

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



中國國際航空股份有限公司
AIR CHINA LIMITED

(a joint stock limited company incorporated in the People's Republic of China with limited liability)
(Stock Code: 00753)

DISCLOSEABLE TRANSACTION
ACQUISITION OF EQUITY INTEREST AND CAPITAL INCREASE IN
SHANDONG AVIATION GROUP CORPORATION

References are made to the announcements of the Company dated 30 May 2022 and 14 June 2022 in relation to the planning by the Company to acquire the control of Shandong Aviation Group Corporation and thereby acquiring the control of Shandong Airlines.

The Board is pleased to announce that on 30 December 2022, the Company entered into the Equity Transfer Agreements with Shansteel Financial Holdings and Qingdao Qifa, respectively, pursuant to which the Company shall acquire the 1.4067% and 0.9043% equity interest in Shandong Aviation Group Corporation held by Shansteel Financial Holdings and Qingdao Qifa at the consideration of RMB20,064,883.27 and RMB12,898,394.49, respectively. On the same day, the Company, Shandong Finance, Shandong Hi-Speed and Shandong Aviation Group Corporation entered into the Capital Increase Agreement, pursuant to which the Company and Shandong Hi-Speed shall make capital increase of RMB6,600,000,000 and RMB3,400,000,000 to Shandong Aviation Group Corporation, respectively.

Upon the completion of the Transactions, the percentage of the equity interest of Shandong Aviation Group Corporation held by the Company will increase from 49.4067% to 66%. Therefore, Shandong Aviation Group Corporation will become a non-wholly owned subsidiary of the Company, and its consolidated financial results will be consolidated into the Group's consolidated financial statements.

As one or more of the applicable percentage ratios of the Transactions is more than 5% but are all less than 25%, the Transactions constitute a discloseable transaction of the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Hong Kong Listing Rules.

The Transactions are subject to obtaining all necessary approvals from the relevant governmental authorities including the approval of the competent state-owned assets supervision and administration authority for the Transactions and passing the necessary anti-monopoly review, etc. In addition, it is stipulated in the Transaction Documents that if the Transactions are not completed before 30 April 2023, including due to the failure to obtain internal and external decisions, approvals or permits for any reason, the Company shall have the right to terminate the Transaction Documents. Therefore, there remain risks of uncertainty as to whether the Transactions can be implemented and its specific time. Meanwhile, Shandong Aviation Group Corporation may still face risks of industry environment, national policies, market competition and other aspects in the course of operation so that the Company may have the risk of not being able to realize the expected investment returns.

Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

I. INTRODUCTION

References are made to the announcements of the Company dated 30 May 2022 and 14 June 2022 in relation to the planning by the Company to acquire the control of Shandong Aviation Group Corporation and thereby acquiring the control of Shandong Airlines.

The Board is pleased to announce that on 30 December 2022, (i) the Company and Shansteel Financial Holdings entered into the Shansteel Financial Holdings Equity Transfer Agreement, pursuant to which the Company shall acquire the 1.4067% equity interest in Shandong Aviation Group Corporation held by Shansteel Financial Holdings at the consideration of RMB20,064,883.27; (ii) the Company and Qingdao Qifa entered into the Qingdao Qifa Equity Transfer Agreement, pursuant to which the Company shall acquire the 0.9043% equity interest in Shandong Aviation Group Corporation held by Qingdao Qifa at the consideration of RMB12,898,394.49; (iii) the Company, Shandong Finance, Shandong Hi-Speed and Shandong Aviation Group Corporation entered into the Capital Increase Agreement, pursuant to which the Company, and Shandong Hi-Speed shall make capital increase of RMB6,600,000,000 and RMB3,400,000,000 to Shandong Aviation Group Corporation, respectively.

After the completion of the Transactions, the percentage of the equity interest of Shandong Aviation Group Corporation held by the Company will increase from 49.4067% to 66%. Shandong Aviation Group Corporation will become a non-wholly owned subsidiary of the Company, and its consolidated financial results will be consolidated into the Group's consolidated financial statements.

