


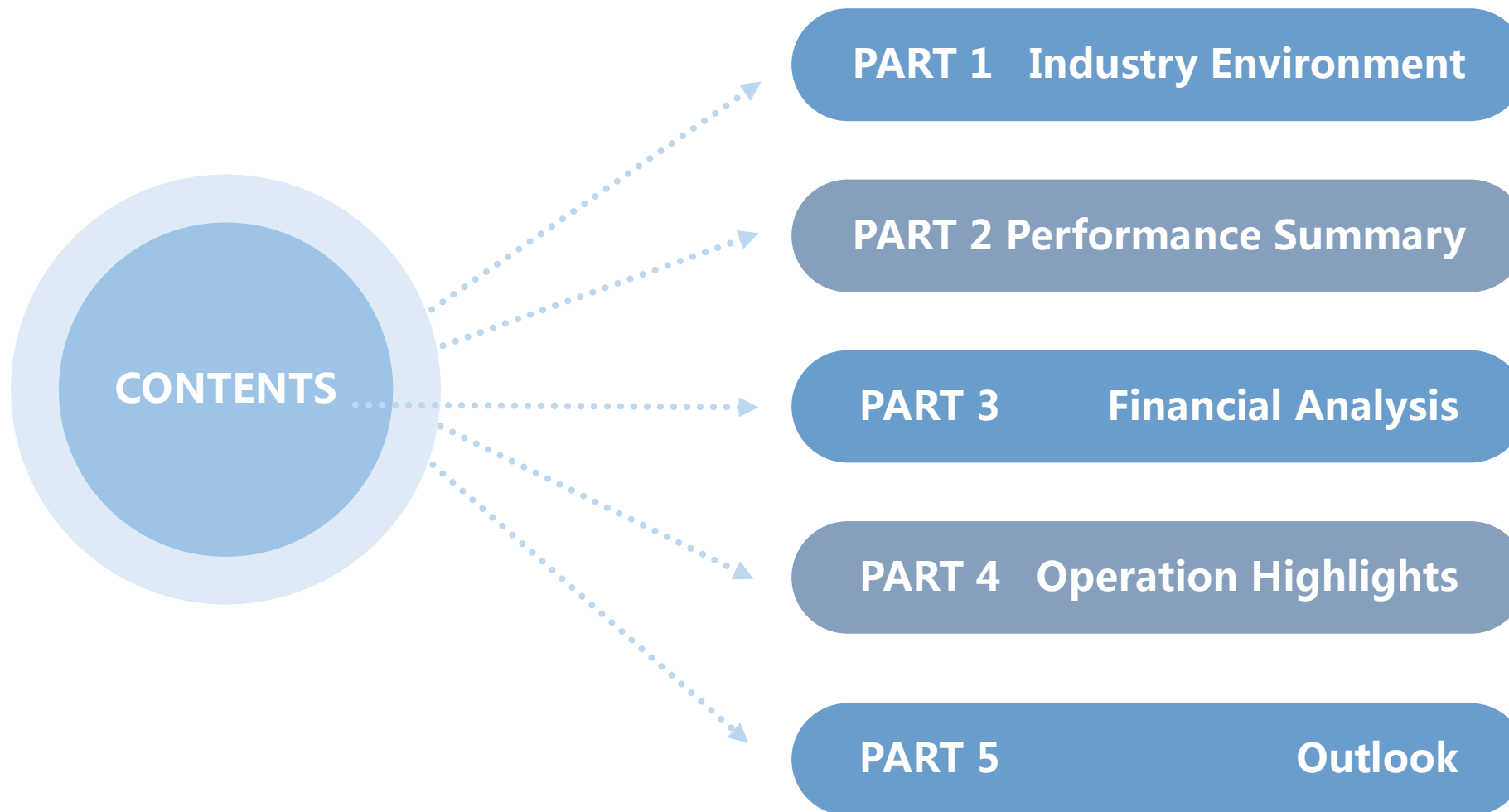


A STAR ALLIANCE MEMBER 

# AIR CHINA LIMITED

## 2023 ANNUAL RESULTS

### ANNOUNCEMENT



01

# Industry Environment

# Overview of the Global Air Transport Industry



Recent data from the International Air Transport Association (IATA) on scheduled air passenger traffic showed that global air travel demand continued to recover, with passenger volume in 2023 approaching pre-pandemic levels, reaching 94.1% of the pre-pandemic (2019) level.




