dated 28 September 2023, which was entered into between the Company and COMAC regarding the Aircraft Purchase
“Announcement”	means the announcement of the Company dated 28 September 2023 in relation to the Aircraft Purchase
“associate(s)”	has the meaning ascribed to it under the 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
“COMAC”	means 中國商用飛機有限責任公司 (Commercial Aircraft Corporation of China, Ltd.), a company incorporated in the PRC with limited liability
“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 Listing Rules
“Consideration”	means the actual value of the consideration payable by the Company to COMAC for purchasing the Aircraft pursuant to Aircraft Purchase Agreement (taking into account the price concessions)
“controlling Shareholder”	has the meaning ascribed to it under the 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 People’s Republic of China

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## DEFINITIONS

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“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
“Latest Practicable Date”	means 20 November 2023, being the latest practicable date of ascertaining certain information included herein before the printing of this circular
“Listing Rules”	means the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	means the People’s Republic of China
“RMB”	means Renminbi, the lawful currency of the PRC
“SASAC”	means State-owned Assets Supervision and Administration Commission
“SFO”	means the Securities and Futures Ordinance (Chapter 571 of the Law of Hong Kong)
“Shareholder(s)”	means the shareholder(s) of the Company
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited
“USD”	means United States dollar, the lawful currency of the United States of America
“%”	means per cent.

*For the purpose of illustration only, conversion of USD into RMB in this circular is based on the exchange rate of USD1.00 to RMB7.1798. Such conversion should not be construed as a representation that any amount in RMB or USD has been, could have been, or may be, exchanged at this or any other rate.*

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LETTER FROM THE BOARD

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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)**

**Directors:**

Wang Zhiqing (*Chairman*)  
Li Yangmin (*Vice Chairman, President*)  
Tang Bing (*Director*)  
Lin Wanli (*Director*)

**Legal address:**

66 Airport Street  
Pudong International Airport  
Shanghai  
PRC

Cai Hongping (*Independent non-executive Director*)

Dong Xuebo (*Independent non-executive Director*)

Sun Zheng (*Independent non-executive Director*)

Lu Xiongwen (*Independent non-executive Director*)

Jiang Jiang (*Employee Representative Director*)

**Head office:**

5/F, Block A2  
Northern District, CEA Building  
36 Hongxiang 3rd Road  
Minhang District  
Shanghai  
PRC

**Principal place of business in Hong Kong:**

Unit D, 19/F.  
United Centre  
95 Queensway  
Hong Kong

**Hong Kong share registrar and transfer office:**

Hong Kong Registrars Limited  
Rooms 1712–1716, 17th Floor  
Hopewell Centre  
183 Queen's Road East  
Wanchai  
Hong Kong

30 November 2023

*To the shareholders of the Company*

Dear Sir or Madam,

**MAJOR TRANSACTION  
IN RELATION TO AIRCRAFT PURCHASE**

**I. INTRODUCTION**

Reference is made to the Announcement of the Company dated 28 September 2023 in relation to, among other things, the Aircraft Purchase.

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## LETTER FROM THE BOARD

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On 28 September 2023, the Company entered into the Aircraft Purchase Agreement with COMAC in Shanghai, the PRC in order to purchase 100 new C919 series aircraft from COMAC. The Aircraft are scheduled for delivery in batches to the Company from 2024 to 2031 as set out in the paragraph headed “Schedule of delivery and impacts on the transportation capacity of the Company” under the section headed “AIRCRAFT PURCHASE AGREEMENT” of this circular.

### II. AIRCRAFT PURCHASE AGREEMENT

The principal terms of the Aircraft Purchase Agreement are set out as follows:

- Date:** 28 September 2023
- Counterparties:**
- (i) the Company (as the purchaser)
  - (ii) COMAC (as the seller)

To the best of the knowledge, information and belief of the Directors after having made all reasonable enquiries, COMAC and its ultimate beneficial owners are third parties independent of the Company and its connected persons, and are not connected persons of the Company.