II. PRINCIPAL TERMS OF THE TRANSACTION DOCUMENTS

1. Principal terms of the Shansteel Financial Holdings Equity Transfer Agreement

Date: 30 December 2022

Parties: (i) Shansteel Financial Holdings (as transferor)
(ii) the Company (as transferee)

Transfer subject: the 1.4067% equity interest in Shandong Aviation Group Corporation (representing registered capital of RMB8,159,085.92) legally held by Shansteel Financial Holdings

Equity transfer price: RMB20,064,883.27

Closing arrangement: Upon the satisfaction of conditions precedent to closing (including but not limited to obtaining all necessary approvals from the relevant governmental authorities (i.e., obtaining the approval for the equity transfer from the competent state-owned assets supervision and administration authorities, passing the necessary anti-monopoly review, etc.), and completing the registration procedures for industrial and commercial changes) or appropriate waiver thereof from the Company, the Company shall be obliged to pay the equity transfer price.

Conditions of effectiveness and termination: The Shansteel Financial Holdings Equity Transfer Agreement shall be concluded and effective from the date of signing and affixing of the respective company seals thereon by the legal representatives or authorized representatives of both parties.

The Shansteel Financial Holdings Equity Transfer Agreement shall be terminated upon the occurrence of any of the following circumstances:

- (1) The agreement is terminated by the mutual agreement of both parties after negotiation; or

(2) The Company shall have the right to terminate the agreement in the event that the equity transfer is not completed by the long-stop date (being 30 April 2023), including due to the failure to obtain internal and external decisions, approvals or permits for any reason, which however shall not be regarded as default of either party, and neither party shall bear the liabilities of default or any compensation arising therefrom.

Liabilities of default: In case of any party's failure to perform the equity transfer agreement or the ancillary or supplementary provisions thereof, the other party shall have the right to require such party to pay damages (being 5% of the total equity transfer price) and compensate for the corresponding direct and actual losses of the other party.

The transferor shall take all legal and practicable remedial measures to ensure that the transferee acquires the ownership of the transferred equity interest in good and valid condition free from any encumbrances, and shall compensate the transferee for all losses suffered as a result of the fact that the transferee is unable to obtain the ownership of such transferred equity interest in good and valid condition free from any encumbrances under the equity transfer due to any encumbrances or any pending or potential litigations, arbitrations, administrative or criminal proceedings or other disputes in relation to the transferred equity interest.

2. Principal terms of the Qingdao Qifa Equity Transfer Agreement

Date: 30 December 2022

Parties: (i) Qingdao Qifa (as transferor)
(ii) the Company (as transferee)

Transfer subject: the 0.9043% equity interest in Shandong Aviation Group Corporation (representing registered capital of RMB5,245,126.68) legally held by Qingdao Qifa

Equity transfer price: RMB12,898,394.49

Closing arrangement: Upon the satisfaction of conditions precedent to closing (including but not limited to obtaining all necessary approvals from the relevant governmental authorities (i.e., obtaining the approval for the equity transfer from the competent state-owned assets supervision and administration authorities, passing the necessary anti-monopoly review, etc.), and completing the registration procedures for industrial and commercial changes) or appropriate waiver thereof from the Company, the Company shall be obliged to pay the equity transfer price.

Conditions of effectiveness and termination: The Qingdao Qifa Equity Transfer Agreement shall be concluded and effective from the date of signing and affixing of the respective company seals thereon by the legal representatives or authorized representatives of both parties.

The Qingdao Qifa Equity Transfer Agreement shall be terminated upon the occurrence of any of the following circumstances:

- (1) The agreement is terminated by the mutual agreement of both parties after negotiation; or
- (2) The Company shall have the right to terminate the agreement in the event that the equity transfer is not completed by the long-stop date (being 30 April 2023), including due to the failure to obtain internal and external decisions, approvals or permits for any reason.

Liabilities of default: In case of any party's failure to perform the equity transfer agreement or the ancillary or supplementary provisions thereof, the other party shall have the right to require such party to pay damages (being 5% of the total equity transfer price) and compensate for the corresponding direct and actual losses of the other party.

The transferor shall take all legal and practicable remedial measures to ensure that the transferee acquires the ownership of the transferred equity interest in good and valid condition free from any encumbrances, and shall compensate the transferee for all losses suffered as a result of the fact that the transferee is unable to obtain the ownership of such transferred equity interest in good and valid condition free from any encumbrances under the equity transfer due to any encumbrances or any pending or potential litigations, arbitrations, administrative or criminal proceedings or other disputes in relation to the transferred equity interest.