In 2023, international passenger traffic increased by 41.6% compared to 2022, reaching 88.6% of the 2019 level.



In 2023, domestic passenger traffic increased by 30.4% year-on-year, 3.9% higher than the 2019 level.

# Overview of China' s Air Transport Industry









 In 2023, China' s civil aviation industry completed a total transportation turnover of 118.83 billion tonne kilometers, 620 million passenger traffic and 7.354 million tons of air cargo and mail traffic volume, reaching 91.9%, 93.9% and 97.6% of the 2019 levels, respectively.

Overall, the industry' s transportation and production has shown a steady recovery and safe operation.

02

## Performance Summary

# Results Summary-Operational Indicators

	<b>ATK (100 Million)</b>		<b>ASK (100 Million)</b>		<b>AFTK (100 Million)</b>		<b>Overall Load Factor (%)</b>
	<ul style="list-style-type: none"><li>• 360.02</li><li>• 94.79%</li></ul>		<ul style="list-style-type: none"><li>• 2,925.13</li><li>• 164.15%</li></ul>		<ul style="list-style-type: none"><li>• 96.48</li><li>• 13.36%</li></ul>		<ul style="list-style-type: none"><li>• 60.79</li><li>• 8.37pt</li></ul>
	<b>RTK (100 Million)</b>		<b>RPK (100 Million)</b>		<b>RFTK (100 Million)</b>		<b>Passenger Load Factor (%)</b>
	<ul style="list-style-type: none"><li>• 218.87</li><li>• 125.91%</li></ul>		<ul style="list-style-type: none"><li>• 2,141.73</li><li>• 206.11%</li></ul>		<ul style="list-style-type: none"><li>• 30.16</li><li>• -13.89%</li></ul>		<ul style="list-style-type: none"><li>• 73.22</li><li>• 10.03pt</li></ul>

Note: As of 21 March 2023, the Company has acquired the control of Shandong Aviation Group Corporation. Shandong Aviation Group Corporation and its subsidiaries, including Shandong Airlines, have been consolidated into the consolidated financial statements of the Group. This Reporting Period includes the relevant operating data and fleet information of Shandong Airlines, and historical data have been adjusted to a comparable basis.

# Results Summary-Financial Indicators



## Revenue (RMB100 Million)

- 1,411.00
- 166.74%



## Operating Expenses (RMB100 Million)

- 1,456.12
- 58.76%



## Yield per RPK (RMB)

- 0.6094
- -3.96%



## Yield per RFTK (RMB)

- 1.3811
- -53.41%



## Net Profit Attributable to Shareholders of the Company (RMB100 Million)

- -10.38
- N/A



## Gearing Ratio (%)

- 89.48%
- -3.22pt

Note: This Reporting Period includes financial data from Shandong Airlines for the period from 21 March 2023, to 31 December 2023.



