中國東方航空
CHINA EASTERN

SKYTEAM

世 界 品 位　东 方 魅 力

日出東方

再 次 起 航

2024
ANNUAL REPORT

A joint stock limited company incorporated in the People's Republic of China with limited liability

Stock Code : A Share : 600115 | H Share : 00670

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HANGHAI
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Definitions

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

Traffic capacity

Available freight tonne-kilometres (AFTK)	means the sum of the maximum tonnes of capacity available for the carriage of cargo and mail multiplied by the distance flown for every route
Available seat-kilometres (ASK)	means the sum of the maximum number of seats made available for sale multiplied by the distance flown for every route
Available tonne-kilometres (ATK)	means the sum of capacity available for the carriage multiplied by the distance flown for every route

Traffic scale

Revenue freight tonne-kilometres (RFTK)	means the freight traffic volume, the sum of cargo and mail load in tonnes multiplied by the distance flown for every route
Revenue passenger-kilometres (RPK)	means the passenger traffic volume, the sum of the number of passengers carried multiplied by the distance flown for every route
Revenue tonne-kilometres (RTK)	means the total traffic volume, the sum of load (passenger and cargo) in tonnes multiplied by the distance flown for every route
Weight of freight carried	means the actual weight of freight carried

Traffic efficiency

Freight load factor	means the ratio of freight traffic volume to AFTK
Overall load factor	means the ratio of total traffic volume to ATK
Passenger load factor	means the ratio of passenger traffic volume to ASK

Unit revenue

Freight tonne-kilometres yield	means the ratio of the sum of freight transportation and related revenue to freight traffic volume
Passenger-kilometres yield	means the ratio of the sum of passenger traffic and related revenue to passenger traffic volume
Revenue tonne-kilometres yield	means the ratio of the sum of transportation and related revenue to total traffic volume

Abbreviation

AFK	means Air France-KLM. Official website: https://www.airfranceklm.com/
Airbus	means Airbus S.A.S. Official website: https://www.airbus.com/en
Articles of Association	means the Articles of Association of the Company currently in force
Board	means the board of directors of the Company
Boeing	means Boeing Company. Official website: https://www.boeing.com/
CAAC	means the Civil Aviation Administration of China. Official website: http://www.caac.gov.cn/
CEA Holding	means 中國東方航空集團有限公司(China Eastern Air Holding Company Limited*), the controlling shareholder and a connected person of the Company
CEA Technic	means 東方航空技術有限公司(Eastern Airlines Technic Co., Ltd.), a wholly-owned subsidiary of the Company
CES Finance	means 東航金控有限責任公司(CES Finance Holding Co., Limited), a wholly-owned subsidiary of CEA Holding and a shareholder and connected person of the Company
CES Global	means 東航國際控股(香港)有限公司(CES Global Holdings (Hong Kong) Limited), a wholly-owned subsidiary of CES Finance and a shareholder and connected person of the Company
China Cargo Airlines	means 中國貨運航空有限公司(China Cargo Airlines Co., Limited), a subsidiary of Eastern Logistics and a connected person of the Company
China Eastern Airlines, the Company, or CEA	means 中國東方航空股份有限公司(China Eastern Airlines Corporation Limited)
China United Airlines	means 中國聯合航空有限公司(China United Airlines Co., Limited), a wholly-owned subsidiary of the Company
COMAC	means 中國商用飛機有限責任公司(Commercial Aircraft Corporation of China, Ltd.). Official website: http://www.comac.cc/
CSRC	means the China Securities Regulatory Commission. Official website: http://www.csrc.gov.cn/

Definitions

Delta	means Delta AirLines Inc (IATA Code: DL), a shareholder of the Company. Official website: https://www.delta.com/
Eastern Air Jiangsu	means 中國東方航空江蘇有限公司(China Eastern Airlines Jiangsu Co., Limited*), a subsidiary of the Company
Eastern Air Wuhan	means 中國東方航空武漢有限責任公司(China Eastern Airlines Wuhan Limited*), a subsidiary of the Company
Eastern Air Yunnan	means 東方航空雲南有限公司(China Eastern Airlines Yunnan Co., Limited*), a subsidiary of the Company
Eastern Logistics	means 東方航空物流股份有限公司(Eastern Airline Logistics Co., Limited*), a subsidiary of CEA Holding and a connected person of the Company
Eastern Miles	means 東方萬里行, an award scheme for global frequent flyer designed by the Company
End of the Reporting Period	means 31 December 2024
Group	means the Company and its subsidiaries
HKSCC	means Hong Kong Securities Clearing Company Ltd., which operates the Central Clearing and Settlement System (CCASS) of Hong Kong. HKSCC is a wholly-owned subsidiary of the Hong Kong Stock Exchange, and the shares held by H share investors are deposited in HKSCC
Hong Kong Stock Exchange	means The Stock Exchange of Hong Kong Limited. Official website: http://www.hkex.com.hk/
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. Official website: http://www.iata.org/
Juneyao Airlines	means 上海吉祥航空股份有限公司(Juneyao Airlines Co., Ltd) (IATA Code: HO). Official website: http://www.juneyaoair.com/
Juneyao Group	means 上海均瑤(集團)有限公司(Shanghai Juneyao (Group) Co., Ltd.), the controlling shareholder of Juneyao Airlines
Juneyao Hong Kong	means 上海吉祥航空香港有限公司(Shanghai Juneyao Airline Hong Kong Limited), a wholly-owned subsidiary of Juneyao Airlines

Listing Rules	means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
OTT Airlines	means 一二三航空有限公司(One Two Three Airlines Co., Ltd.), originally a wholly-owned subsidiary of the Company. In 2024, the Company liquidated and deregistered OTT Airlines through acquisition, and the C909 (formerly ARJ21) Series aircrafts will be collectively under management and operation by the Company
Regional	means Hong Kong, China; Macau, China; and Taiwan, China, per routes categorization
Reporting Period	means from 1 January 2024 to 31 December 2024
Shanghai Airlines	means 上海航空有限公司(Shanghai Airlines Co., Limited*), a wholly-owned subsidiary of the Company
Shanghai Jidaohang	means Shanghai Jidaohang Enterprise Management Company Limited (上海吉道航企業管理有限公司), a wholly-owned subsidiary of Juneyao Airlines. On 28 November 2024, 589,041,096 shares of the Company held by Shanghai Jidaohang were transferred to Juneyao Airlines through non-trading transfer
Shanghai Stock Exchange	means the Shanghai Stock Exchange. Official website: http://www.sse.com.cn/
SkyTeam Airline Alliance	means the SkyTeam Alliance, one of the three major international airline alliances in the world. Official website: http://www.skyteam.com/

* *For identification purposes only.*

Company Introduction

Headquartered in Shanghai, the Group is one of China's three major state-owned airlines. The Company has been listed on The Shanghai Stock Exchange and The Hong Kong Stock Exchange. It operates a modernized fleet of 804 aircrafts and boasts the largest-scale widebody fleet with leading commercial and technical models in China. As a member of SkyTeam Airline Alliance, the Group boasts an aviation transport network covering 1,000 destinations in 160 countries and regions around the world. Frequent flyer Members of "Eastern Miles" (東方萬里行) can enjoy members' benefits and use any one of the 750 VIP airport lounges of the SkyTeam Airline Alliance member airlines across the world.

Company Profile

Company Information

Chinese name of the Company	中國東方航空股份有限公司
English name of the Company	China Eastern Airlines Corporation Limited
Abbreviated English name of the Company	CEA
Legal representative of the Company	Wang Zhiqing

Basic Profile

Registered address of the Company	66 Airport Street, Pudong International Airport, Pudong New District, Shanghai
Postal code of Registered address of the Company	201202
Place of business of the Company	36 Hongxiang 3rd Road, Minhang District, Shanghai
Postal code of Place of business of the Company	201100
The Company's website	www.ceair.com
Mobile application (APP)	東方航空
Mobile website	m.ceair.com
Email address	ir@ceair.com
Service hotline	+86 95530
Sina Weibo	http://weibo.com/ceair
Weixin/WeChat mini program	中國東方航空
Weixin/WeChat public subscription ID	東方航空訂閱號
Weixin/WeChat ID	donghang_gw
Weixin/WeChat QR code	

Shares of the Company

A shares listing venue: The Shanghai Stock Exchange	Abbreviation: CEA	Code: 600115
H shares listing venue: The Hong Kong Stock Exchange	Abbreviation: China East Air	Code: 00670

Note: On 9 June 2021, the Chinese abbreviation of the A shares of China Eastern Airlines Corporation Limited has changed from "東方航空" to "中國東航".

