

For Immediate Release

30 March 2023



中國國際航空股份有限公司
AIR CHINA LIMITED
(於中華人民共和國註冊成立的股份有限公司)
(股份代號：00753)

**Air China Announces 2022 Annual Results
Overcoming Difficulties, Making Overall Arrangements, and
Maintaining a Stable and Orderly Operations.**

(Hong Kong, 30 March 2023), **Air China Limited** (“**Air China**” or “**the Company**”, with its subsidiaries, “**the Group**”) (Stock Code: Hong Kong: 00753; London: AIRC; Shanghai: 601111; America: ADR OTC: AIRYY) is pleased to announce the annual results for the year ended 31 December 2022 (“**the Reporting Period**”)¹.

Results Highlight

- The operating revenue was RMB 52.898 billion
- The operating cost were RMB 91.716 billion
- The net loss attributable to shareholders was RMB38.617 billion.

Financial Summary

In 2022, the Company achieved operating revenue of RMB52.898 billion, which was a decrease of 29.03% compared to the previous year. Out of this, aviation transportation revenue was RMB48.381 billion, passenger revenue was RMB38.296 billion, and cargo revenue was RMB10.085 billion. During this period, the Company operated 15,000 cargo flights by passenger aircraft.

¹All data are calculated in accordance with the Accounting Standards for Business Enterprises of China and unaudited.

Operating expenses were RMB91.716 billion, which was a decrease of 3.93% compared to the previous year. The net exchange loss during this period was RMB4.089 billion, compared to a net profit of RMB1.235 billion in the same period of the previous year. The net loss attributable to shareholders was RMB38.617 billion.

Operating overview

In 2022, the Group's overall available tonne kilometers (ATK) was 16.991 billion, which was a decrease of 30.62% compared to the previous year. The total revenue tonne kilometers (RTK) was 8.74 billion, which was a decrease of 35.73% compared to the previous year.

During this period, the Group transported 38.61 million passengers. The available seat kilometers (ASK) for passenger transportation was 96.212 billion, which was a decrease of 36.89% compared to the previous year. Domestic and regional routes decreased by 38.37% and 30.95% respectively, while international routes increased by 11.81% year-on-year. The revenue passenger kilometers (RPK) was 60.355 billion, which was a decrease of 42.31% compared to the previous year. Domestic and regional routes decreased by 43.29% and 39.78% respectively, while international routes increased by 8.86% year-on-year. The passenger load factor was 62.73%, which was a decrease of 5.9 percentage points. The passenger revenue per kilometer was RMB0.63, which was an increase of 13.83% compared to the previous year.

During the period, the Group introduced 36 aircraft, including 7 A350, 9 A320NEO, 12 A321NEO, and 8 ARJ21-700 aircraft. and phased out 20 aircraft, including 4 A330-200, 8 B737-800, 5 B737-900, and 3 A319 aircraft. As of the end of the reporting period, the Group had a total of 762 aircraft (including business jets) with an average age of 8.59 years. Among them, the Company's fleet had a total of 487 aircraft with an average age of 8.61 years. The Company introduced 31 aircraft and withdrew 11 aircraft during this period.

Ensuring safety and demonstrating responsibility as a state-owned enterprise

The Group has implemented the concept of safe development and enforced safety production responsibilities. Complied with the requirements of the State Council's Work Safety Committee and the Civil Aviation Administration, conducted comprehensive safety inspections, and identified and addressed safety hazards. The Group has successfully completed the three-year special safety rectification campaign. Conducted a comprehensive technical status survey of the entire fleet, continuously strengthened flight

operation risk prevention and control, security assessments of key routes, and safety capabilities to ensure safe operation. The Group has also focused on improving work style and enhancing safety awareness and regulation awareness among front-line employees to consolidate the foundation of safety work. During this period, the Group completed important security tasks such as the Beijing Winter Olympics and the 20th National Congress of the Party with high quality.