**Subjects:** The subjects of the Aircraft Purchase are 100 new C919 series aircraft.

**Consideration:** The catalogue price of the 100 Aircraft in aggregate is approximately USD9,900 million based on the latest price catalogue provided by COMAC in July 2023. COMAC has granted to the Company substantive price concessions with regard to the Aircraft. Such price concessions were determined after arm’s length negotiations between the Company and COMAC and as a result, the Consideration is significantly lower than the catalogue price of the Aircraft mentioned above. The Consideration is subject to the price fluctuation mechanism which was formulated to reflect the impact of inflation on the cost of production and manufacture of the Aircraft due to the long delivery cycle of the Aircraft. Therefore, the Board is of the opinion that the Consideration under the Aircraft Purchase is fair and reasonable.

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## LETTER FROM THE BOARD

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The number of the Aircraft to be purchased is determined according to the actual needs of the Company in respect of fleet structure, development strategy and route network, as well as the supply capacity of COMAC based on its commercial and production limitations. The Aircraft Purchase Agreement was negotiated and entered into in accordance with normal commercial and industrial practices. The Company confirms that the price concessions provided under the Aircraft Purchase are fair and reasonable and comparable to the price concessions provided under the previous similar transactions. The Company believes that the price concessions obtained by the Company under the Aircraft Purchase Agreement have no material impact on the Company's future operating costs taken as a whole.

According to the central exchange rate of RMB against the USD announced by People's Bank of China on the date of the Aircraft Purchase Agreement, the catalogue price of the 100 Aircraft in aggregate is equivalent to approximately RMB71,080 million, which comprises the airframe price, engine price, etc.

As the highest applicable percentage ratio calculated by reference to Rule 14.07 of the Listing Rules in respect of the Aircraft Purchase is more than 25% but less than 100%, the Aircraft Purchase constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting, announcement and shareholders' approval requirements under the Listing Rules. In respect of the Aircraft Purchase, the Company understands its disclosure obligations normally required under Chapter 14 of the Listing Rules. Nonetheless, the Company, as the purchaser, is subject to a strict confidentiality obligations under which no disclosure with respect to the actual Consideration shall be made. Any disclosure of the actual Consideration will result in a breach of the Company's confidentiality obligations and will expose the Company to material litigation risk and irreparable reputation damage, meanwhile it could result in a loss of the price concessions to be granted by COMAC and future purchases. The Company has made an application to the Stock Exchange for a waiver from strict compliance with Rule 14.58(4) and Rule 14.66(4) of the Listing Rules in respect of the disclosure of the Consideration and has obtained such waiver.

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## LETTER FROM THE BOARD

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**Terms of payment:**

The Company intends to finance the Aircraft Purchase with its self-owned funds, loans from commercial banks, and proceeds from the issuance of bonds and other financing instruments, all of which are sources of funding available to the Company. As the payment for the Consideration will be made in instalments instead of one-off payment, the Company will comprehensively evaluate the then actual circumstances based on the cash flow and debt structure of the Company, market financing cost, etc. and decide on the most suitable source of funding. As at the Latest Practicable Date, the Company has not issued any bonds for the payment of the Consideration. If the Company subsequently decides to make payments through issuance of bonds, it will make announcements in accordance with the Listing Rules. Given that the Company has a good reputation in the capital markets with AAA bond credit rating and relatively sufficient bank credit, the Company is able to obtain funds with competitive financing costs through its own funds and the making use of extensive and smooth direct and indirect financing channels to support its production, operation and future strategic development. Therefore, the Board is of the opinion that the above sources of funding for the Aircraft Purchase are fair and reasonable.

The payment of the Aircraft Purchase is paid in instalments, and is expected to have no material impacts on the cash flow and business operation of the Company.

The amount under the Aircraft Purchase shall be settled in USD and RMB. The specific method of payment is that the Company makes certain advance payment in instalments, and the Company then further settles the balance of each Aircraft on the delivery date. Such method of payment was determined by reference to and is therefore in line with the previous transactions and general industry practice. In the negotiation process, the Company minimised the amount of advance payment to the extent possible and reduced the relevant funding cost of the Company. Therefore, the Board is of the view that the specific payment arrangement above is on the normal commercial terms, fair and reasonable and in the interest of the Company and its Shareholders as a whole.