3. Principal terms of the Capital Increase Agreement

Date: 30 December 2022

Parties:

- (i) the Company (as capital increase party)
- (ii) Shandong Hi-Speed (as capital increase party)
- (iii) Shandong Finance (existing Shandong shareholder of Shandong Aviation Group Corporation)
- (iv) Shandong Aviation Group Corporation (as the Target Company, and together with Shandong Finance as “Company Parties”)

**Capital
Increase
arrangement:**

Given that the shareholders of the Target Company intends to reach several equity transfer agreements (including the Equity Transfer Agreements) on the equity interest of the Target Company, upon the completion of the above equity transfer transactions, the Shandong Aviation Group Corporation will be held as to 51.7178%, 37.0841% and 11.1981% by the Company, Shandong Finance and Shandong Hi-Speed, respectively. Subject to the completion of the relevant equity transfer transactions, the Company and Shandong Hi-Speed will make capital increase to Shandong Aviation Group Corporation, which amount to RMB6,600,000,000 and RMB3,400,000,000, respectively. Upon the completion of the Capital Increase, the Company will hold 66% of equity interest in Shandong Aviation Group Corporation, while Shandong Hi-Speed and Shandong Finance will hold 34% of equity interest in Shandong Aviation Group Corporation in aggregate (detailed percentages of equity interest will be specified by both parties within three months after the execution of the Capital Increase Agreement according to the requirements of the competent state-owned assets administrative authorities).

The aforementioned capital increase by Shandong Hi-Speed is made on the basis of the Company's capital increase, and shall be completed at the same time.

**Closing
arrangement:**

Upon the satisfaction of the conditions precedent to completion (including but not limited to completing relevant equity transfer transactions on the Target Company, obtaining all necessary approvals from the relevant governmental authorities (i.e., obtaining the approval for the Capital Increase from the competent state-owned assets supervision and administration authorities, passing the necessary anti-monopoly review, etc.), and completing the registration procedures for industrial and commercial changes for the relevant equity transfer transactions and the Capital Increase, etc.) or appropriate waiver thereof from the Company, the capital increase parties shall be obliged to pay each of their capital increase amounts.

Conditions of effectiveness and termination:

The Capital Increase Agreement shall be concluded and effective from the date of signing and stamping by the legal representatives or authorized representatives of the parties.

The Capital Increase Agreement may be terminated by the relevant parties as follows:

- (1) If the closing is not completed before the long-stop date (being 30 April 2023) including due to the failure to obtain internal and external decisions, approvals or permits for the Capital Increase for any reason, the Company shall have the right to terminate the Capital Increase Agreement;
- (2) If there is a breach of the material representations, warranties, obligations or undertakings set forth in the Capital Increase Agreement by any of the Company Parties before the Closing Date, and such breach is unable to be rectified or failed to be rectified within 30 days following the issue of written notice from the Company to Shandong Aviation Group Corporation, the Company shall have the right to terminate the Capital Increase Agreement; and
- (3) The Capital Increase Agreement may be terminated upon mutual agreement in writing by all the parties thereto before the Closing Date.

Liabilities of default: In the event that any party suffers any losses (including write downs in the valuation of equity interests in Shandong Aviation Group Corporation held by the capital increase parties) as a result of the breach of the Capital Increase Agreement by any of the other parties, the breaching party shall compensate such losses to the suffering parties.

In the event that any of capital increase parties delays the payment of the capital increase amounts payable under the Capital Increase Agreement, such capital increase party shall pay damages to Shandong Aviation Group Corporation of an amount equal to 0.02% of the outstanding capital increase amounts payable for each day of such delay until the date on which the capital increase amounts payable by such capital increase party to Shandong Aviation Group Corporation has been fully paid. In the case where such delay causes any losses to the other parties, the breaching capital increase party shall also be liable for the compensation to such other parties.

In respect of the actual losses, regardless of whether such losses are incurred before or after the Closing Date, incurred to any Group Companies or the Company due to specified events occurred prior to the Closing Date, irrespective of whether or not such events have been disclosed in any form, the Target Company shall indemnify and hold harmless the Company against all losses suffered as requested by the capital increase parties.