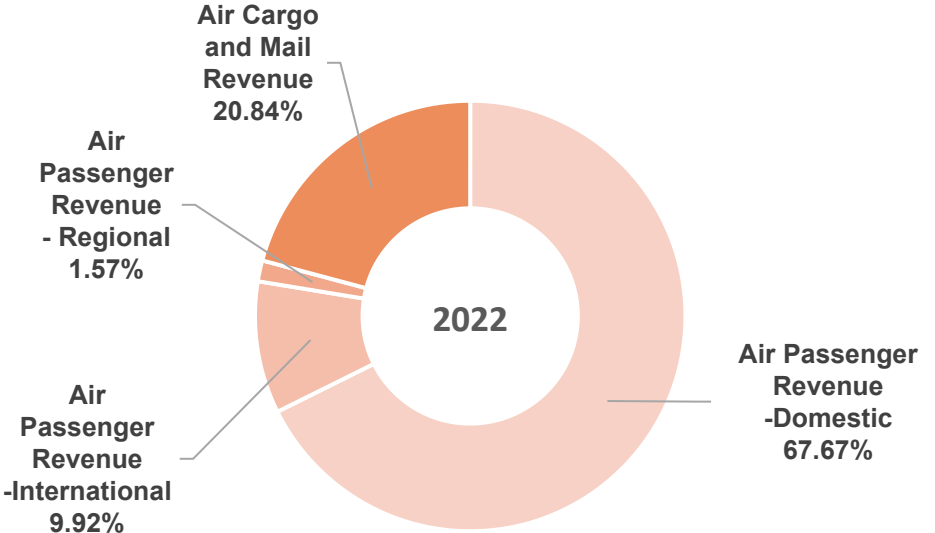
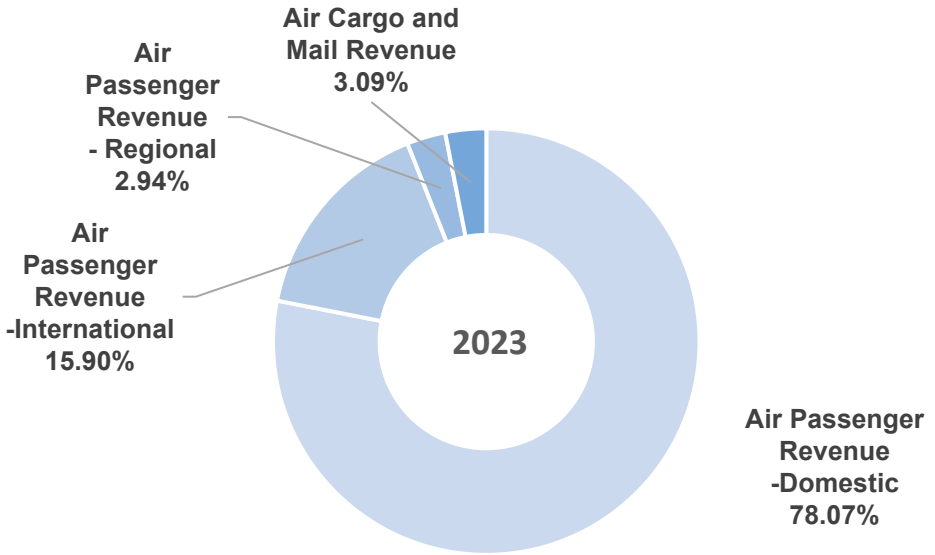
03

