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)

MAJOR TRANSACTION
PURCHASE OF AIRCRAFT

On 17 July 2026, (i) the Company and AIE entered into the Air China Aircraft Purchase Agreement with Airbus Company, pursuant to which the Company has agreed to purchase 15 Airbus A350-900 aircraft from Airbus Company; and (ii) Shenzhen Airlines, a subsidiary of the Company, entered into the Shenzhen Airlines Aircraft Purchase Agreement with Airbus Company, pursuant to which Shenzhen Airlines has agreed to purchase 40 Airbus A320NEO series aircraft from Airbus Company.

As the highest applicable percentage ratio under Rule 14.07 of the Listing Rules for the Transaction is above 25% but less than 100%, the Transaction constitutes a major transaction of the Company and is subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

A circular containing, among others, (i) further information in relation to the Transaction; and (ii) other information as required under the Listing Rules is expected to be published on or before 24 September 2026 to allow sufficient time for the preparation of the relevant information for inclusion in the circular.

BACKGROUND

On 17 July 2026, (i) the Company and AIE entered into the Air China Aircraft Purchase Agreement with Airbus Company, pursuant to which the Company has agreed to purchase 15 Airbus A350-900 aircraft from Airbus Company; and (ii) Shenzhen Airlines, a subsidiary of the Company, entered into the Shenzhen Airlines Aircraft Purchase Agreement with Airbus Company, pursuant to which Shenzhen Airlines has agreed to purchase 40 Airbus A320NEO series aircraft from Airbus Company.

The details of the Transaction are summarized as follows:

AIR CHINA AIRCRAFT PURCHASE AGREEMENT

Date:

17 July 2026

Parties:

(a) The Company, as the purchaser, the principal business activities of which are air passenger, air cargo and airline-related services;

(b) AIE, as the import agent for the Company; and

(c) Airbus Company, as the vendor, one of whose principal business activities is aircraft manufacturing. Airbus Company is a subsidiary of Airbus SE, the principal business activities of which are designing, manufacturing and delivering aerospace products, services and solutions to customers on a worldwide scale. Airbus SE is listed on the European stock exchanges in Paris, Frankfurt am Main, Madrid, Barcelona, Valencia and Bilbao.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Airbus Company and its ultimate beneficial owner(s) are third parties independent of the Company and connected persons (as defined under the Listing Rules) of the Company.

Aircraft to be acquired:

15 Airbus A350-900 aircraft

Consideration:

The aircraft list price comprises the airframe price, optional features price and engine price.

The list price of the 15 Airbus A350-900 aircraft to be acquired by the Company, in aggregate, is approximately US$6.09 billion (price quoted as at January 2025) (equivalent to approximately RMB41.37 billion, based on the central parity rate of RMB against US dollar published by the People's Bank of China on the date of the Air China Aircraft Purchase Agreement, being US$1 to RMB6.7934).

Airbus Company has granted to the Company considerable price concessions with regard to the Airbus Aircraft. These concessions will take the form of credit memoranda which may be used by the Company towards the final price payment of the Airbus Aircraft to be acquired by the Company or may be used for the purpose of purchasing goods and services from Airbus Company. Such credit memoranda were determined after arm's length negotiations between the parties and as a result, the actual consideration for the Air China Aircraft Purchase is lower than the aircraft list price mentioned above.

The Air China Aircraft Purchase was negotiated and entered into in accordance with customary business practice. The Directors confirm that the extent of the price concessions granted to the Company in the Air China Aircraft Purchase is comparable with the price concessions that the Company had obtained in the previous aircraft purchase entered into between the Company and Airbus Company. The Company believes that there is no material impact of the price concessions obtained in the Air China Aircraft Purchase on the unit operating cost of the Company's fleet. It is normal business practice of the global airline industry to disclose the aircraft list price, instead of the actual price, for aircraft acquisitions. Disclosure of the actual consideration will result in the loss of considerable price concessions and hence a significant negative impact on the Group's cost for the Air China Aircraft Purchase and will therefore not be in the interest of the Company and the Shareholders as a whole.

Accordingly, the Company has applied to the Stock Exchange and the Stock Exchange has granted such a waiver from strict compliance with Rule 14.58(4) of the Listing Rules in respect of disclosure of the actual consideration of the Air China Aircraft Purchase.

Payment, source of funding and delivery terms:

The aggregate consideration for the Air China Aircraft Purchase is payable by cash in instalments. Upon the Air China Aircraft Purchase Agreement becoming effective, the Company will make partial advance payments by instalments and settle the remaining balance on the delivery date of each aircraft. The Air China Aircraft Purchase will be funded through self-owned cash, commercial bank loans and other financing methods of the Company. The Company is expecting to take delivery of the 15 Airbus A350-900 aircraft in stages from 2030 to 2032. The Air China Aircraft Purchase is expected to have no material impact on the cash flow and operation of the Company.