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## LETTER FROM THE BOARD

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**Schedule of delivery and  
impacts on the transportation  
capacity of the Company:**

The 100 C919 series aircraft under the Aircraft Purchase are scheduled for delivery in batches to the Company from 2024 to 2031, of which 5 Aircraft being scheduled for delivery in 2024, 10 Aircraft being scheduled for delivery each year during 2025 to 2027, 15 Aircraft being scheduled for delivery each year 2028 to 2030 and 20 Aircraft being scheduled for delivery in 2031. The Company could, subject to separate negotiation and agreement in addition to the Aircraft Purchase Agreement, adjust the specific time of introduction and aircraft model under the Aircraft Purchase based on the market condition and the transportation capacity planning of the Company in the future. The Company is not entitled to adjust the total number of the Aircraft to be acquired unless there is material force majeure or breach of contract by the seller.

**Deposit:**

Pursuant to the general industry practice, the Aircraft Purchase is subject to the term of deposit, in addition to the advance payment. The deposit is a lump sum paid upon the signing of the agreement, while the advance payment will be paid in instalments according to the specific ratios and payment schedule as agreed by the contracting parties, and the amount of advance payment can usually be offset by the deposit.

The terms of deposit and advance payment were formulated by reference to and are therefore in line with the previous transactions and general industry practice. The Company, leveraging its bargaining power, has obtained favourable arrangements under the terms of deposit and advance payment, which could reduce the Company's funding pressure. Therefore, the Board is of the view that the concurrent terms of deposit and advance payment are on the normal commercial terms, fair and reasonable and in the interest of the Company and its Shareholders as a whole.

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## LETTER FROM THE BOARD

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**Conditions precedent:**

In accordance with the Listing Rules, the articles of association of the Company and the relevant laws and regulations of the PRC, the Aircraft Purchase is subject to the following conditions precedent:

- (i) the approval of the Board; and
- (ii) the approval of the Shareholders.

Neither of the conditions precedent is waivable.

As at the Latest Practicable Date, condition precedent (i) has been fulfilled, the Board has approved the Aircraft Purchase at the 24th ordinary meeting of the ninth session of the Board on 28 September 2023. In relation to condition precedent (ii), the Company will convene a general meeting in due course for Shareholders to consider and approve the Aircraft Purchase.

### **III. REASONS FOR ENTERING INTO THE AIRCRAFT PURCHASE AGREEMENT AND BENEFITS EXPECTED TO ACCRUE TO THE COMPANY**

Since 2023, the air passenger transportation market has shown a favourable trend of steady recovery. The Aircraft Purchase is conducive to maintaining reserve for the transportation capacity of the Company in advance to better respond to future aviation market demand and industry competition. During the delivery period of the Aircraft introduced, a large number of narrow-body passenger aircraft in the inventory of the Company will be phased out from the fleet due to their age and lease expiry, etc. The Aircraft Purchase will serve as an effective capacity supplement to the existing aircraft, which is in line with the development needs of the Company's medium- and long-term fleet planning. The Aircraft Purchase is beneficial for the Company to optimise the fleet structure of narrow-body aircraft and form a large-scale operation of domestic fleet. In conjunction with the Company's network planning objectives, the Aircraft introduced will be mainly deployed in the Company's base market, important commercial and tourism trunk routes, in an effort to enhance the Company's overall yield level.

The Directors consider that the Aircraft Purchase is undertaken in accordance with normal commercial and industrial practices, and is beneficial to maintaining reserve for transportation capacity of the Company in advance, the further optimisation of fleet structure, the complementation of transportation capacity of narrow-body aircraft and the enhancement of overall competitive strength. The terms of transaction are fair and reasonable, and are in the interests of the Company's development strategies, fleet planning and all of the Shareholders as a whole.

### **IV. FINANCIAL IMPACT OF THE AIRCRAFT PURCHASE**

Part of the Consideration for the Aircraft Purchase will be funded with the Company's self-owned funds, loans from commercial banks and proceeds from the issuance of bonds. Therefore, the Aircraft Purchase may increase the Company's debt-to-equity ratio to a certain extent. As the Consideration for the Aircraft Purchase is payable by instalments, it is not expected to have substantial impact on the Company's cashflow position or its business operations.

The Aircraft Purchase is not expected to result in a material impact on the earnings, assets and liabilities of the Company.

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## LETTER FROM THE BOARD

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### V. GENERAL INFORMATION

#### Information in relation to the Company

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

#### Information in relation to COMAC

COMAC is a company incorporated in the PRC with limited liability. The principal businesses of COMAC mainly include the design, research and development, production, modification, test, sales, maintenance, servicing, technology development and consulting services, etc. of civil aircraft and related products.