# Financial Analysis

# Major Financial Indicators

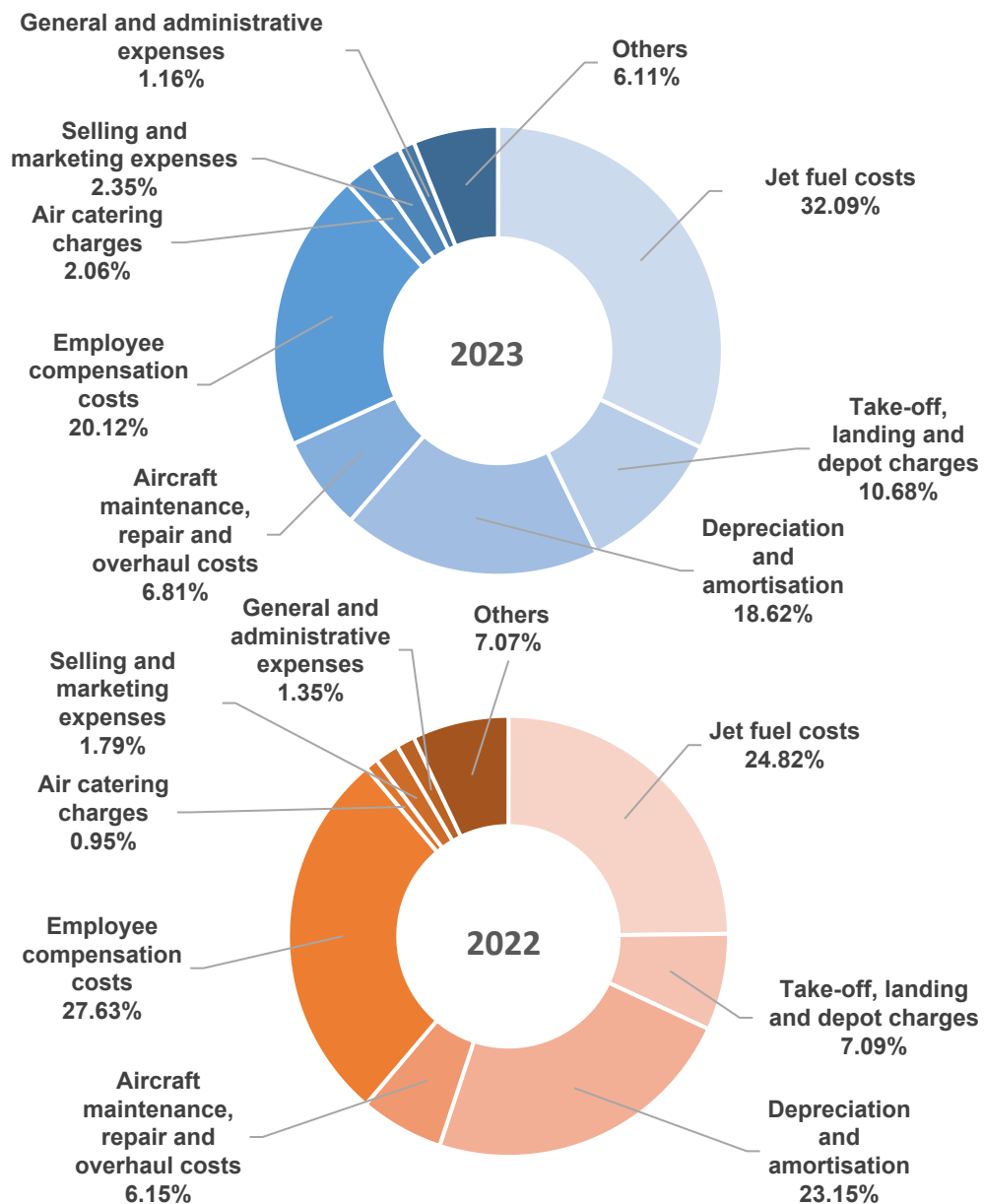
( RMB 100 Million)	2023	2022	YoY Change
Revenue	1,411.00	528.98	166.74%
Operating Expenses	1,456.12	917.16	58.76%
Profit from Operations	28.90	-354.44	N/A
Interest Payments	69.43	64.73	7.27%
Net Exchange Loss	10.35	- 40.89	-74.69%
Share of Results of Associates	25.54	-4.77	N/A
Share of Results of Joint Ventures	2.80	3.77	-25.73%
Profit before Taxation	-16.50	-458.77	N/A
Profit Attributable to Equity Shareholders of the Company	-10.38	-386.17	N/A
EPS (RMB Yuan)	-0.07	-2.81	N/A

# Air Traffic Revenue



( RMB100 Million )	2023	2022	YoY Change(%)
<b>Air Passenger Revenue</b>	1,305.17	382.96	240.81
Domestic	1,051.55	327.36	221.22
International	214.08	47.99	346.14
Regional	39.53	7.61	419.36
<b>Air Cargo and Mail Revenue</b>	41.65	100.85	-58.70
Domestic	11.91	12.48	-4.58
International	28.00	85.00	-67.07
Regional	1.74	3.36	-48.17
<b>Air Traffic Revenue</b>	1,346.81	483.81	178.38