Contact person and contact information

Board Secretary, Joint Company Secretary	Li Ganbin
Representative of securities affairs	Yang Hui
Address	Board office, China Eastern Airlines Corporation Limited, 36 Hongxiang 3rd Road, Minhang District, Shanghai
Telephone	021-22330932
Fax	021-62686116
Email	ir@ceair.com

Other Relevant Information

Domestic auditor engaged by the Company	**Name**	Deloitte Touche Tohmatsu Certified Public Accountants LLP
	Office address	30/F, Bund Center, 222 Yan An Road East, Shanghai, PRC
	Signatory accountant	Guo Jing, Ji Yuting
International auditor engaged by the Company	**Name**	Deloitte Touche Tohmatsu
	Office address	35/F One Pacific Place, 88 Queensway, Hong Kong, PRC
	Signatory accountant	Yam Siu Man
Sponsor performing continuous supervision duties during the Reporting Period	**Name**	China International Capital Corporation Limited
	Office address	27th and 28th Floor, China World Office 2, No. 1 Jianguomenwai Avenue, Chaoyang District, Beijing
	Signatory sponsor representatives	Xu Zhijun, Tang Jiawei
	Period of continuous supervision	15 August 2022 to 31 December 2024

AS OF THE PUBLICATION DATE OF THIS REPORT

DIRECTORS

Wang Zhiqing (Chairman)
Liu Tiexiang (Vice Chairman, President)
Cheng Guowei (Director)
Sun Zheng (Independent non-executive Director)
Lu Xiongwen (Independent non-executive Director)
Luo Qun (Independent non-executive Director)
Fung Wing Yee Sabrina (Independent non-executive Director)
Zheng Hongfeng (Independent non-executive Director)

SUPERVISORS

Guo Junxiu (Chairman of the Supervisory Committee)
Zhou Huaxin (Employee Representative Supervisor)
Shao Zumin (Supervisor)

SENIOR MANAGEMENT

Liu Tiexiang (Vice Chairman, President)
Zhou Qimin (Vice President, Chief Financial Officer)
Wan Qingchao (Vice President)
Li Ye (Vice President)
He Xiaoqun (Vice President)
Li Ganbin (Board Secretary, Joint Company Secretary)

JOINT COMPANY SECRETARIES

Li Ganbin
Ngai Wai Fung

AUTHORISED REPRESENTATIVES

Wang Zhiqing
Li Ganbin

LEGAL ADVISERS

Hong Kong, China: Baker & McKenzie
Mainland China: Beijing Commerce & Finance Law Office

PRINCIPAL BANKS

Industrial and Commercial Bank of China, Shanghai Branch
China Construction Bank, Shanghai Branch
The Bank of China, Shanghai Branch
Agricultural Bank of China, Shanghai Branch

SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
17M Floor, Hopewell Centre
183 Queen's Road East, Hong Kong

China Securities Depository and Clearing Corporation Limited, Shanghai Branch
188 South Yanggao Road, Pudong New District, Shanghai

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room D, 19/F, United Centre, 95 Queensway, Hong Kong

BUSINESS LICENCE RELATED INFORMATION

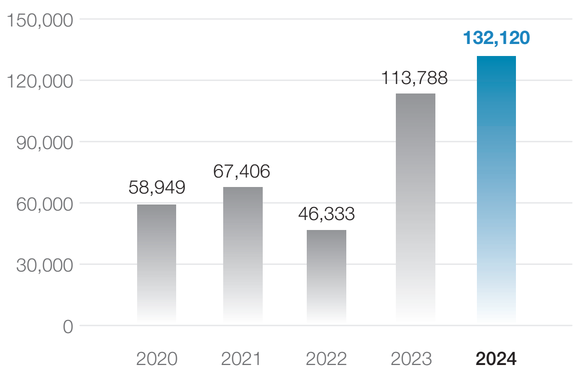
The unified social credit code of business licence of the Company is 913100007416029816

Financial Highlights

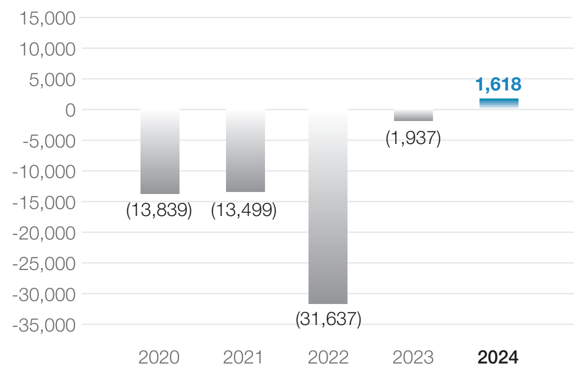
	2020 (Restated)	2021 (Restated)	2022 (Restated)	2023 (Restated)	**2024**
				Expressed in RMB Million	
Year ended 31 December					
Revenues	58,949	67,406	46,333	113,788	**132,120**
Other operating income and gains	5,655	6,041	3,609	5,429	**6,503**
Operating expenses	(78,443)	(86,946)	(81,579)	(121,154)	**(137,005)**
Operating (loss)/profit	(13,839)	(13,499)	(31,637)	(1,937)	**1,618**
Financial costs, net	(2,502)	(3,811)	(8,320)	(6,486)	**(5,796)**
Loss before income tax	(16,440)	(17,403)	(40,137)	(8,300)	**(3,904)**
Net loss for the year attributable to the equity holders of the Company	(11,830)	(12,142)	(37,392)	(8,190)	**(4,226)**
Loss per share attributable to the equity holders of the Company (RMB) [1]	(0.72)	(0.72)	(1.98)	(0.37)	**(0.19)**
As at 31 December					
Cash and cash equivalents	8,392	13,503	18,173	11,858	**4,072**
Net current liabilities	(76,769)	(57,352)	(78,392)	(80,466)	**(94,900)**
Non-current assets	262,106	260,790	260,438	259,000	**259,739**
Non-current borrowings, including current portion	(39,249)	(58,177)	(72,718)	(71,410)	**(67,446)**
Lease liabilities, including current portion	(96,254)	(98,484)	(97,009)	(84,175)	**(72,849)**
Equity attributable to the equity holders of the Company	56,435	53,927	31,622	42,954	**42,774**

(1) The calculation of loss per share for 2020 is based on the net loss attributable to the equity holders of the Company divided by the weighted average number of 16,379,509,203 ordinary share in issue. The calculation of loss per share for 2021 is based on the net loss attributable to the equity holders of the Company divided by the weighted average number of 16,795,331,016 ordinary share in issue. The calculation of loss per share for 2022 is based on the net loss attributable to the equity holders of the Company divided by the weighted average number of 18,875,999,286 ordinary share in issue. The calculation of loss per share for 2023 is based on the net loss attributable to the equity holders of the Company divided by the weighted average number of 22,291,295,570 ordinary share in issue. The calculation of loss per share for 2024 is based on the net loss attributable to the equity holders of the Company divided by the weighted average number of 22,291,295,570 ordinary share in issue.

Revenues
(RMB million)



Operating (Loss)/Profit
(RMB million)



Summary of Accounting and Business Data

(Prepared in accordance with PRC Accounting Standards)

Loss for the year ended 31 December 2024

	(RMB Million) **2024**
Net loss	**(4,798)**
Revenue from main operations, net	**4,353**
Revenue from other operations, net	**1,269**
Gain from investments	**309**
Non-operating income, net	**495**

Major Accounting Data & Financial Indicators

		2023 (Restated)	*(RMB Million)* **2024**
1.	Operation revenue	113,788	**132,120**
2.	Net loss attributable to the equity holders of the Company	(8,190)	**(4,226)**
3.	Total assets	282,574	**276,600**
4.	Shareholders' equity	41,323	**41,409**
5.	Loss per share (RMB)	(0.37)	**(0.19)**
6.	Equity attributable to ordinary shareholders of the Company per share (RMB)	0.93	**0.69**

Note:

Calculation of major financial indicators:

Loss per share = Net loss attributable to the equity holders of the Company ÷ weighted average number of ordinary shares outstanding in issue during the year

Equity attributable to ordinary shareholders of the Company per share = equity attributable to ordinary shareholders of the Company at the end of the year ÷ number of ordinary shares outstanding at the end of the year

Summary of Major Operating Data

	For the twelve months ended 31 December		
	2024	2023	Change
Passenger transportation data			
ASK (available seat-kilometres) ***(millions)***	**296,890.04**	244,960.45	21.20%
– Domestic routes	**202,432.66**	199,818.68	1.31%
– International routes	**87,796.28**	40,338.30	117.65%
– Regional[1] routes	**6,661.10**	4,803.46	38.67%
RPK (revenue passenger-kilometres) ***(millions)***	**245,892.77**	182,299.38	34.88%
– Domestic routes	**170,123.47**	149,930.96	13.47%
– International routes	**70,539.59**	28,846.07	144.54%
– Regional routes	**5,229.72**	3,522.35	48.47%
Number of passengers carried ***(thousands)***	**140,565.95**	115,617.54	21.58%
– Domestic routes	**119,674.34**	106,286.04	12.60%
– International routes	**17,164.65**	6,820.46	151.66%
– Regional routes	**3,726.96**	2,511.04	48.42%
Passenger load factor ***(%)***	**82.82**	74.42	8.40pts
– Domestic routes	**84.04**	75.03	9.01pts
– International routes	**80.34**	71.51	8.83pts
– Regional routes	**78.51**	73.33	5.18pts
Passenger-kilometres yield ***(RMB)*** [2]	**0.512**	0.593	-13.66%
– Domestic routes	**0.517**	0.582	-11.17%
– International routes	**0.490**	0.629	-22.10%
– Regional routes	**0.678**	0.792	-14.39%

	For the twelve months ended 31 December		
	2024	2023	Change
Freight transportation data			
AFTK (available freight tonne-kilometres) ***(millions)***	**9,514.39**	7,479.14	27.21%
– Domestic routes	**3,676.49**	4,107.63	-10.50%
– International routes	**5,653.89**	3,183.17	77.62%
– Regional routes	**184.01**	188.34	-2.30%
RFTK (revenue freight tonne-kilometres) ***(millions)***	**3,682.54**	2,504.35	47.05%
– Domestic routes	**952.31**	886.40	7.44%
– International routes	**2,700.33**	1,600.16	68.75%
– Regional routes	**29.90**	17.80	67.98%
Weight of freight carried ***(million kg)***	**1,051.17**	842.15	24.82%
– Domestic routes	**624.07**	585.48	6.59%
– International routes	**402.43**	241.32	66.76%
– Regional routes	**24.66**	15.35	60.65%
Freight load factor ***(%)***	**38.70**	33.48	5.22pts
– Domestic routes	**25.90**	21.58	4.32pts
– International routes	**47.76**	50.27	-2.51pts
– Regional routes	**16.25**	9.45	6.80pts
Freight tonne-kilometres yield ***(RMB)*** [2]	**1.448**	1.451	-0.21%
– Domestic routes	**0.705**	0.705	0.00%
– International routes	**1.678**	1.829	-8.26%
– Regional routes	**4.281**	4.663	-8.19%