As at the Latest Practicable Date, to the best of the knowledge, information and belief of the Directors after having made all reasonable enquiries, COMAC is owned by the following parties:

- (i) as to 49.80% by the SASAC of the State Council;
- (ii) as to 20.92% by Shanghai Guosheng (Group) Co., Ltd. (上海國盛(集團)有限公司), which is directly wholly-owned by Shanghai SASAC;
- (iii) as to 9.97% by Aviation Industry Corporation of China, Ltd. (中國航空工業集團有限公司), which is directly wholly-owned by the SASAC of the State Council;
- (iv) as to 4.12% by Aluminum Corporation of China (中國鋁業集團有限公司), which is directly wholly-owned by the SASAC of the State Council;
- (v) as to 4.12% by China Baowu Steel Group Corporation Limited (中國寶武鋼鐵集團有限公司), which is directly wholly-owned by the SASAC of the State Council;
- (vi) as to 4.12% by Sinochem Corporation (中國中化股份有限公司), which is owned as to 98% by Sinochem Group Co., Ltd. (中國中化集團有限公司) and 2% by Sinochem Investment Development Co., Ltd. (中化投資發展有限公司), respectively, and is ultimately wholly-owned by the State Council;
- (vii) as to 2.98% by China National Building Materials Group Corporation (中國建材集團有限公司), which is directly wholly-owned by the State Council;
- (viii) as to 2.00% by China Electronics Technology Group Corporation (中國電子科技集團有限公司), which is directly wholly-owned by the SASAC of the State Council; and
- (ix) as to 1.99% by China Reform Holdings Corporation Ltd. (中國國新控股有限責任公司), which is directly wholly-owned by the State Council.

To the best of the knowledge, information and belief of the Directors after having made all reasonable enquiries, COMAC and its ultimate beneficial owners are third parties independent of the Company and its connected persons, and are not connected persons of the Company.

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## LETTER FROM THE BOARD

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### VI. IMPLICATIONS UNDER THE LISTING RULES

As the highest applicable percentage ratio calculated by reference to Rule 14.07 of the Listing Rules in respect of the Aircraft Purchase is more than 25% but less than 100%, the Aircraft Purchase constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting, announcement and Shareholders' approval requirements under the Listing Rules.

To the extent that the Company is aware, having made all reasonable enquiries, as at the Latest Practicable Date, none of the Shareholders has any material interest in the Aircraft Purchase and hence, no Shareholder is required to abstain from voting on the relevant resolution at the general meeting to approve the Aircraft Purchase.

### VII. RECOMMENDATION

The Directors are of the opinion that the terms of the Aircraft Purchase Agreement (including the Consideration thereof) are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors would recommend the Shareholders to vote in favour of the relevant resolution at the general meeting to approve the Aircraft Purchase.

### VIII. ADDITIONAL INFORMATION

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

By order of the Board  
**CHINA EASTERN AIRLINES CORPORATION LIMITED**  
**Wang Jian**  
*Company Secretary*

### THREE-YEAR FINANCIAL INFORMATION OF THE GROUP

The Company is required to set out in this circular the information for the last three financial years with respect to the profits and losses, financial record and position, set out as a comparative table and the latest published audited balance sheet together with the notes on the annual accounts for the last financial year for the Group.

The audited consolidated financial statements of the Group for the years ended 31 December 2020, 2021 and 2022, together with the accompanying notes to the financial statements, can be found on pages 110 to 224 of the annual report of the Company for the year ended 31 December 2020, pages 119 to 232 of the annual report of the Company for the year ended 31 December 2021 and pages 113 to 220 of the annual report of the Company for the year ended 31 December 2022, respectively. Please see below the hyperlinks to the said annual reports:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0428/2023042803689.pdf>

<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0427/2022042702334.pdf>

<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0427/2021042701934.pdf>

### INDEBTEDNESS OF THE GROUP

#### Indebtedness

As at the close of business on 30 September 2023, being the latest practicable date for the purpose of this indebtedness statement, the Group had the following liabilities:

#### *Borrowings and obligations under finance leases*

	<i>Notes</i>	<b>Total</b> <i>RMB million</i>
Borrowings		
— secured bank loans	(1)	15,317
— unsecured bank loans		74,994
— guaranteed bonds		4,182
— unsecured bonds		15,745
— unsecured short-term debentures		11,056
Lease Liabilities	(2)	88,445
<b>Total</b>		<b>209,739</b>

(1) The Group's bank borrowings with an aggregate amount of approximately RMB15,317 million were secured by mortgages over certain of the Group's assets. The pledged assets included aircraft with an aggregate net carrying amount of approximately RMB19,359 million as at 30 September 2023.