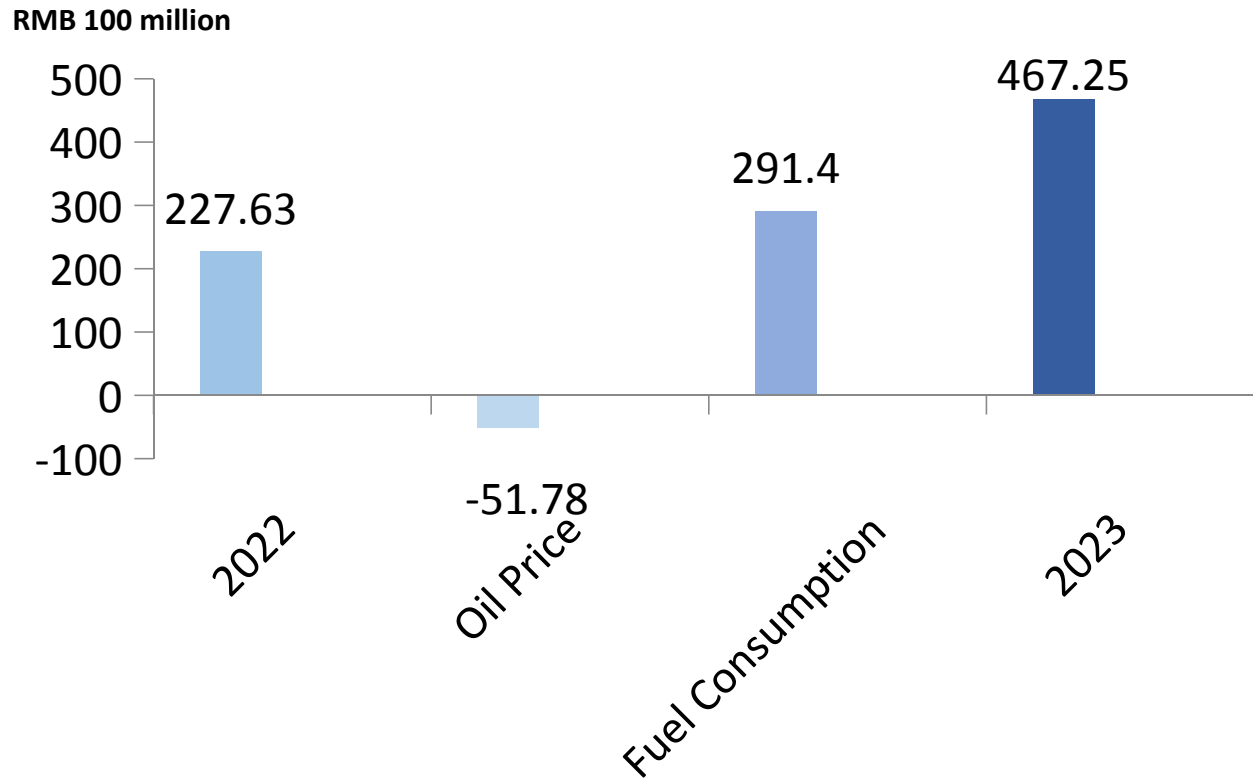
# Main Costs



( RMB100 Million )	2023	2022	YoY Changes(%)
Jet Fuel Costs	467.25	227.63	105.27
Take-off, Landing and Depot Charges	155.55	65.00	139.31
Depreciation and Amortisation	271.11	212.34	27.68
Aircraft Maintenance, Repair and Overhaul Costs	99.22	56.40	75.92
Employee Compensation Costs	293.00	253.39	15.63
Air Catering Charges	30.03	8.72	244.38
Selling and Marketing Expenses	34.23	16.40	108.72
General and Administrative Expenses	16.86	12.40	35.73
Others	88.90	64.88	37.02
<b>Total</b>	<b>1,456.12</b>	<b>917.16</b>	<b>58.76</b>