	For the twelve months ended 31 December		
	2024	2023	Change
Consolidated data			
ATK (available tonne-kilometres) ***(millions)***	**36,234.50**	29,525.58	22.72%
– Domestic routes	**21,895.43**	22,091.31	-0.89%
– International routes	**13,555.55**	6,813.62	98.95%
– Regional routes	**783.51**	620.65	26.24%
RTK (revenue tonne-kilometres) ***(millions)***	**25,249.89**	18,522.83	36.32%
– Domestic routes	**15,864.30**	14,063.03	12.81%
– International routes	**8,897.96**	4,133.89	115.24%
– Regional routes	**487.64**	325.91	49.62%
Overall load factor ***(%)***	**69.68**	62.73	6.95pts
– Domestic routes	**72.45**	63.66	8.79pts
– International routes	**65.64**	60.67	4.97pts
– Regional routes	**62.24**	52.51	9.73pts
Revenue tonne-kilometres yield ***(RMB)*** [2]	**5.201**	6.037	-13.85%
– Domestic routes	**5.584**	6.249	-10.64%
– International routes	**4.391**	5.098	-13.87%
– Regional routes	**7.530**	8.815	-14.58%
Hours of flights ***(thousand)***	**2,612.29**	2,281.67	14.49%
Number of flight take-offs and landings ***(thousand)***	**1,029.32**	953.46	7.96%
Daily utilization rate ***(hour/day)***	**9.16**	8.16	12.25%

1 In order to facilitate data statistics and analysis, the business is divided into "domestic routes", "international routes" and "regional routes" in conjunction with industry practices. Among them, the term "regional" refers to Hong Kong, China; Macau, China; and Taiwan, China.

2. In calculating unit revenue index, the relevant revenue includes incomes generated from co-operation routes and fuel surcharge.

Fleet Structure

The Company implements its green development philosophy while continuing to optimise its fleet structure. In 2024, the Company centred around the new major models, introduced a total of 35 aircraft and retired 13 aircraft. As at 31 December 2024, the Company operated a total of 804 aircraft.

Fleet structure as at 31 December 2024

(Units)

No.	Model	Manufacturer	Net increase in 2024	Sub-total	Self-owned	Under finance lease	Under operating lease	Average fleet age (years)
1	B777-300ER	Boeing	0	20	12	8	0	8.9
2	B787 Series	Boeing	2	12	3	9	0	4.9
3	A350-900	Airbus	0	20	7	13	0	3.6
4	A330 Series	Airbus	0	56	36	15	5	11.1
Total number of wide-body aircraft			**2**	**108**	**58**	**45**	**5**	**8.6**
5	A320 Series	Airbus	4	383	162	113	108	9.2
6	B737 Series	Boeing	3	279	111	67	101	9.9
7	C919	COMAC	6	10	4	6	0	0.8
Total number of narrow-body aircraft			**13**	**672**	**277**	**186**	**209**	**9.5**
8	C909	COMAC	7	24	15	9	0	2.2
Total number of regional passenger aircraft			**7**	**24**	**15**	**9**	**0**	**2.2**
Total number of aircraft			**22**	**804**	**350**	**240**	**214**	**9.2**

Notes:

1. A330 Series include A330-200, A330-300 and other aircraft models;
2. A320 Series include A319, A320, A320NEO, A321, A321NEO and other aircraft models;
3. B787 Series include B787-9 and other aircraft models;
4. B737 Series include B737-700, B737-800, B737-8 and other aircraft models;
5. COMAC added the commercial name of C909 to ARJ21 aircraft model.

FLEET PLAN

Introduction and Retirement Plan of Aircraft for 2025 to 2027

(Units)

Model	2025 Introduction	2025 Retirement	2026 Introduction	2026 Retirement	2027 Introduction	2027 Retirement
C919	10	0	10	0	10	0
C909	11	0	0	0	0	0
Total number of COMAC aircraft	**21**	**0**	**10**	**0**	**10**	**0**
A350-900	0	0	0	0	0	0
A320 Series	28	20	46	17	21	14
Total number of Airbus aircraft	**28**	**20**	**46**	**17**	**21**	**14**
B787 Series	5	0	4	0	5	0
B737 Series	6	6	15	7	18	12
Total number of Boeing aircraft	**11**	**6**	**19**	**7**	**23**	**12**
Total number of aircraft	**60**	**26**	**75**	**24**	**54**	**26**

Notes:

1. According to confirmed orders, the Group plans to introduce 15 aircraft and retire 20 aircraft in 2028;

2. The Group will optimise and adjust its aircraft introduction and retirement plans in a timely manner in accordance with changes in the external environment, market conditions and the Group's capacity planning.

2024 Milestones

Hitting new records for several indicators

In 2024, China Eastern Airlines completed a total traffic volume of 25.250 billion tonne-kilometres and served 141 million passengers, representing a year-on-year increase of 36.32% and 21.58%, reaching a record high.

Comprehensively deepening reform

In 2024, China Eastern Airlines thoroughly studied and implemented the guiding principles from the third plenary session of the 20th CPC Central Committee, consolidated and expanded its achievement of themed education, solidly carried out study and education of Party discipline, implemented action plan to deepen the reform of SOEs, and steadily promoted reforms of marketing service agencies, management and control model and headquarters organs, etc.

Outranking peers in terms of international routes

In 2024, China Eastern Airlines added 11 international routes such as Shanghai – Riyadh, Shanghai – Marseille and Shanghai – Kazan, developed seven international express such as Shanghai – Singapore and Shanghai – Bangkok, and significantly increased the number of flights from Shanghai to Europe and Australia.

Serving the integrated development of the Yangtze River Delta with multimodal transportation

In 2024, China Eastern Airlines launched a rail-air transit service center at the Shanghai Hongqiao Railway Station, upgraded our service by launching “air-bus combined transportation 2.0 (空巴聯運2.0)”, launched industry-first “Regional Access (區域通)” product, which provide passengers with more convenient products and services.

Creating first-time experience with C919

On 28 May 2024, as one of the first batch of customers of C919, China Eastern Airlines celebrated the first anniversary of the commercial operation of C919 and received the first aircraft out of 100 aircrafts it ordered. In 2024, China Eastern Airlines had many first-time experience with C919, including but not limiting to serving the Spring Festival Travel Rush, flying abroad to participate in the Singapore Airshow, providing commercial charter services for the Shanghai-Hong Kong route, arranging commercial flights with sustainable aviation fuel, replacing the engine.

Digital Flight, Intelligent Sky

On 22 October 2024, China Eastern Airlines successfully organized the 2024 North Bund International Aviation Forum with the theme of Digital Flight, Intelligent Sky—Creating a New Future of Aviation, on which China Eastern Airlines released its significant achievements, including C919 Large-scale Commercial Operation System Development, and signed the Strategic Cooperation Agreement on Developing Shanghai as a Multi-functional Gateway and Comprehensive International Aviation Hub with multiple parties.

“Increase in shareholdings or repurchase” of shares

In 2024, CEA Holding, our controlling shareholder, increased its shareholdings in the Company by RMB978 million. The Company initiated the share repurchase program of RMB0.5 billion to RMB1 billion, which strengthened the market’s confidence in the Company’s future development prospects and established a good image of China Eastern Airlines in the capital market.

Procurement at the China International Import Expo “hits record high”

During the 7th China International Import Expo, China Eastern Airlines signed 19 procurement agreements with 18 enterprises from 10 countries and regions, with the overall import contract amount, signing ceremony contract amount, and one-year booth turnover hitting the highest level ever.

Cooperation with the Harbin Asian Winter Games as the official airline service partner

On 30 October 2024, China Eastern Airlines, as the official partner of the Harbin Asian Winter Games, held the launch ceremony of the first “Asian Winter” themed painted aircraft and the first Harbin themed flight of the painted aircraft.

“Aviation + cultural tourism”

In 2024, China Eastern Airlines signed a strategic cooperation agreement with the National Museum of China and the Shanghai Museum to jointly explore a new path for integrated development of “culture + aviation + tourism”, and launched the “Museum Priority (博物館優享)” product, which won positive social response.

Consolidating Board building

In 2024, taking the election of the new session of the Board as an opportunity, the Company optimized the composition of the Board and the special committees. It improved the operation mechanism of the Board, and proactively performed the functions of the Board in determining strategies, making decisions, and preventing risks. The Company was awarded the 2024 “Best Practice of the Board of Directors of Listed Companies” by China Association for Public Companies.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Chairman's Statement

Chairman
Wang Zhiqing

Dear shareholders,

I am pleased to present the report of the Group for the year ended 31 December 2024. On behalf of the entire staff of the Group, I would like to extend my sincere thanks to the shareholders of the Company.

Business Review

In 2024, the global economy experienced stable and slow growth, under which major central banks started their interest rate cut cycles and fiscal policies remained relatively loose. At the same time, residents' relatively strong spending power in major economies and passengers' increasing willingness and ability to travel led to a continuous growth in the global demand for air passenger transportation.

The steady growth in China's economy, coupled with various national policies implemented to boost domestic demand and consumption and expand high-level opening-up, vigorously promoted the full recovery of China's civil aviation industry and contributed to a record high in China's air passengers transported, which exceeded 700 million for the first time in 2024. At the same time, affected by factors such as structural changes in supply and demand, and fluctuations in oil prices and exchange rate, the operating pressure on airlines in China remained huge.

Facing the complex external environment, the Group worked in concerted efforts to overcome difficulties and forge ahead against pressure, and focused on stabilizing safety, improving operation and service, promoting reform and enhancing governance, thereby achieving new progress and results in various tasks. In 2024, the Group completed a total traffic volume of 25,250 million tonne-kilometres and served 141 million passengers, representing a year-on-year increase of 36.32% and 21.58% respectively. The operating income amounted to RMB132,120 million, representing a year-on-year increase of 16.11%, and the net loss attributable to the shareholders of the listed company amounted to RMB4,226 million, representing a significant year-on-year decrease in loss of RMB3,964 million.