(2) The Group's lease liabilities with an aggregate amount of approximately RMB58,692 million were secured by mortgages over certain of the Group's aircraft. The pledged aircraft had an aggregate net book value of approximately RMB91,065 million as at 30 September 2023.

***Contingent liabilities***

As at the close of business on 30 September 2023, the Group had no significant contingent liabilities.

Except as disclosed above and apart from intra-group liabilities at 30 September 2023, the Group did not have any debt securities issued and outstanding, or authorised or otherwise created but unissued, term loans, any other borrowings or indebtedness in the nature of borrowing of the Group including bank overdrafts and liabilities under acceptances (other than normal trade bills) or acceptance credits or hire purchase commitments, mortgages and charges, contingent liabilities or guarantees.

**WORKING CAPITAL**

Taking into account the expected completion of the Aircraft Purchase and the financial resources available to the Group, including the internally generated funds and the available banking facilities, the Directors are of the opinion that the Group has sufficient working capital for its present requirements, that is for at least the next 12 months from the date of this circular, in the absence of any unforeseeable circumstances.

**FINANCIAL AND TRADING PROSPECTS OF THE GROUP**

The current global economy is affected by multiple factors and the outlook is uncertain. IATA predicts that the global civil aviation industry will achieve a strong recovery in 2023, but the recovery will be significantly differentiated by region. The recovery in North America, Europe and the Middle East is leading, and the Asia-Pacific region with delayed recovery is expected to see a significant increase, and the gap with other regions will be narrowed. China's civil aviation industry is still under the pressure of imbalanced domestic supply and demand and the lagging recovery of international routes.

In the second half of 2023, the Group will adhere to the general tone of seeking progress while maintaining stability, focus on stabilising safety and improving efficiency, concentrate on service and brand building, promoting reform and fulfilling responsibilities.

**MATERIAL ADVERSE CHANGE**

As at the Latest Practicable Date, the Directors confirmed that there is no material adverse change in the financial or trading position of the Group since 31 December 2022, being the date to which the latest audited consolidated financial statements of the Group were made up.

**RESPONSIBILITY STATEMENT**

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

**DISCLOSURE OF INTERESTS OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVE**

The interests of the Directors, supervisors and chief executive in the issued share capital of the Company as at the Latest Practicable Date are set out as follows:

<b>Name</b>	<b>Position</b>	<b>Number of shares held</b>	<b>Capacity in which the A/H shares were held</b>
Li Yangmin	Director, Vice Chairman, President	3,960 A shares ( <i>Note 1</i> )	Beneficial owner

*Note 1: representing approximately 0.000018% of the Company's total issued shares as at the Latest Practicable Date.*

Save as disclosed above, as at the Latest Practicable Date, so far as was known to the Directors, none of the Directors, supervisors and chief executive of the Company or their respective associates had any interest or short positions in the shares of the Company, underlying shares or debentures of the Company or any associated corporations (as defined under the Part XV of the SFO) which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register maintained by the Company referred to therein, or which are required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) contained in the Listing Rules, to be notified to the Company and the Stock Exchange.

As at the Latest Practicable Date, Mr. Wang Zhiqing (Chairman), Mr. Li Yangmin (a Director, Vice Chairman and President), Mr. Tang Bing (a Director), Mr. Lin Wanli (a Director) and Mr. Jiang Jiang (an employee representative Director) are directors of CEA Holding, which is a company having an interest in the Company's shares required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 and Part XV of the SFO.

**COMPANY SECRETARY**

Mr. Wang Jian graduated from Shanghai Jiao Tong University and has a Master of Business Administration postgraduate degree from East China University of Science and Technology and an Executive Master of Business Administration degree from Tsinghua University. Mr. Wang Jian has obtained a qualification certificate for board secretaries of listed companies issued by the Shanghai Stock Exchange. Mr. Wang Jian is currently the Board secretary of the Company.