SHENZHEN AIRLINES AIRCRAFT PURCHASE AGREEMENT

Date:

17 July 2026

Parties:

(a) Shenzhen Airlines, as the purchaser, the principal business activities of which are air passenger, air cargo and airline-related services; and

(b) Airbus Company, as the vendor.

Aircraft to be acquired:

40 Airbus A320NEO series aircraft

Consideration:

The aircraft list price comprises the airframe price, optional features price and engine price.

The list price of the 40 Airbus A320NEO series aircraft to be acquired by Shenzhen Airlines, in aggregate, is approximately US$6.35 billion (price quoted as at January 2024) (equivalent to approximately RMB43.14 billion, based on the central parity rate of RMB against US dollar published by the People's Bank of China on the date of the Shenzhen Airlines Aircraft Purchase Agreement, being US$1 to RMB6.7934).

Airbus Company has granted to Shenzhen Airlines considerable price concessions with regard to the Airbus Aircraft. These concessions will take the form of credit memoranda which may be used by Shenzhen Airlines towards the final price payment of the Airbus Aircraft to be acquired by Shenzhen Airlines or may be used for the purpose of purchasing goods and services from Airbus Company. Such credit memoranda were determined after arm's length negotiations between the parties and as a result, the actual consideration for the Shenzhen Airlines Aircraft Purchase is lower than the aircraft list price mentioned above.

The Shenzhen Airlines Aircraft Purchase was negotiated and entered into in accordance with customary business practice. The Directors confirm that the extent of the price concessions granted to Shenzhen Airlines in the Shenzhen Airlines Aircraft Purchase is comparable with the price concessions that the Group had obtained in the previous aircraft purchase entered into between the Group and Airbus Company. The Company believes that there is no material impact of the price concessions obtained in the Shenzhen Airlines Aircraft Purchase on the unit operating cost of Shenzhen Airlines' fleet. It is normal business practice of the global airline industry to disclose the aircraft list price, instead of the actual price, for aircraft acquisitions. Disclosure of the actual consideration will result in the loss of the considerable price concessions and hence a significant negative impact on the Group's cost for the Shenzhen Airlines Aircraft Purchase and will therefore not be in the interest of the Company and the Shareholders as a whole.

Accordingly, the Company has applied to the Stock Exchange and the Stock Exchange has granted such a waiver from strict compliance with Rule 14.58(4) of the Listing Rules in respect of disclosure of the actual consideration of the Shenzhen Airlines Aircraft Purchase.

Payment, source of funding and delivery terms:

The aggregate consideration for the Shenzhen Airlines Aircraft Purchase is payable by cash in instalments. Upon the Shenzhen Airlines Aircraft Purchase Agreement becoming effective, Shenzhen Airlines will make partial advance payments by instalments and settle the remaining balance on the delivery date of each aircraft. The Shenzhen Airlines Aircraft Purchase will be funded through self-owned cash, commercial bank loans and other financing methods of Shenzhen Airlines. Shenzhen Airlines is expecting to take delivery of the 40 Airbus A320NEO series aircraft in stages from 2029 to 2032. The Shenzhen Airlines Aircraft Purchase is expected to have no material impact on the cash flow and operation of Shenzhen Airlines.

REASONS FOR AND BENEFITS OF THE TRANSACTION

The Transaction is in line with the development plan of the Company and the market demand, which is conducive to the Group's optimization of fleet structure and long-term supplement of fleet capacity. The Transaction will expand the fleet capacity of the Group, among which, the Air China Aircraft Purchase is expected to expand the fleet capacity of the Group by approximately 7.1% and the Shenzhen Airlines Aircraft Purchase is expected to expand the fleet capacity of the Group by approximately 4.3%, both of which are based on the number of available tonne kilometers of the Group as at 31 December 2025 without taking into account the potential adjustments to the fleet such as aircraft withdrawal due to market conditions and aircraft aging.

The A350-900 aircraft and A320NEO series aircraft to be introduced in the Transaction are Airbus' latest-generation, highly efficient and fuel-saving models. Compared with previous-generation models, they offer significantly lower fuel consumption, carbon emissions and operating costs. The Transaction will enable the Group to optimise its fleet structure and route network structure, enhance route operational efficiency and service quality, and provide strong support for the Group's future capacity planning. At the same time, the Transaction will contribute to the continued reduction of unit operating costs, support the achievement of the Company's dual carbon goals, and contribute to the green and low-carbon transition of China's civil aviation industry.

The new A350-900 aircraft purchased under the Transaction will be delivered in stages from 2030 to 2032 and the new A320NEO series aircraft will be delivered in stages from 2029 to 2032, with some aimed at meeting the renewal needs due to the withdrawal of aging aircraft from the fleet. The actual net increase in fleet capacity will be maintained within a manageable range.