# Jet Fuel Costs

Jet fuel Cost increased 105.27% YoY



## Oil Price Sensitivity Analysis

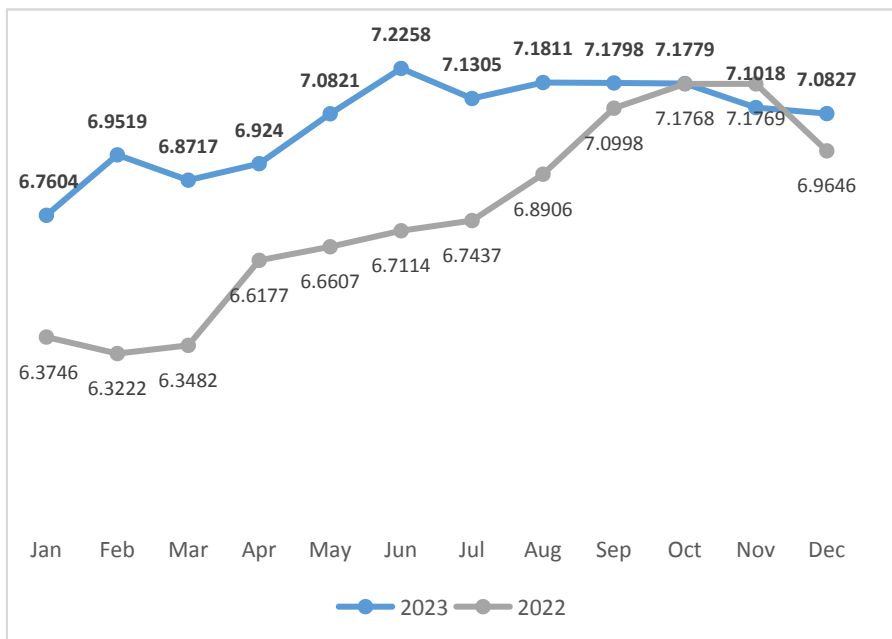
Oil Price  
Fluctuate  
by 5%



Jet fuel costs  
RMB 2,336  
million

# Interest-bearing Liabilities

## Trend chart of USD/RMB exchange rate



## Exchange Rate Sensitivity Analysis

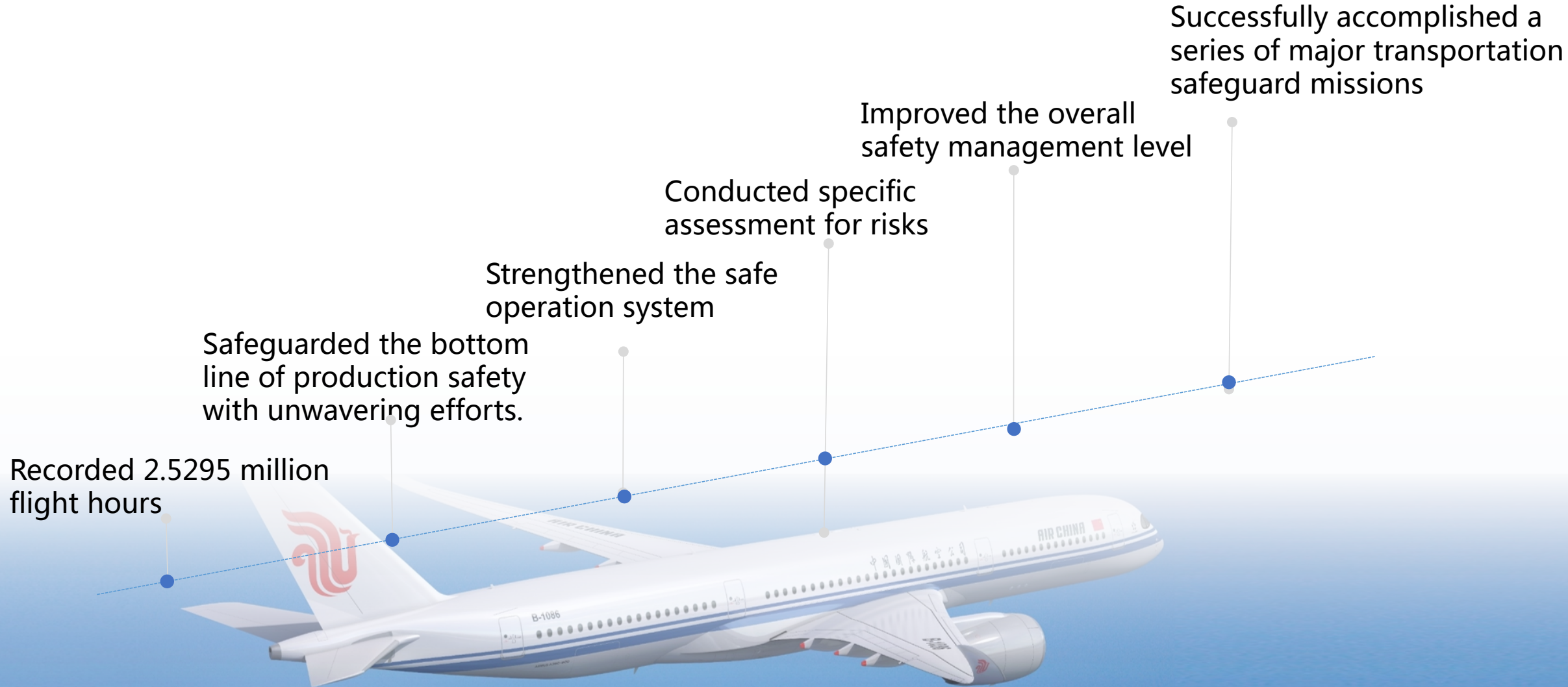


( RMB100 Million )	31 December 2023	Percentage	31 December 2022	Percentage
RMB	1,971.61	84.16%	1,879.90	81.81%
USD	360.19	15.38%	400.00	17.41%
MOP	5.64	0.24%	7.40	0.32%
JPY	3.48	0.15%	4.81	0.21%
EUR	1.32	0.06%	1.33	0.06%
Others	0.37	0.01%	4.43	0.19%
<b>Total</b>	<b>2,342.61</b>	<b>100%</b>	<b>2,297.87</b>	<b>100%</b>

04

## Operation Highlights

# Maintaining a Stable and Safe Operation





# The Operation Benefit Has Been Greatly Improved

Strengthening the development ability of “coordination” and focusing on optimizing the optimization allocation of core resources

Fully expanding the effective investment in the domestic market

Continuing to promote the resumption and increase of international routes

Maintaining stable income

Deepening passenger-cargo linkage