**SERVICE CONTRACTS**

As at the Latest Practicable Date, none of the Directors or supervisors of the Company, or proposed Directors or supervisors of the Company, had entered or proposed to enter into a service contract with any member of the Group which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

**COMPETING INTERESTS**

As at the Latest Practicable Date, none of the Directors or proposed Directors or any of their respective close associates (as defined in the Listing Rules) was interested in any business (apart from the Group's business) which competes or is likely to compete, either directly or indirectly, with the Group's business (as would be required to be disclosed under Rule 8.10 of the Listing Rules if each of them were a controlling Shareholder).

**LITIGATION**

As at the Latest Practicable Date, the Directors were not aware of any litigation or claim of material importance pending or threatened against any member of the Group.

**INTERESTS IN THE GROUP'S ASSETS OR CONTRACTS OR ARRANGEMENTS SIGNIFICANT TO THE GROUP**

As at the Latest Practicable Date, none of the Directors or supervisors of the Company had any direct or indirect interest in any assets which have been, since 31 December 2022 (being the date to which the latest published audited accounts of the Group were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

As at the Latest Practicable Date, none of the Directors or supervisors of the Company was materially interested in any contract or arrangement, subsisting at the date of this circular, which is significant in relation to the business of the Group.

**MATERIAL CONTRACTS**

1. the Aircraft Purchase Agreement;
2. the aircraft purchase agreement entered into between the Company and Airbus S.A.S. on 1 July 2022, pursuant to which, the Company has agreed to purchase and Airbus S.A.S. has agreed to sell 100 brand new A320NEO series aircraft at a basic price (before price concessions) of approximately USD12,796 million in aggregate; and

3. the conditional share subscription agreement in respect of the non-public issuance of A shares of the Company entered into between the Company and CEA Holding on 10 May 2022, pursuant to which, the Company has agreed to allot and issue to CEA Holding and CEA Holding has agreed to subscribe for A shares of the Company in the amount of not less than RMB5 billion under the non-public issuance of A shares by the Company. For details, please refer to the circular of the Company dated 9 June 2022.

Save as disclosed above, no material contract (not being a contract entered into in the ordinary course of business) has been entered into by any member of the Group within the two years immediately preceding the issue of this circular.

## **DOCUMENTS ON DISPLAY**

A copy of the Aircraft Purchase Agreement will be published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<https://www.ceair.com>) for a period of 14 days prior to the date of the general meeting of the Company to be convened to consider, and if thought fit, approve (among others) the Aircraft Purchase.

In respect of the Aircraft Purchase, the Company has applied for, and the Stock Exchange has granted, a waiver from strict compliance with Rule 14.66(10) and paragraph 43(2)(c) of Part B of Appendix 1 to the Listing Rules so that information in relation to the actual Consideration, price fluctuation mechanism, deposit and advance payment, all of which are core trade secrets for contracting parties and have comparable commercial sensitivity, will be redacted pursuant to a request for confidential treatment by COMAC. The above redacted information is commercial sensitive information strictly exclusive to each party to the Aircraft Purchase Agreement and generally recognised as customised and confidential information in the aviation industry, the disclosure of which will be competitively harmful to the Company and shall be subject to the written consent of COMAC. In addition, information in relation to the bank accounts and contact information will also be redacted. Such information are solely for the purpose of the performance of the Aircraft Purchase Agreement and are not material to the decision of the Shareholders in respect of the Aircraft Purchase, the disclosure of which may create unnecessary contact between the public and contracting parties. The material terms stipulated under the Aircraft Purchase Agreement have been summarised and disclosed in this circular, from which the Shareholders and the investing public will be able to have sufficient information about the Aircraft Purchase and assess the impact of the Aircraft Purchase so that the Shareholders and the investing public would make an informed voting decision on the Aircraft Purchase. In addition, the Shareholders and the investing public are provided with sufficient information regarding the reasons for and benefits of the Aircraft Purchase. Therefore, the redacted version of the Aircraft Purchase Agreement is not likely to mislead the Shareholders with regard to the facts and circumstances, knowledge of which is essential for the informed assessment of the Aircraft Purchase. Accordingly, only the redacted version of the Aircraft Purchase Agreement will be available on the website of the Stock Exchange and the Company's own website as one of the documents on display, which will be published by the Company on display for a period of 14 days.