III. SHAREHOLDING STRUCTURE OF SHANDONG AVIATION GROUP CORPORATION BEFORE AND AFTER THE COMPLETION OF THE TRANSACTIONS

1. The shareholding structure of Shandong Aviation Group Corporation before the completion of the Transactions is set out as follows:

No.	Shareholders	Equity interest percentage
1	The Company	49.4067%
2	Shansteel Financial Holdings	1.4067%
3	Qingdao Qifa	0.9043%
4	Other shareholders	48.2822%
	Total	100%

2. The shareholding structure of Shandong Aviation Group Corporation after the completion of the Transactions is set out as follows:

No.	Shareholders	Equity interest percentage
1	The Company	66%
2	Other shareholders	34%
	Total	100%

Notes: The discrepancies between total and sums of amounts in the table above are due to rounding.

IV. REASONS FOR AND BENEFITS OF THE TRANSACTIONS

Upon the completion of the Transactions, Shandong Aviation Group Corporation, Shandong Airlines and their subsidiaries within the scope of consolidated financial statements will become controlled subsidiaries of the Company, which has resulted in changes in the scope of the Company's consolidated financial statements. After the Company takes control of Shandong Aviation Group Corporation and Shandong Airlines, the Company will be able to enhance its overall profitability by further strengthening market layout and deepening its cooperation with Shandong Aviation Group Corporation.

V. DIRECTORS' CONFIRMATION

The price of the Equity Transfer and Capital Increase in the Transactions is determined by the relevant parties through arm's length negotiation based on Shandong Aviation Group Corporation's appraisal result filed with the competent state-owned assets supervision and administration authority and after considering the overall relevant factors. The consideration for the Transactions will be funded by the Group's internal resources.

In accordance with the Asset Valuation Report on the Value of All Shareholders' Equity of Shandong Aviation Group Company Limited involved in the Proposed Increase in Shareholding of Shandong Aviation Group Company Limited by Air China Limited (CEA Ping Bao Zi (2022) No. 6396) issued by CEA, based on the asset-based approach adopted for the general valuation of Shandong Aviation Group Corporation, as of the valuation benchmark date (being 31 December 2021), the appraised net asset value of Shandong Aviation Group Corporation is RMB2,219.3631 million.

The Directors are of the view that the Transaction Documents, including the Equity Transfer Agreements and the Capital Increase Agreement, are entered into on normal commercial terms, and although the Transactions are not conducted in the ordinary and usual course of business of the Group, the terms and conditions thereof are fair and reasonable, consistent with the Group's overall development strategy and in the interests of the Company and its Shareholders as a whole.

VI. INFORMATION OF SHANDONG AVIATION GROUP CORPORATION

Shandong Aviation Group Corporation is a limited liability company incorporated under laws of the PRC, and its principal business is accommodation, catering services, tobacco products retailing. (The above is restricted to the operation of branches) (The valid period is as shown on the license). Investment and management of air transport industry and aviation maintenance industry; conference and exhibition services; office services; sales of daily necessities, handicrafts and souvenirs, housing rental. (Projects that are subject to approval according to law may only be carried out upon approval by relevant departments).

The net assets and total assets as at the dates indicated in consolidated statements of Shandong Aviation Group Corporation prepared according to the China Accounting Standards for Business Enterprises are set out as follows:

	As at 30 September 2022 (unaudited) RMB	As at 31 December 2021 (audited) RMB	As at 31 December 2020 (audited) RMB
Net Assets	(4,665,198,239.89)	383,854,992.06	3,999,210,544.35
Total Assets	34,513,508,775.41	34,342,243,496.05	24,039,224,903.05

The revenue and total profits (before and after taxation) for the two years ended 31 December 2021 and for the nine months ended 30 September 2022 in consolidated statements of Shandong Aviation Group Corporation prepared according to the China Accounting Standards for Business Enterprises are set out as follows:

	For the nine months ended 30 September 2022 (unaudited) RMB	For the year ended 31 December 2021 (audited) RMB	For the year ended 31 December 2020 (audited) RMB
Revenue	6,802,224,386.39	13,301,746,845.13	11,158,977,685.64
Total profits (before taxation)	(5,233,095,717.20)	(2,570,115,136.34)	(3,009,830,370.17)
Total profits (after taxation)	(5,254,304,756.07)	(1,930,432,702.95)	(2,283,367,342.45)

VII. INFORMATION ABOUT THE PARTIES

The Company

The principal business activity of the Company is air passenger, air cargo and airline-related services. The Company's parent and ultimate holding company is China National Aviation Holding Corporation Limited, a PRC state-owned enterprise under the supervision of the State Council and is mainly engaged in the management of its state-owned assets and its equity holdings in various investment enterprises, aircraft leasing and aviation equipment maintenance.