Review of Operations

Safe Operation

The Group resolutely implemented the spirits of the important instructions from Xi Jinping, general secretary of the CPC, to ensure "Two Absolute Safeties", always adhered to the concept of safe development and insisted on zero tolerance for potential safety hazards. As flights reached a record high, the Group ensured overall stability in safety conditions. Throughout the year, the Group completed a total of 2,612.3 thousand hours of safe flights and 1,029.3 thousand take-offs and landings, representing a year-on-year increase of 14.49% and 7.96% respectively.

Strengthening the construction of safety system. Adhering to the principle of consolidating the foundation, the Group continued to strengthen the construction of four major systems, namely safety management system, production and operation system, training system and aircraft maintenance system. It strengthened system construction by formulating and improving the safety management manual, working rules of the safety committee, etc. It thoroughly implemented its three-year action plan for fundamental improvement of safety production, carried out special actions to improve production safety throughout the Company, and solidly promoted the classification and control of safety risks and the investigation and rectification of potential safety hazards.

Strengthening production and operation organization. It enhanced its management and control over the whole process of production organization, continuously optimized the dynamic matching of transportation capacity, aircraft and crew, and improved the dynamic matching of factors such as safety assurance capabilities, route network layout, and aircraft maintenance capabilities.

Strengthening the accountability for work safety. It improved the responsibility system for work safety, compiled a list of safety responsibilities, formulated the detailed implementation rules for incentives and punishments, and strengthened publicity, training and accountability to strengthen the safety awareness of all employees.

Improving safety culture. The Group carried out activities on "Safety Education Day" to firmly establish the concept of safety. All employees were required to treat work safety seriously with the "three things that cannot be overestimated", reflect deeply on safety issues under the "seven reflections" and "twenty checks", and resolutely resist bad work style. It raised all employees' awareness of employee handbook, internal rules and regulations through strictly implementation of procedures, work cards, and checklists, and cracked down on misconduct, striving to build a team of aircrew with "strong political competence, high business proficiency, excellent work style and strict discipline" and make it a benchmark for other professional teams in improvement of team building.

Market Operation

Taking hub construction as the core and international air network recovery as the priority, the Group made every effort to improve its quality, innovated its product system, and strengthened marketing, thereby achieving significant year-on-year growth in total traffic volume and number of passengers carried.

Strengthening hub construction and enhancing hub transit function. The Group continued to increase transportation capacity in hub markets, and its market share in Shanghai and Yangtze River Delta Region reached 42.2% and 32%, representing a year-on-year increase of 0.9 percentage point and 1.4 percentage points respectively. It also launched products such as "Overnight Transit" and "Transit VIP Lounge" to improve the transit process, further enhancing the hub transit function.

Optimizing the air network layout and accelerating the recovery of international routes. Facing challenge of "eight vertical and eight horizontal" railway network, the Group accelerated the construction of the air corridor with Shanghai as its core hub. Under the guidelines of "more long-range flights, more international flights and more flights in emerging markets", it added 11 international routes such as Shanghai – Riyadh, Shanghai – Marseille and Shanghai – Kazan, developed seven international express such as Shanghai – Singapore and Shanghai – Bangkok, and significantly increased the number of flights from Shanghai to Europe and Australia, making the number of international flights recover to 102% of 2019, outperforming the industry. By optimizing the route network and extending the flight distance, the average flight distance in the summer season and the winter season increased by 1.9% and 5.4% year on year respectively. It deepened and expanded external cooperation, promoted joint ventures with AFK, Etihad Airways and other airlines, and added or expanded code sharing and SPA cooperation with airlines such as Virgin Atlantic, Air Europa, Saudia and other airlines.

Strengthening proactive marketing and implementing multi-pronged measures to increase profits. The Group innovated its product system and formed three major product systems, namely basic products, touchpoint products and integrated products. It launched featured products named "Easy Refund (易享退)" and "Regional Access (區域通)", upgraded air-rail combined transportation, expanded air-bus combined transportation and explored air-ship combined transportation. It also launched integrated products such as the "Eastern Air Travel (行享東方)" pay-per-use card for economy class and "Museum Priority (博物館優享)". Besides, it introduced the ancillary products such as "Front Row Seats (前排就座)" standby upgrade e-vouchers, and expanded the sales of priority products and ancillary products. It promoted the transformation of the customer manager team and vigorously developed key group customers. It improved the revenue management and control system, dynamically formulated market strategies, strengthened flight pre-sale and management of unprofitable flight, and continued to increase sales revenue.

Improving bellyhold revenue to increase passenger aircraft bellyhold revenue. It captured the opportunity of strong cargo demand, and coordinated with Eastern Logistics to explore the cargo market, strengthening the integration of passenger and cargo services. The freight traffic volume of bellyhold of passenger aircraft increased by 47.05% year on year. The cargo revenue amounted to RMB5,331 million, representing a significant year-on-year increase of 46.70%.

Cost Management and Control

The Group took budget management as the source and business and finance integration as the focus to continuously strengthen cost management and control.

Deepening comprehensive budget management. Focusing on business objectives, the Group strengthened the management and control of budget preparation, tracking and execution, and promoted the connection between the budget control platform and key systems to improve budget management. Through the continuous project-based cost reduction and efficiency improvement, the Group completed a total of 313 quality and efficiency improvement projects in 2024, resulting in a cumulative efficiency increase of RMB1,555 million.

Continuing to promote business and finance integration. By establishing a team of business and finance management personnel and strengthening the training and publicity of business and finance integration, the business and finance integration work mechanism was continuously improved. It strengthened the construction of digital platform, enhanced data analysis and application, and continued to optimize business processes to improve refined management. Focusing on key items, it increased the control of major costs such as fuel, take-off and landing fees, agency fees, further refined the meals and on-board supplies, and continuously improved maintenance efficiency.

Strengthening capital management. The Group continued to expand financing channels by raising RMB5 billion in perpetual bonds from CEA Holding, which further optimized the Company's asset-liability structure. It issued 7 tranches of ultra-short-term financing bonds and raised a total of RMB18 billion, effectively reducing its capital cost.

Brand Services

Guided by the "Four Fines" service philosophy, the Group continuously enhanced service level starting with the management and control of service process, supported by innovative service products and relying on service brand building to optimize passenger experience so as to showcasing the characteristics of China Eastern Airlines brand.

Enriching the connotation of "Four Fines" services. The Group implemented the "Four Fines" service, being "meticulous, precise, exquisite and refined" services, and deepened the reform of the service system. It strengthened assessment of ten key service touchpoints to improve service quality, thereby offering upgraded service experience to passengers. It carried out the themed activity of "Quality and Efficiency Improvement Year for Civil Aviation Services", leading to the continuous enhancement of passengers' satisfaction in key indicators such as in-flight services, check-in and boarding services and baggage services.

Launching new service control measures. The Group strengthened the construction of service management and control platform and the management and control of service process with the support of the building of service support manager team, realizing the pre-risk control and improving the efficiency to handle emergencies. It strengthened the operation and management of key bases, and continuously improved the flight on-time rate on a quarter-on-quarter basis by keeping an eye on the flights, strengthening assessment and focusing on tackling difficulties.

Providing featured services with new highlights. It launched services to enhance service experience, such as "Eastern E-Services (東方E境)" for entry, exit and transit, "Baggage Worry-free (行李無憂)" for baggage check-in, and "Eastern Courtesy (禮遇東方)" for high-end passengers. It launched a rail-air transit service center at the Shanghai Hongqiao Railway Station and introduced "PVG-SHA Transfer" service after the Airport Link Line started operation to make trips more convenient for travelers.

Showcasing the characteristics of China Eastern Airlines brand. Bearing in mind "the country's most fundamental interests", it supported the domestically manufactured large aircraft business. As the world's first operator of the C919 passenger aircraft, the Group expanded its C919 fleet to 10 aircrafts, with more than 6,500 flights arranged, leading to growing brand awareness. China Eastern Airlines served the comprehensive revitalisation of Northeast China in the new era by acting as an official airline service partner of the Harbin Asian Winter Games, which expanded its brand communication power. In 2024, the Company was ranked among the top 50 "BrandZ Most Valuable Chinese Brands", and our flight attendant team "Eastern Airlines Lingyan (東航凌燕)" was selected as one of the first batch of outstanding achievements in the brand leadership campaign initiated by the State-owned Assets Supervision and Administration Commission for central enterprises, making its brand influence continue to expand.

Reform and Innovation

Centering on the requirements of high-quality development, the Group solidly advanced actions to deepen and enhance the state-owned enterprise reform and concentrated its efforts to promote innovation in key areas.

Continuing to strengthen strategic guidance and enhancing top-level design. It studied and formulated implementation opinions on further deepening reform comprehensively, formulated the strategic plan for the integrated development of the Yangtze River Delta Region and the construction plan for serving Shanghai as a world-class aviation hub, completed the mid-term adjustment to the 14th Five-Year Plan and started the preparation of the 15th Five-Year Plan.

Continuing to promote reforms in key areas to stimulate internal reform vitality. It deepened the reform of the marketing service system by establishing the marketing department and the service management department, which effectively improved the quality and efficiency of marketing service. With the goal of "streamlining the organization, clarifying responsibilities, and efficient collaboration", the reform of the functional departments of the headquarters was completed efficiently. It formulated a plan for the reform of the management and control model to advance the tiered management and control model of "overall management by headquarters, line empowerment and coordination between bases".

Continuing to strengthen digital transformation to empower business development. It formulated digital transformation plan to form a top-level design for digital transformation. It strengthened the construction of the digital transformation system. The decision-making and consulting functions in the digital field was added for the Planning, Development and Digitalization Committee of the Board. The Group established a digital transformation work leading group, seven project teams and Shanghai Eastern Air Digital Technology Co., Ltd. It steadily promoted key projects such as smart marketing, smart aircraft maintenance and digital aprons, and built intelligent revenue algorithm models such as cabin space prediction, seat allocation and cabin price linkage. It also held the first digital transformation innovation competition to create a sound atmosphere for innovation and transformation.