Refining cost management and optimizing debt structure

# Steadily Improving Service Quality



05

# Outlook

# Outlook

## Macro Level:

- Stable and positive economic trend
- Gradual recovery of the market

## Enterprise Level:

- Maintaining safe operation
- Improving service quality
- Fully improving quality and efficiency
- Promoting deep reform

 **Appendix**  
**Other Data of 2023**

# Fleet-The Group

	December 31, 2023				
	Sub-total	Self-owned	Finance Leases	Operating Leases	Average Age (year)
A320	351	161	97	93	9.15
A330	57	24	6	27	11.07
A350	30	10	20	-	2.63
B737	387	150	70	167	10.23
B747	10	8	2	-	14.47
B777	28	13	9	6	9.71
B787	14	12	-	2	6.86
ARJ21	24	12	12	-	1.35
Business Jets	4	1	-	3	10.28
<b>Total</b>	<b>905</b>	<b>391</b>	<b>216</b>	<b>298</b>	<b>9.36</b>

# Fleet-The Group

	Introduction			Phase-out		
	2024	2025	2026	2024	2025	2026
A320	4	26	33	6	4	11
A330	-	-	-	5	2	-
B737	32	-	23	1	-	-
B787	-	2	13	-	-	-
ARJ21	9	2	-	-	-	-
<b>Total</b>	<b>45</b>	<b>30</b>	<b>69</b>	<b>12</b>	<b>6</b>	<b>11</b>

Note: Please refer to the actual operation for the introduction and phase-out of the Group's fleet in the future.