Shansteel Financial Holdings

Shansteel Financial Holdings is a limited liability company incorporated under laws of the PRC. It is primarily engaged in entrusted asset management, investment management (excluding trust, financial asset management, securities asset management and other restricted projects); equity investment; investment consulting, financial information consulting, business management consulting; sales of metal materials; sales of machinery and equipment; sales of metal ores; sales of coal and coal products; sales of construction materials. (Except for projects subject to approval in accordance with the law, independently carry out business activities with a business license).

As at the date of this announcement, the ultimate controller of Shansteel Financial Holdings is Shandong SASAC.

Qingdao Qifa

Qingdao Qifa is a limited liability company incorporated under laws of the PRC. It is primarily engaged in sales of beans and potatoes; sales of machinery and equipment; sales of metal materials; sales of construction materials; sales of rubber products; sales of chemical products (excluding licensed chemical products); investment activities with internal funds; machinery and equipment leasing; technical service, technical development, technical consultation, technical exchange, technology transfer, technology promotion; land remediation services; grain acquisition; sales of grain, sales of feed materials; sales of feed additives. (Except for projects subject to approval in accordance with the law, independently carry out business activities with a business license).

As at the date of this announcement, the ultimate controller of Qingdao Qifa is Qingdao State-owned Assets Supervision and Administration Commission.

Shandong Finance

Shandong Finance is a limited liability company incorporated under laws of the PRC. It is primarily engaged in external investment, operation, management, and consultation with self-owned funds; entrusted management of provincial equity guidance funds and other financial

funds; equity investment; real estate development and sales; property management. (For projects subject to approval according to law, business activities can only be carried out after approval by relevant departments).

As at the date of this announcement, the ultimate controller of Shandong Finance is Shandong Province Finance Bureau.

Shandong Hi-Speed

Shandong Hi-Speed is a limited liability company incorporated under laws of the PRC. It is primarily engaged in construction, management, maintenance, operation, development, and toll collection of expressways, bridges, railways, ports, and airports; comprehensive development and operation of supporting resources along expressways, bridges, and railways; logistics and related supporting services; investment in the financial industry and asset management (approved by relevant departments); design, consultation, scientific research, and construction of civil engineering and communication engineering; sales of building materials; leasing of mechanical and electrical equipment; advertising business. General items: car towing, rescue, and obstacle removal services; bidding agency services; land use right leasing; non-residential real estate leasing; machinery and equipment leasing; parking lot services; manufacturing of new building materials (excluding hazardous chemicals); research and development of emerging energy technologies; artificial intelligence industry application system integration services (except for projects subject to approval in accordance with the law, independently carry out business activities with a business license) and licensing projects: highway management and maintenance; construction project supervision; general aviation services; various engineering construction activities (in accordance with the law, for projects that require approval, business activities can only be carried out after being approved by relevant departments, and the specific business projects are subject to the approval results).

As at the date of this announcement, the ultimate controller of Shandong Hi-Speed is Shandong SASAC.

VIII. HONG KONG LISTING RULES IMPLICATION ANALYSIS

As one or more of the applicable percentage ratios of the Transactions is more than 5% but are all less than 25%, the Transactions constitute a discloseable transaction of the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Hong Kong Listing Rules.

To the best of the knowledge, information and belief of the Directors, as at the date of this announcement, the other parties to the Transactions (including Shansteel Financial Holdings, Qingdao Qifa, Shandong Finance and Shandong Hi-Speed) and their ultimate beneficial owners are independent third parties of the Company and its connected persons.