Corporate Governance

The Company continued to improve the modern enterprise system with Chinese characteristics, and made concerted efforts in the areas of Board building, market value management, and risk prevention and control to continuously enhance the effectiveness of governance.

Consolidating Board building. The Company implemented the requirements of the reform of the independent director system, systematically revised the Articles of Association and other systems, and established a more complete mechanism for the independent director system. Taking the election of the new session of the Board as an opportunity, the Company optimized the composition of the Board and the special committees. The Company improved the operation mechanism of the Board, and proactively performed the functions of the Board in determining strategies, making decisions, and preventing risks. In 2024, the Company was awarded the 2024 "Best Practice of the Board of Directors of Listed Companies" by China Association for Public Companies.

Enhancing market value management. The Company studied and formulated a working plan to implement the new "National Nine Articles" to accelerate the improvement of the quality of listed companies, and detailed specific measures for value management. The Company issued the action plan of "Enhancing Quality, Increasing Efficiency and Focusing on Returns" to improve the quality and efficiency of the Company's operations and consolidate the foundation for rewarding investors. The controlling shareholder, CEA Holding, completed the increase in its shareholding of the Company of RMB978 million and initiated the share repurchase program. This has strengthened the market's confidence in the Company's future development prospects and established a good image in the capital market.

Strengthening risk prevention and control. The Company identified and mitigated risks and latent risks in key business areas, and carried out special audits that focus on businesses with large funds or high-risk and other key areas. The Company improved internal control systems and mechanisms, and implemented risk control throughout the whole process. The Company promoted development towards a world-class law-based company, and evaluated the effectiveness of its compliance management system. The Company efficiently completed the decision-making process for the pro rata capital contributions in its subsidiaries, including Shanghai Airlines, Eastern Air Jiangsu and Eastern Air Wuhan, to increase their risk-resistant capability.

Social Responsibilities

With a high sense of social responsibility, the Group continued to make efforts in practicing "energy saving, carbon reduction and low carbon flight", actively promoting all-around rural revitalisation and efficiently completing special support tasks, and promoted "high-quality development" through "high-quality performance of responsibilities".

Adhering to the concept of energy saving and carbon reduction. In line with the "dual carbon" objective, the Group continued to explore green operations and promoted the use of sustainable aviation fuel (SAF) on a number of routes, in a variety of aircraft types, and in multiple aspects. The Group also took part in the third "Aviation Challenge" organised by SkyTeam Airline Alliance, advocating "sustainable flights" through the whole process of electronic check-in, green and low-carbon meals, and the whole chain of air flights.

Promoting all-around rural revitalisation. As a potential recipient of reply letter from Chinese President Xi Jinping and an examinee sitting the tests posed by this era, the Group persistently provided targeted assistance to our paired assistance areas Cangyuan and Shuangjiang, two counties of Yunnan, by providing assistance to local industries, consumption and education, and received "good" rating in the assessment of targeted assistance for central units for six consecutive years.

Escorting special flight missions. Together with other parties, the Group performed special flight support missions such as the first emergency flight to landslide disaster area in Zhaotong, Yunnan Province, and the "relay run" for the transportation of donated human organs for several times, making every effort to open up the air rescue channel and demonstrating the responsibility and commitment as a central enterprise.

OUTLOOK FOR 2025

The Group would like to bring to the attention of readers of this report that this report contains certain forward-looking statements, including forward-looking statements of international and domestic economies and the aviation market, and descriptions of the Group's future operating plans for 2025 and beyond. Such forward-looking statements are subject to many uncertainties and risks. The actual events that occur may be different from forward-looking statements of the Group which, therefore, do not constitute any commitment by the Group to future operating results.

In 2025, the Group will focus on the theme of high-quality development, remain the strategic goal of "building a world-class and happy CEA", and accelerate the promotion of high-quality development in the areas of safety, operation, service, reform and management.

Focusing on improving safe operation level

We have always taken safety as our top priority, further strengthened the construction of the four major systems of safety management, production and operation, flight training, and aircraft maintenance, and taken practical actions to ensure "Two Absolute Safeties". We will continue to improve the production safety accountability system for all staff, improve the safety responsibility list, launch the "Manual Construction Year" special action, tighten the safety responsibilities at all levels, deepen the construction of safety culture, systematically sort out, comprehensively summarize and accurately refine the safety culture of the Group in the new era, and lead the Group to enhance the level of safety management through the construction of safety culture.

Focusing on improving market management capabilities

We continuously strengthen the construction of core hubs, enhance the transit and traffic diversion capacity of the hubs, and consolidate the leading transit advantage of Pudong Airport; seize market opportunities to enhance the market competitiveness of flight pre-sales, proximity sales, transit business, front cabin services, team customers, etc.; enhance the overall level of sales by upgrading the capacity of direct sales, expanding new distribution channels, revamping the overseas official website, and optimizing the marketing of frequent-flyer memberships; expand the multimodal transportation products of Air-rail, Air-bus, Air-track and Air-water, and develop the integrated products of "Air+Cultural tourism" to expand revenue sources. We will establish the concept that all costs are controllable, strictly manage the budget, deepen the integration of industry and finance, and break down and solidify the responsibility of cost control at each level.

Focusing on deepening service brand building

Adhering to the guideline of "serving from the heart, creating value with services, and polishing the brand with services", we continue to promote the implementation of the "Four Fines" service, and improve the comprehensive service capabilities in air, ground and online, so as to better meet the people's needs for better air travel; speed up the construction of service management and control platform, improve the service management coordination mechanism, improve the on-time rate of flights and the efficiency of transfer and connection; deepen the innovation and research of "CEA Series" products, highlight the characteristics of service brands such as "Lingyan"; take the opportunities of important events such as the North Bund Forum and the China International Import Expo to continuously enhance brand influence.

Focusing on improving the effectiveness of reform and innovation

We adhere to the strategic leadership, ensure the successful conclusion of the reform deepening and enhancement action, and solidly promote the Group to further deepen the reform of key tasks; systematically summarize the effectiveness of the "14th Five-Year Plan" reform and development, and prepare the "15th Five-Year Plan" with high quality; focus on the main responsibilities and main businesses, deepen the reform of industrial structure, and promote the implementation of the reform of the management and control model; strengthen the construction of process systems, promote the reform of the three systems with real efforts, accelerate the promotion of management innovation; and make every effort to promote digital transformation to ensure breakthrough progress and landmark results in more key areas and important scenarios.

Focusing on improving corporate governance effectiveness

We implement the latest requirements of the Company Law, advance the revision of the Articles of Association and the reform of the Supervisory Committee in an integrated manner; better grasp the responsibilities of the Board, and actively explore effective ways for the Board to exercise its supervisory function through the audit committee; establish and improve the market value management system and mechanism for listed companies, promote stock repurchases in a compliant and orderly manner, and continuously improve the quality and efficiency of information disclosure and investor communication; improve the compliance management work mechanism, and carry out special actions to improve compliance; focus on key areas such as large amounts of funds, major projects, and overseas business, and effectively prevent major risks.

Management's Discussion and Analysis

Vice Chairman,
President
Liu Tiexiang

The Group built up a streamlined and efficient modernised fleet, operating 804 passenger aircraft with an average fleet age of 9.2 years. Surrounding Shanghai and Beijing core hubs and Xi'an and Kunming regional hubs, we provided high-quality and convenient air transport and extended services to worldwide travellers and customers.

Major Businesses and Operation Model

The scope of principal business of the Company includes: domestic and approved international and regional business for air transportation of passengers, cargo, mail, luggage and extended services. In addition, the Company is permitted to carry out the following business operations: general aviation business; maintenance of aviation equipment and machinery; manufacture and maintenance of aviation equipment; agency business for domestic and overseas airlines and other business related to air transportation; insurance-by-business agency services; e-commerce; in-flight supermarket; wholesale and retail of goods.

Current Development of the Aviation Industry

In 2024, facing multiple challenges such as persistent geopolitical tension, rising unilateralism and protectionism, and tightening monetary policies in major economies, the global economy experienced slow recovery. According to IATA data, due to the rapid growth in global demand for travel in 2024, the volume of global air passenger traffic (calculated by revenue passenger kilometers or RPKs) achieved a new record high and rose 10.4% compared to 2023. This was 3.8% above 2019 levels. The average global load factor reached a record high of 83.5%. Driven by the rapid development of global e-commerce business, the global air cargo market continued to grow in 2024, with a year-on-year increase of 11.3%.

Facing the complex situation of increasing external pressure and internal difficulties, China's economic development recorded steady progress and showed strong resilience in 2024, with GDP growing by 5%, ranking among the top major economies in the world. In 2024, China's air passengers transported reached 730 million, representing an increase of 17.9% and 10.6% compared to 2023 and 2019 respectively. At the same time, China's economic development is still facing many difficulties and challenges. The enterprises in the civil aviation industry are still under great pressure due to the fierce competition.

Landscape and Trend of the Industry

Looking ahead to 2025, demand for passenger travel will continue to grow globally, with IATA projecting that global aviation passenger numbers will reach 5.2 billion in 2025, an increase of 6.7 per cent year-on-year, and air cargo volumes to reach 72.5 million tons, an increase of 5.8 per cent year-on-year. Total global aviation revenue will reach US$1 trillion, up 4.4 per cent year-on-year. However, the aviation industry still faces challenges such as geopolitical uncertainty in 2025.