# Fleet-Air China

	December 31, 2023				
	Sub-total	Self-owned	Finance Leases	Operating Leases	Average Age (year)
A320	220	109	51	60	9.17
A330	51	24	3	24	11.69
A350	30	10	20	-	2.63
B737	118	60	20	38	10.84
B747	10	8	2	-	14.47
B777	28	13	9	6	9.71
B787	14	12	-	2	6.86
ARJ21	24	12	12	-	1.35
<b>Total</b>	<b>495</b>	<b>248</b>	<b>117</b>	<b>130</b>	<b>9.12</b>



# Fleet-Air China

	Introduction			Phase-out		
	2024	2025	2026	2024	2025	2026
A320	1	17	19	6	4	3
A330	-	-	-	5	2	-
B737	15	-	7	-	-	-
B787	-	2	13	-	-	-
ARJ21	9	2	-	-	-	-
<b>Total</b>	<b>25</b>	<b>21</b>	<b>39</b>	<b>11</b>	<b>6</b>	<b>3</b>

Note: Please refer to the actual operation for the introduction and phase-out of the Company's fleet in the future.

# Consolidated Balance Sheet Summary

(RMB100 Million)	December 31, 2023	December 31, 2022	Change
Current Assets	323.35	222.45	45.36%
- Cash and Cash Equivalents	150.17	106.08	41.56%
non-current asset	3,029.44	2,727.34	11.08%
- Property, Plant and Equipment	1,177.29	995.74	18.23%
- Right-of-use Assets	1,209.71	1,258.19	-3.85%
Total Assets	3,352.79	2,949.79	13.66%
Current Liabilities	1,103.17	924.83	19.28%
Non-current Liabilities	1,896.97	1,809.69	4.82%
Total Liabilities	3,000.15	2,734.51	9.71%
Total Equity Attributable to Equity Shareholders of the Company	372.06	235.77	57.81%

# Consolidated Cash Flow Summary

(RMB100 Million)	2023	2022	Year-on-year Change
Net Cash Flow from Operating Activities	279.05	-233.41	N/A
Net Cash Flow from Investing Activities	-152.46	-68.71	N/A
Net Cash Flow from Financing Activities	-83.33	246.77	-133.77%
Net Increase in Cash and Cash Equivalents	43.25	-55.36	N/A
Cash and Cash Equivalents at the Beginning of the Period	106.08	159.35	-33.45%
Effect of Exchange Rate Changes on Cash and Cash Equivalents	0.84	2.09	-59.81%
Cash and Cash Equivalents at the End of the Period	150.17	106.08	41.56%

# Major Holding Subsidiaries

Shenzhen Airlines	2023	2022	YoY Change
ASK (100 Million)	682.61	346.36	97.08%
RPK (100 Million)	59.39	223.96	131.91%
ATK (100 Million)	73.99	38.27	93.34%
RTK (100 Million)	50.54	22.84	121.29%
Passenger Load Factor (%)	76.09	64.66	11.43pt
Overall Load Factor (%)	68.30	59.67	8.63pt
Yield (RMB / RPK)	0.56	0.51	9.80%

# Major Holding Subsidiaries

Air Macau	2023	2022	YoY Change
ASK (100 Million)	48.64	12.89	277.29%
RPK (100 Million)	34.86	6.41	443.45%
ATK (100 Million)	5.63	1.49	277.49%
RTK (100 Million)	3.57	0.66	444.62%
Passenger Load Factor (%)	71.66	49.75	21.91pt
Overall Load Factor (%)	63.48	44.00	19.48pt
Yield (RMB / RPK)	0.68	0.81	-16.05%

# Investor Relations – Beijing

*Joyce Zhang*

*Tel: +8610-6146 2560*

*E-mail: [joycezhang@airchina.com](mailto:joycezhang@airchina.com)*

*Zhang Chen*

*Tel: +8610-6146 2543*

*E-mail: [zhangchen2017@airchina.com](mailto:zhangchen2017@airchina.com)*

Air China's Website : [www.airchina.com.cn](http://www.airchina.com.cn)

Air China's APP :