The Directors believe that the Transaction is conducted in the ordinary and usual course of business of the Group on normal commercial terms and the respective terms of the Air China Aircraft Purchase Agreement and the Shenzhen Airlines Aircraft Purchase Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio under Rule 14.07 of the Listing Rules for the Transaction is above 25% but less than 100%, the Transaction constitutes a major transaction of the Company and is subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

The Transaction is subject to consideration and approval by the shareholders' meeting of the Company and approval by the relevant state authorities before it becomes effective.

GENERAL

A circular containing, among others, (i) further information in relation to the Transaction; and (ii) other information as required under the Listing Rules is expected to be published on or before 24 September 2026 to allow sufficient time for the preparation of the relevant information for inclusion in the circular.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following respective meanings:

"AIE"	Air China Import and Export Co., Ltd. (國航進出口有限公司), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of the Company
"Air China Aircraft Purchase"	the purchase of 15 Airbus A350-900 aircraft by the Company pursuant to the Air China Aircraft Purchase Agreement
"Air China Aircraft Purchase Agreement"	the agreement dated 17 July 2026 entered into among the Company, AIE and Airbus Company, pursuant to which the Company has agreed to purchase and Airbus Company has agreed to sell 15 Airbus A350-900 aircraft
"Airbus Aircraft"	the 15 Airbus A350-900 aircraft to be acquired by the Company and/or the 40 Airbus A320NEO series aircraft to be acquired by Shenzhen Airlines
"Airbus Company"	Airbus S.A.S., a company incorporated in Toulouse, France
"Board"	the board of directors of the Company
"Company"	Air China Limited, a company incorporated in the PRC, whose H shares are listed on the Stock Exchange as its primary listing venue and on the Official List of the UK Listing Authority as its secondary listing venue, and whose A shares are listed on the Shanghai Stock Exchange
"Director(s)"	the director(s) of the Company
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong

"Hong Kong"	Hong Kong Special Administrative Region of the PRC
"Kunhang Investment"	Shenzhen Kunhang Investment Partnership (Limited Partnership), a limited partnership established in the PRC, Shenzhen Kunpeng Equity Investment Co., Ltd. holds 87.2338% of the partnership interests in Kunhang Investment, Shenzhen Finance and Financial Service Center (Shenzhen SME Credit Re-guarantee Center) holds 12.7535% of the partnership interests in Kunhang Investment, and Shenzhen Kunpeng Zhanyi Equity Investment Management Co., Ltd. holds 0.0128% of the partnership interests in Kunhang Investment and serves as the executive partner. Shenzhen Kunpeng Equity Investment Co., Ltd. and Shenzhen Kunpeng Zhanyi Equity Investment Management Co., Ltd. are both wholly-owned subsidiaries of Shenzhen Kunpeng Equity Investment Management Co., Ltd., and the State-owned Assets Supervision and Administration Commission of Shenzhen Municipal People's Government holds 99.5620% equity interests in Shenzhen Kunpeng Equity Investment Management Co., Ltd.
"Listing Rules"	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"Shareholder(s)"	the shareholders of the Company
"Shenzhen Airlines"	Shenzhen Airlines Company Limited, a limited liability company established in the PRC and a non-wholly owned subsidiary of the Company, which is held as to 51%, 12.3655% and 36.6345% by the Company, Shenzhen International Total and Kunhang Investment as at the date of this announcement
"Shenzhen Airlines Aircraft Purchase"	the purchase of 40 Airbus A320NEO series aircraft by Shenzhen Airlines pursuant to the Shenzhen Airlines Aircraft Purchase Agreement
"Shenzhen Airlines Aircraft Purchase Agreement"	the agreement dated 17 July 2026 entered into between Shenzhen Airlines and Airbus Company, pursuant to which Shenzhen Airlines has agreed to purchase and Airbus Company has agreed to sell 40 Airbus A320NEO series aircraft
"Shenzhen International Total"	Shenzhen International Total Logistics (Shenzhen) Co., Ltd., a limited liability company established in the PRC and an indirect wholly-owned subsidiary of Shenzhen International Holdings Limited (00152.HK), a company listed on the Stock Exchange

"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Transaction"	Air China Aircraft Purchase and Shenzhen Airlines Aircraft Purchase
"US$"	United States dollars, the lawful currency of the United States

By Order of the Board
Air China Limited
Xiao Feng
Company Secretary

Beijing, the PRC, 17 July 2026

As at the date of this announcement, the Directors of the Company are Mr. Liu Tiexiang, Mr. Qu Guangji, Mr. Cui Xiaofeng, Mr. Lam Siu Por Ronald, Mr. Xiao Peng, Mr. Xu Niansha, Mr. He Yun*, Ms. Winnie Tam Wan-chi* and Mr. Gao Chunlei*.*

* *Independent non-executive director of the Company*