The long-term positive supporting conditions and basic trends of China's economy have not changed, forming a strong support for the aviation market. The high level of opening up is expected to promote the continued growth of the international air passenger and cargo market. The integration and joint development with cultural tourism and other related industries will bring new opportunities for the development of civil aviation industry. The CAAC's policy of supporting large airlines to grow bigger and stronger in their main bases and other important industry policies will also bring benefits to the high-quality development of the aviation transport industry. At the same time, the industry still faces many challenges and pressures. The fierce competition in the domestic market and the diversion to high-speed rail will continue to affect the market operation of airlines. Affected by geopolitics and global trade protection policies, international route operations face new uncertainties.

Development Strategy

The Group takes "building a world-class and happy CEA" as its strategic goal while taking "providing customers with safe, fast and comfortable high-quality air travel services" as its development mission, and adheres to the development vision of "employee passion, customer preference, shareholder satisfaction and social trust", striving to become a world-class intelligent air travel integrated service provider that focuses on coordinated advancement in sustained safety, innovative development, high quality and efficiency and environmental protection.

In the face of the new situation and new demands, the Group put forward the proposal of "Embarking on a new journey with China Eastern Airlines", which also gives a new connotation of "building a world-class and happy CEA". In general, we aim at achieving seven goals: high safety standard, high operational efficiency, good service quality, excellent business composition, solid economic returns, healthy growth momentum, and strong employee satisfaction.

Core Competitiveness Analysis

1. **Advantages of Located in Prosperously Developed Shanghai and the Yangtze River Delta Area**

   The Group enjoys relatively strong location advantages. Being one of the three major state-owned aviation companies, the headquarters and main operation bases of the Group are located in the super-sized international city — Shanghai. As China's key economic center and international shipping center, the Yangtze River Delta directly served by Shanghai is one of the most economically vibrant regions in China with the highest degree of openness and the strongest innovative capacity as well as the key intersection of the "Belt and Road" and "Yangtze River Economic Belt". Shanghai has always had very close economic and trade connection with the Asia-Pacific region, Europe and America. The time it takes to fly from Shanghai to major Asian cities is about 2 to 5 hours, and to Europe and the west coast of North America is about 10 to 12 hours.

   The Group has the biggest market share in Shanghai Hongqiao International Airport and Shanghai Pudong International Airport, and its development will benefit from the implementation of the national "Yangtze River Delta Integration" strategy, the construction of Shanghai's five international "economic, financial, shipping, trade, science and technology innovation" centers and the continuous promotion of the overall plan for the construction of Hongqiao International Open Hub. The Jiangsu and Zhejiang branches of China Eastern Airlines under the Group have a strong presence and brand influence in Jiangsu and Zhejiang provinces, respectively. The Group actively builds and optimizes the route network with Shanghai as the core hub, and combines with the operation of Pudong Airport hub to continuously improve the transit efficiency and service capability, so as to continuously expand its impact in the air transportation market in Shanghai and the Yangtze River Delta. The Group will actively participate in global cooperation, accelerate the development of the Group into a world-class air transportation enterprise with global competitiveness, and strongly support China in building itself into a leading global player in transportation and civil aviation as well as promoting Shanghai to become an international shipping center.

2. **Flight Hub and Network Layout with Unique Advantages**

   As a member of SkyTeam Airline Alliance, the Group boasts an aviation transport network covering 1,000 destinations in 160 countries and regions around the world. Frequent flyer Members of "Eastern Miles" (東方萬里行) can enjoy member benefits and use any one of the 750 VIP airport lounges of the SkyTeam Airline Alliance member airlines across the world.

   The Group has actively seized the opportunities such as the coordinated development of Beijing-Tianjin-Hebei, the construction of the Guangdong-Hong Kong-Macao Greater Bay Area, the construction of the Chengdu-Chongqing Economic Circle and the development of the Yangtze River Economic Belt to strengthen its route network layout. The Group has constructed "four beams and eight pillars" key route networks with Shanghai and Beijing, places with highly developed economy and keen demand on outbound travelling, as its core hubs, and Kunming (the gateway of Southeast Asia) and Xi'an (the gateway of Northwest China under the "Belt and Road" initiative) as regional hubs, supported by cities including Guangzhou, Shenzhen, Chengdu, Nanjing, Hangzhou, Qingdao, Wuhan and Xiamen.

   For domestic routes, the Group's route network covers all provincial capital cities and key cities in China, continuing to develop the "Punctual and Swift" "Air Express" brand in key cities. For international routes, the Group's route network provides direct access to major well-known cities and tourist destinations in Hong Kong, Macau, Taiwan, Japan, South Korea, Southeast Asia and Middle East, and major international cities in Europe, America and Oceania. Japan-South Korea aviation market is a traditional high-yield aviation market. The Group is the carrier with the largest market share in China and Japan, and the largest Chinese carrier in China-South Korea aviation market. The recovery of the Japan-South Korea aviation market will further improve and enhance the Company's operating results. Serving under national "Going Global" strategy and considering the market demand and its route network, since 2024, the Group has opened new international routes along the "Belt and Road" such as Shanghai Pudong-Riyadh, Shanghai Pudong-Marseille, Shanghai Pudong-Venice, Shanghai Pudong-Kazan and Xi'an-Milan, and has provided a number of international expresses including Shanghai-Singapore, Shanghai-Bangkok and Kunming-Bangkok.

3. Streamlined and Efficient Fleet Structure

The Group has always strived on practicing the concept of green and low carbon development as well as updating and optimizing the fleet structure. The Group operates a modern fleet of over 800 aircraft comprised of C919, A350 series, A320 series, B787 series and B737 series aircraft, and owns the largest wide-body fleet with leading business and technology models in China providing in-flight Internet access. The Group optimized fleet deployment and fleet performance by digital means to continue to achieve better match between aircraft and the route network and improve operational efficiency of the fleet.

4. A Brand with Strong Oriental Characteristics and High-quality Services

The Group focused intensively on the strategic goal of becoming a "World Class" airline by continuously improving the quality of services and promoting the development of service brand. The Group has continuously created "Four Fines" services through continuously optimizing service processes and innovating service products, thereby bringing a wonderful travel experience to passengers.

The Group has won many awards in areas such as operational quality, service experience, corporate governance and social responsibility. In 2024, the Company was ranked among the top 50 "BrandZ Most Valuable Chinese Brands" of the global brand communication group WPP, awarded "Best China Airline" of the 17th TTG China Travel Awards, and ranked 12th in "2024 Top 50 Global Airline Brand Value" of Brand Finance.

5. High Quality Customer Cluster and Outstanding Partners

The Group has always maintained a high service quality and keeps enhancing the travel experience of its passengers. The "Eastern Miles" frequent flyers reached 66.89 million.

The Group actively promotes cooperation with SkyTeam Airline Alliance, and has established a more stable and close comprehensive strategic cooperation relationship with Delta and AFK through capital and business collaboration. The Group actively promoted joint operation with AFK and cooperation with alliance partners such as Japan Airlines, Etihad Airways, Virgin Atlantic and Saudia in cooperative marketing and code sharing, and eagerly coordinated and carried out projects in the alliance regarding seamless transit, lounges and frequent flyers. In the domestic aviation industry, through carrying out strategic cooperation using the "equity + business" model with Juneyao Airlines, the competitiveness of the Group's Shanghai main base has been further enhanced.

In the upstream and downstream of the aviation industry chain, the Group has actively explored brand cooperation with world-renowned companies to create mutual benefits. The Group established the "Airline + Internet" cooperation model with Ctrip to promote cooperation in product and route promotion. It cooperates with China National Railway Group Co., Ltd. to realize one-stop booking of "air ticket + train ticket". It also cooperates with Douyin, Shanghai Museum, Disney, Asian Winter Games, etc. to launch a featured product named "Museum Priority (博物館優享)", which includes "air ticket + museum ticket", and new painted aircraft on the theme of "Asian Winter Games" and "Zootopia".

6. High-quality Fulfilment of Social Responsibility

With a strong sense of social responsibility, the Group implements the ESG principles and continuously expands its investment in aspects like aviation safety, passenger services, caring for employees, community development and green flight.

The Group upholds the concept of sustainable development, accelerates the construction of ESG system, continuously improves and optimizes the management system of sustainable development (ESG), and improves the level of ESG governance and performance. Under the guidance of the Aviation Safety and Environment Committee of the Board, the Group has formulated and implemented an annual work plan for environmental and sustainable development, specially prepared the "Carbon Peak Action Plan", actively participated in the "Sustainable Flight Challenge" organised by SkyTeam Airline Alliance and promoted the deployment and application of sustainable aviation fuels (SAF). The Company has published high-quality social responsibility and ESG reports for 17 consecutive years since 2009. The Company received the "2024 China CSR Ranking by YICAI – Environmental and Ecological Contribution Award" and "Golden Bee 2024 Excellent Corporate Sustainability Report – Longevity Award", and was selected as one of the "China ESG Listed Companies Yangtze River Delta Pioneer 50".

RISK ANALYSIS

1. Risk Related to Economic and Trade Environment, Geopolitical Situation and Public Health Affairs

The aviation industry is closely connected to the economic and trade environment. The civil aviation industry is more sensitive to macro-economic climate, which directly affects the development of economic activities, disposable income of residents and changes in the amount of import and export activities. These factors will in turn affect the demand for air transportation. Meanwhile, international economic and trade relations, geopolitical conflicts or wars will have a relatively significant impact on the demand of aviation market in such location and its surrounding areas and on the bilateral air traffic rights and time slot resources allocation. In addition, above-mentioned risks may drive large fluctuations in the prices of energy and other large commodities, thereby affecting the global economic activities and causing greater impacts on the Group's operating results and financial condition. Public health emergencies may have a great impact on the demand for air travel and normal operation of the Group.

The Group pays close attention to the impacts caused by changes in the domestic and overseas macro-economic situation, international economic and trade relations, the geopolitical situation, public health emergencies and related policies, maintains effective communication with civil aviation regulatory bodies both domestically and internationally and flexibly adjusts its transportation capacity deployment and market sales, so as to actively respond to such impacts.