Coordinate arrangements and maintain stable and orderly operations

The Group has determined to control losses and overcome difficulties. Despite facing a challenging and complex business environment, they have scientifically coordinated production organization and safe operation to maintain stable business fundamentals. Adjusted capacity dynamically based on market demand, focused on serving the domestic market, optimized the domestic and international capacity input structure, stabilized their market share in the main base, and ensured production scale. Refined their marketing strategies, actively maintained the order of the passenger transportation market, strengthened sales organization and revenue management, enriched service product combinations, and stabilized flight revenue. Deepened the mechanism of passenger and cargo integration, consolidated the advantages of the scale of passenger and cargo flights, and actively expanded revenue. Strictly controlled costs by adjusting the pace of aircraft retirement, improving the accuracy of major cost control, and making every effort to reduce costs. The Group also guarded against risks by adjusting their debt structure, strengthening fund coordination and control, and ensuring liquidity safety.

Perseverance to improve the overall service level

The Group adheres to the people-centered development philosophy and strives to improve its service level. Further improved the service management system, conducted in-depth implementation of civil aviation service planning, improved the service standard system, and promoted staff professional development. Continuously optimized the air travel service process and improved flight regularity. Launched a business-card-style characteristic service product of Air China, upgraded a series of software and hardware, and built a more competitive and influential service brand to improve the passenger travel experience. Achieved full coverage of "paperless" domestic airport travel services, and fully put into operation the global ground flight support platform to enhance digital service level.

Forge ahead and improve quality, reform, and innovation

The Group accurately understands its responsibilities and missions in building a new development pattern, focusing on the "big picture" of the country, and promoting high-quality development. Maintained strategic focus, accelerated the construction of a world-class hub at the Beijing Capital International Airport, actively participated in the operation of the Daxing International Airport, and contributed to the development of new sources of national development. Deepened the improvement of corporate governance mechanisms, implemented the term system and contractual management for all members of the management team, and successfully completed the main tasks of the three-year reform action plan. Increased efforts to accelerate digital transformation, improved data asset management capabilities, deepened data security management, and completed the development of the data asset center. Practiced the concept of green and low-carbon development, formulated a "dual-carbon" action plan, improved the green development management system, and enhanced environmental governance capabilities and efficiency. In 2022, the "Net Enjoy Flying Green Travel Project" and the "Airplane Ground Fuel Transfer System" respectively won the Green Development Demonstration Case Award and the Science and Technology Innovation Service Demonstration Case Award at the 2022 China International Service Trade Fair. The Group also shortlisted for the "Leading Runner" list of Chinese industrial carbon peak and are the only aviation Company to be selected.

Outlook

The fundamentals of China's economy have not changed, and the basic trend of stable and long-term economic growth remains unchanged. China's civil aviation industry will shoulder the mission of high-quality national development and fully leverage its strategic industrial role. The Group will adhere to the principle of steady progress, fully implement the new development concept in a complete, accurate, and comprehensive manner, serve and integrate into the new development pattern, focus on promoting high-quality development, and take practical actions to accelerate the construction of a world-class aviation transportation group. Make new and greater contributions to the comprehensive construction of a socialist modern country.

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About Air China

Air China Limited is the national flag carrier of China and a leading provider of passenger, air

cargo and airline-related services and products in China. Its operational headquarters is in Beijing, a major domestic and international hub in China. It also provides airline-related services, including aircraft maintenance, ground handling services in Beijing, Chengdu, and other locations. Air China was listed on Hong Kong Stock Exchange and London Stock Exchange on 15 December 2004 under codes 00753 and AIRC respectively. On 30 June 2006, Level I Sponsored ADR Program of Air China had been set up under the code of AIRYY. On August 18, 2006, Air China was listed on Shanghai Stock Exchange under code 601111. For further details, please visit Air China's website: www.airchina.com.cn.

Forward-Looking Statement

This press release contains projections and forward-looking statements that reflect the Company's current views with respect to future events and financial performance. These views are based on current assumptions which are subject to various risks and which may change over time. No assurance can be given that future events will occur that projections will be achieved, or that the Company's assumptions are correct. Actual results may differ materially from those projected.

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