“Capital Increase Agreement”	the Capital Increase Agreement in Shandong Aviation Group Company Limited dated 30 December 2022 entered into between the Company, Shandong Finance, Shandong Hi-Speed and Shandong Aviation Group Corporation
“CEA”	Beijing China Enterprise Appraisals Co., Ltd. (北京中企華資產評估有限責任公司)
“Closing Date”	for the Equity Transfer, the Closing Date refers to the date on which the Company completes the payment of the entire equity transfer price to the transferor(s) according to the Equity Transfer Agreements; for the Capital Increase, the Closing Date refers to the date on which the capital increase parties complete the payment of the entire capital increase amounts to the Target Company according to the Capital Increase Agreement
“Company”	Air China Limited, a company incorporated in the PRC, the H shares of which are listed on the Hong Kong Stock Exchange as its primary listing venue and have been admitted to the Official List of the UK Listing Authority as its secondary listing venue, and the A shares of which are listed on the Shanghai Stock Exchange
“Director(s)”	the director(s) of the Company
“Equity Transfer”	the transactions under the Equity Transfer Agreements
“Equity Transfer Agreements”	Qingdao Qifa Equity Transfer Agreement and Shansteel Financial Holdings Equity Transfer Agreement
“Group”	the Company and its subsidiaries
“Group Company (Companies)”	the Target Company and any of its subsidiaries, branches, any entities controlled directly or indirectly by the Target Company and other affiliates, as well as any of the additional entities, including joint ventures, that are controlled by the Target Company from time to time after the execution of the Capital Increase Agreement
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Qingdao Qifa”	Qingdao Qifa Trading Co., Ltd. (青島市企發商貿有限公司). As at the date of this announcement, it is wholly-owned by Qingdao Huatong Jinchuang Holding Group Co., Ltd. (青島華通金創控股集團有限公司) which is a wholly-owned subsidiary of Qingdao Huatong State-owned Capital Investment and Operation Group Co., Ltd. (青島華通國有資本投資運營集團有限公司) as wholly owned by Qingdao State-owned Assets Supervision and Administration Commission (青島市國有資產監督管理委員會)
“Qingdao Qifa Equity Transfer Agreement”	the Equity Transfer Agreement dated 30 December 2022 entered into between the Company and Qingdao Qifa
“RMB”	Renminbi, the lawful currency of the PRC
“Shandong Aviation Group Corporation” or “Target Company”	Shandong Aviation Group Company Limited (山東航空集團有限公司)
“Shandong Finance”	Shandong Province Finance Investment Group Co., Ltd. (山東省財金投資集團有限公司) As at the date of this announcement, it is owned as to 90% and 10% by the Shandong Province Finance Bureau (山東省財政廳) and Shandong Caixin Assets Operation Co., Ltd. (山東省財欣資產運營有限公司) respectively
“Shandong Airlines”	Shandong Airlines Co., Ltd. As at the date of this announcement, it is owned as to 42% and 22.8% by Shandong Aviation Group Corporation and the Company respectively
“Shandong Hi-Speed”	Shandong Hi-Speed Group Co., Ltd. (山東高速集團有限公司). As at the date of this announcement, it is owned as to 70%, 20% and 10% by Shandong SASAC, Shandong Guohui Investment Holding Group Co., Ltd. (山東國惠投資控股集團有限公司) and Shandong Provincial Council for Social Security Fund (山東省社會保障基金理事會) respectively.
“Shandong SASAC”	Shandong Provincial People’s Government State-owned Assets Supervision and Administration Commission (山東省人民政府國有資產監督管理委員會)

“Shansteel Financial Holdings”	Shansteel Financial Holdings Asset Management (Shenzhen) Company Limited (山鋼金控資產管理(深圳)有限公司). As at the date of this announcement, it is wholly-owned by Shansteel Financial Holdings (Shenzhen) Company Limited (山鋼金融控股(深圳)有限公司), a wholly-owned subsidiary of Shandong Iron & Steel Group Co., Ltd (山東鋼鐵集團有限公司) as owned by Shandong SASAC as to 70%
“Shansteel Financial Holdings Equity Transfer Agreement”	the Equity Transfer Agreement dated 30 December 2022 entered into between the Company and Shansteel Financial Holdings
“Shareholders”	shareholders of the Company
“Transactions”	the Equity Transfer and the Capital Increase
“Transaction Documents”	the Shansteel Financial Holdings Equity Transfer Agreement, the Qingdao Qifa Equity Transfer Agreement and the Capital Increase Agreement
“%”	per cent

By Order of the Board
Air China Limited
Huang Bin Huen Ho Yin
Joint Company Secretaries

Beijing, the PRC, 30 December 2022

As at the date of this announcement, the directors of the Company are Mr. Ma Chongxian, Mr. Feng Gang, Mr. Patrick Healy, Mr. Li Fushen, Mr. He Yun*, Mr. Xu Junxin* and Ms. Winnie Tam Wan-chi*.*

* *Independent non-executive director of the Company*