2. Policy and Regulation Risk

Airlines have business operations around the world. Hence, the aviation industry is largely affected by domestic and overseas economic policies and laws and regulations. The adjustments of and changes in relevant domestic and foreign laws and regulations, industrial policies, and regulatory policies may bring certain uncertainties to the future business development and operating results of the Group. At the same time, as the Company is a public company listed in Shanghai and Hong Kong, the changes in the securities regulatory laws and regulations of the places of listing may have impact on and bring uncertainties to the shareholder structure as well as liquidity, price and continuity of the shares of the Company.

With respect to industrial policies and regulations, the Group has played an active role in various discussions concerning their formulation and revision, and promptly analysed and considered their latest changes and impact on the Group, so as to seize the development opportunities arising from such updates and prudently respond to the risks, challenges and uncertainties arising from the changes in policies and regulations.

3. Operational Safety Risk

Flight safety is the pre-condition and foundation for aviation companies to maintain normal operations and good reputation. Bad weather, mechanical failure, human errors, aircraft defects, national and international terrorism and other force majeure events may have an adverse impact on the flight safety, aviation security and operational safety of the Group.

The Group solidly promoted the construction of safe work practices, strictly executed rules, regulations and operating standards, implemented the accountability system for safe operation, strengthened the investigation and management of security risks, enhanced its safety and risk prevention and control system, and strengthened safety management and control capabilities, so as to actively respond to operational safety risk.

4. Core Resources Risk

The rapid growth of the industry may place air transportation enterprises under the risk of insufficient reserves in air traffic rights and time slot resources at important domestic and overseas destinations, as well as core resources such as management personnel in key positions and professional technical personnel, which may constrain the efforts of the Group to achieve its projected development goals or have a material adverse impact on the production and operations of the Group.

The Group reserves time slot resources in core markets by actively negotiating with regulators regarding domestic and overseas air traffic rights and time slot resources and actively participating in the market-based competition for time slot resources. The Group has proactively developed a core backup workforce through promoting the building of corporate culture of "Love at CEA", improving its incentive scheme for core technical staff, providing training programs for a pool of multi-tier backup management personnel and launching a core technical staff recruitment scheme.

5. Competition Risk

Along with the opening-up of the domestic aviation market, development of low-cost airlines and increased investment in transportation capacity for the Chinese market by international airlines, future competition in the domestic and overseas aviation industry may intensify, which may bring uncertainties to the Group's air traffic rights and time slot resources, ticket price level and market share, and therefore have an impact on the Group's operating results. In addition, there is a certain level of overlap between railway, highway and ship transportation and air transportation in certain markets. Certain routes of the Group may experience higher competitive pressure.

6. Risks Associated with the Fluctuation of Jet Fuel Prices, Exchange Rates, and Interest Rates

Jet fuel cost is one of the major expenses of the airlines. Significant fluctuations of international oil prices will significantly impact jet fuel costs and the revenue from fuel surcharge, and accordingly the Company's results.

The majority of the Company's liabilities are attributable to USD-denominated liabilities and RMB-denominated liabilities generated from introduction of aircraft, engines and aviation equipment, etc. Fluctuations in the exchange rate of USD against RMB will give rise to foreign exchange gains and losses. The adjustment in interest rates of USD and RMB will cause changes in the borrowing costs of the Company's loans that carry floating interest rates, as well as future financing costs, which in turn may affect the Company's finance expenses.

As at 31 December 2024, the impacts of changes in jet fuel prices, exchange rates, and interest rates on the Company are as follows:

Unit: RMB million

Sensitivity analysis on the changes in jet fuel prices, exchange rates, and interest rates	Effect on total profit		Effect on other comprehensive income	
	Increase	Decrease	Increase	Decrease
Increase or decrease by 5% in average jet fuel prices	-2,275	2,275	–	–
Increase or decrease by 25 basis points in floating interest rates	-237	237	1	-1
Appreciation or depreciation by 1% of USD against RMB	-236	236	–	–

In terms of the risk associated with the fluctuation of jet fuel prices, the Group has optimised its transportation capacity deployment, strengthened marketing and increased passenger load factor and unit yield level, so as to respond to the pressure of rising jet fuel prices. The Group has also proactively analysed the trend of oil prices, and, as authorised by the Board, prudently conducted jet fuel hedging activities. Exposure to jet fuel price fluctuations may be partially offset for the airlines by the implementation of fuel surcharge mechanism in China's civil aviation industry.

In terms of the exchange rate fluctuation risk, the Group pays close attention to the exchange rate market and further optimises the mix of currency denomination of the debts by means of issuing super short-term debentures and corporate bonds and acquiring RMB borrowings, so as to reduce exchange rate volatility risks. Against the backdrop of the Group's promotion of international business, the Group will adopt various measures, such as local income and expenditure currency matching in the overseas market, to minimise the impact arising from exchange rate fluctuations.

In terms of the interest rate fluctuation risk, the Group will launch transactions in derivatives to further optimise the Group's proportion of floating-rate debts to the USD-denominated debts in the future. At the same time, the Group will seize the opportunity to issue super short-term debentures and corporate bonds to strive to minimise RMB financing costs.

7. Digital and Information Security Risk

The development of various businesses during the Group's operation is closely related to the information network system. If there is any design defect, operational failure in the information network system of the Group or inadequate training and education on compliance and lack of security awareness on the part of internal staff, or if the system experiences external network attacks, or if there is a failure in the information network system, the Group's business and operations may be affected, and customer data and information of the Group may be leaked. The occurrence of any of the foregoing may have an adverse impact on the operating results and brand image of the Group.

The Group has continuously promoted the construction of information and network security projects, iteratively modified rules and regulations such as the "Network Security Management Manual", established a sound information and network security-related technical protection and security management mechanism, and strengthened information network security management capabilities. The Group has appointed a "data protection officer" and established a customer data system based on identification information such as ID cards, so as to improve data and information security protection capabilities.

8. Development and Transformation Risk

During the process of expanding into new international markets, conducting external investments, mergers and acquisitions and restructuring existing businesses and assets, the Group may face risks associated with decision-making, management, law, regulation and interference of competitors, which may affect the results of the development strategies of the Group. There remain certain risks associated with the failure of achieving expected goals of transformation projects or business adjustments in the future.

The Group has made continuous improvements to the monitoring and management of the whole process of external investment, and will enhance the research of projects, strictly monitor various investment activities and refine its risk management mechanism through due diligence and asset valuation during its expansion into new international markets, commencement of external investments, mergers and acquisitions and restructuring existing businesses and assets.

9. Supply Chain Risk

Air transportation enterprises require essential facilities and equipment including aircraft, engines and aviation equipment, as well as systems that meet the qualifications for flight, maintenance and operation and core technologies for their normal operations. If there is any abnormality in the operation of the Group's suppliers for essential facilities and equipment and core technologies in the supply chain, or under special circumstances, the suppliers are unable to provide essential facilities and equipment and core technological services support required for the Group's operations normally, the Group's normal operations may be adversely affected.

The Group regularly assesses the contractual performance capacity of suppliers of essential facilities and equipment and core technological services that are closely related to its supply chain of business and operations. The Group has also continuously paid close attention to the changes in the market price and the policies and regulations for the introduction of essential facilities and equipment and core technological services, and proactively responds to the risks related to the suppliers of essential facilities and equipment and core technological services in respect of the supply chain.

10. Securities Market Fluctuations Risks

The share price of a listed company is dependent not only on the Company's current results and projection for future operations, but also on factors including laws and requirements of the place of listing, policy environment, macro-economics, flow of market capital and investor structure and sentiment, etc. The Company's share price may be subject to significant changes due to the aforementioned factors, which may directly or indirectly result in loss to the investors.

The Company has continuously enhanced its corporate governance standards, earnestly fulfilled its obligations of information disclosure, constantly improved its operational management capability and striven for outstanding operating results. In the meantime, the Company has strengthened the communication with capital markets and various investors, paid close attention to the Company’s share price performance and media coverage, given timely response to the market and striven to avoid abnormal fluctuations in the Company’s share price.

11. Risk Associated with the Changes in Environmental Policy

The increasing importance attached to environmental policies including carbon emissions and noise control globally and changes in consumption behavior caused by passengers’ low carbon travel may impose restrictions on airline operations. In order to meet the changes in regulatory requirements of environmental policies, airlines may increase its investment in issues related to saving energy and reducing emissions and noise control, which in turn increases operating costs.

The Group adheres to the basic concept of sustainable development while strictly abiding by relevant policies and regulations on environmental protection. It implements refined management and control of aircraft fuel saving through the introduction of advanced fuel-saving and noise-reducing models, and promotes the use of ground facilities and equipment to replace auxiliary power units and the “diesel-to-electric” transformation plan of ground vehicles, while actively conducting works related to saving energy and reducing emissions as well as noise control through continuously promoting energy-saving and environmental protection technologies. The Group abides by international and domestic carbon emission regulatory requirements by participating in EU carbon emission trading mechanism and Shanghai local pilot carbon trading mechanism, with an aim to fulfill carbon emission obligations through market-oriented mechanisms, and explore ways to improve carbon emission management capabilities. In addition, the Group continues to study the application of sustainable aviation fuel and explores the carbon emission reduction model of the aviation industry, with an aim to continuously improve the level of ecological environment governance and green and low-carbon development.

12. Other Force Majeure and Unforeseeable Risks

The aviation industry is highly sensitive to external factors. Apart from above-mentioned risks, natural disasters and the navigational or personnel restrictions imposed by countries may also affect market demand and the normal operation of airlines. Flight suspension, decrease in passenger volume and income, as well as increase in safety and insurance costs may adversely affect the business and operations of the Group.

The Group has strengthened risk management and control and actively responded to unexpected risks to minimise the relevant losses and protect the interests of the shareholders of the Company.

Operating Revenue

In 2024, the Group’s passenger revenue amounted to RMB121,483 million, representing an increase of 16.17% from last year, and accounted for 95.80% of the Group’s air traffic revenue. The passenger traffic volume was 245,892.77 million passenger-kilometres, representing an increase of 34.88% from last year.

In particular, the passenger revenue of domestic routes amounted to RMB84,699 million, representing an increase of 0.85% from last year, and accounted for 69.72% of the passenger revenue. The passenger traffic volume of domestic routes was 170,123.47 million passenger-kilometres, representing an increase of 13.47% from last year.

The passenger revenue of international routes amounted to RMB33,321 million, representing an increase of 86.93% from last year, and accounted for 27.43% of the passenger revenue. The passenger traffic volume of international routes was 70,539.59 million passenger-kilometres, representing an increase of 144.54% from last year.

The passenger revenue of regional routes amounted to RMB3,463 million, representing an increase of 25.24% from last year, and accounted for 2.85% of the passenger revenue. The passenger traffic volume of regional routes was 5,229.72 million passenger-kilometres, representing an increase of 48.47% from last year.

In 2024, the Group’s cargo revenue amounted to RMB5,331 million, representing an increase of 46.70% from last year, and accounted for 4.20% of the Group’s air traffic revenue. The cargo and mail traffic volume was 3,682.54 million tonne-kilometres, representing an increase of 47.05% from last year.

In 2024, the Group’s other revenue amounted to RMB5,306 million, representing a decrease of 4.88% from last year.

Operating Expenses

In 2024, the Group's total operating expenses was RMB137,005 million, representing an increase of 13.08% from last year. Due to the recovery of the market demand, which has led to a substantial increase in the number of flights, and accordingly, the operating costs have also increased. The details are set out as follows:

Aircraft fuel costs accounted for one of the most substantial parts of the Group's operating expenses. In 2024, the Group's aircraft fuel cost was RMB45,499 million, representing an increase of 10.70% from last year, and was mainly due to increase in the production volume of the Group. The volume of refuelling increased by 18.28% from last year, leading to an increase in aircraft fuel costs by RMB7,513 million. As crude oil prices decreased, the average price of aircraft fuel decreased by 6.41% from last year, leading to a decrease in aircraft fuel costs by RMB3,116 million.

In 2024, the Group's wages, salaries and benefits amounted to RMB26,552 million, representing an increase of 12.17% from last year, and was primarily due to the increase in the traffic volume, leading to increase in the flight hour fees of aircrew members.

In 2024, the Group's depreciation and amortisation amounted to RMB26,644 million, representing an increase of 6.40% from last year, and was primarily due to the increases in the size of its fleet and the traffic volume, leading to the increase in the depreciation of components.

In 2024, the Group's take-off and landing charges amounted to RMB17,535 million, representing an increase of 20.45% from last year, and was primarily due to the year-on-year increase in the number of international flight take-offs and landings and the number of passengers.

In 2024, the Group's aircraft maintenance expenses amounted to RMB6,171 million, representing an increase of 35.87% from last year, and was primarily due to the increases in the size of its fleet and the traffic volume, leading to the increase in the aircraft and daily engine maintenance expenses.

In 2024, the Group's catering supply expenses amounted to RMB4,227 million, representing an increase of 41.23% from last year, and was primarily due to the increase in the number of passengers, in particular, a year-on-year increase of 151.66% in the number of international passengers.

In 2024, the Group's sales and marketing expenses amounted to RMB3,949 million, representing an increase of 34.73% from last year, and was primarily due to the increase in the number of passengers, in particular, international passengers, leading to an increase in the administration expenses of the agency business, system reservation fees, etc.

In 2024, the Group's contribution to the civil aviation development fund of the CAAC amounted to RMB1,122 million, representing an increase of 6.25% from last year, and was primarily due to the recovery of the aviation passenger transportation market and the increase in the Group's traffic volume.

Other Operating Income

In 2024, the Group's other operating income and gains amounted to RMB6,503 million, representing an increase of 19.78% from last year, and was primarily due to the increase in the number of passengers, increased investment in transportation capacity and the increase in income from co-operation routes.

Finance Income/Costs

In 2024, the Group's finance income amounted to RMB115 million, representing a decrease of 76.81% from last year. Finance costs amounted to RMB5,911 million, representing a decrease of 15.34% from last year. The Group continued to optimize its debt structure and reduce the scale of interest-bearing liabilities by reducing daily cash reserves, early repayment and replacement of high-interest debts and other measures.

Net Loss during the Year

In 2024, net loss attributable to equity holders of the Company amounted to RMB4,226 million. In the same period in 2023, net loss attributable to equity holders of the Company amounted to RMB8,190 million. In 2024, the loss per share attributable to equity holders of the Company was RMB0.19. In 2023, the loss per share attributable to equity holders of the Company was RMB0.37.

Liquidity and Capital Structure

As at 31 December 2024, the Group had total assets of RMB278,842 million, representing a decrease of 2.10% from 31 December 2023. Its gearing ratio was 84.35%, representing a decrease of 0.36 percentage point from 31 December 2023.

In particular, the total current assets amounted to RMB19,103 million, which accounted for 6.85% of the total assets and represented a decrease of 26.00% from 31 December 2023. Non-current assets amounted to RMB259,739 million, which accounted for 93.15% of the total assets and represented an increase of 0.29% from 31 December 2023.

As at 31 December 2024, the Group had total liabilities of RMB235,191 million, comprising current liabilities of RMB114,003 million which accounted for 48.47% of total liabilities, and non-current liabilities of RMB121,188 million which accounted for 51.53% of total liabilities.

Among the current liabilities, interest-bearing liabilities (short-term bank borrowings, super short-term debentures, long-term bank borrowings due within one year, bonds payable due within one year and lease liabilities due within one year) amounted to RMB66,422 million, representing a decrease of 7.87% from 31 December 2023. Among the non-current liabilities, interest-bearing liabilities (long-term bank borrowings, bonds payable and lease liabilities) amounted to RMB109,547 million, representing a decrease of 10.93% from 31 December 2023. The decrease in interest-bearing liabilities was mainly due to the Group's adjustment of its funding structure according to the financial market conditions.

In 2024, in order to deal with exchange rate fluctuations, the Group actively optimised the currency structure of the Group's liabilities and reduced exchange rate risks. As at 31 December 2024, the breakdown of the Group's interest-bearing obligations by currencies is as follows:

Unit: RMB million

Currency	RMB equivalent 2024	2023	Movement (%)
RMB	**148,070**	160,214	-7.58
USD	**25,166**	30,945	-18.68
Others	**2,733**	3,929	-30.44
Total	**175,969**	195,088	-9.80

As at 31 December 2024, the Group's interest-bearing liabilities included long-term and short-term bank borrowings and bonds payable equivalent to RMB102,902 million, representing a decrease of 6.91% from RMB110,541 million as at 31 December 2023. The breakdown by currencies is as follows:

Unit: RMB million

Currency	RMB equivalent 2024	2023	Movement (%)
RMB	**100,247**	106,694	-6.04
SGD	**2,655**	2,681	-0.97
EUR	**–**	1,166	–
Total	**102,902**	110,541	-6.91

As at 31 December 2024, the Group's interest-bearing liabilities included lease liabilities equivalent to RMB73,067 million, representing a decrease of 13.58% from RMB84,547 million as at 31 December 2023. The breakdown by currencies is as follows:

Unit: RMB million

Currency	RMB equivalent 2024	2023	Movement (%)
RMB	**47,823**	53,520	-10.64
USD	**25,166**	30,945	-18.68
HKD	**4**	19	-78.95
JPY	**24**	31	-22.58
SGD	**3**	4	-25.00
Others	**47**	28	67.86
Total	**73,067**	84,547	-13.58

Interest Rate Fluctuation

The Group's total interest-bearing liabilities as at 31 December 2024 and 31 December 2023 were equivalent to RMB175,969 million and RMB195,088 million (including long-term and short-term bank borrowings, lease liabilities, bonds payable and super short-term debentures), of which short-term liabilities accounted for 37.75% and 36.96%, respectively. Most of the long-term interest-bearing liabilities are floating-rates liabilities, both of which are subject to fluctuations in prevailing market interest rates.

The Group's interest-bearing liabilities were primarily denominated in USD and RMB. As at 31 December 2024, the Group's liabilities denominated in USD and RMB accounted for 14.30% and 84.15%, respectively. Fluctuations in the USD and RMB interest rates have a relatively significant impact on the Group's finance costs at present and in the future. Through interest rate swap contracts, the Group may reduce the exposure to floating rate of the USD-denominated debts. As at 31 December 2024, the outstanding interest rate swap contracts held by the Company amounted to a notional amount of approximately USD53 million, which will expire in 2025. As at 31 December 2023, such amount was approximately USD189 million.

Exchange Rate Fluctuation

As at 31 December 2024, the Group's total interest-bearing liabilities denominated in foreign currencies amounted to RMB27,899 million, of which interest-bearing liabilities denominated in USD accounted for 90.20%. Therefore, in the case of significant fluctuations in the USD exchange rate, the exchange gains and losses resulting from the translation of foreign currency liabilities will be larger, which will affect the Group's profitability and development. The Group uses foreign exchange forward contracts to mitigate the exchange rate risk arising from capital expenditures paid in foreign currencies.

As at 31 December 2024, the outstanding foreign exchange forward transactions held by the Company amounted to a notional amount of approximately USD216 million, which will expire in August 2025.

Fluctuation of Jet Fuel Prices

In 2024, the Group dealt with the cash flow risk arising from the fluctuation of jet fuel prices through fuel forward contracts. The fuel forward contracts entered into by the Group were mainly for the purchase of jet fuel at a fixed transaction price, which were classified as cash flow hedges. As at 31 December 2024, the Group had no outstanding fuel forward contracts.

Pledges on Assets and Contingent Liabilities

As at 31 December 2024, the value of the Group's assets used to secure certain bank loans was RMB34,243 million, and as at 31 December 2023, the value of the Group's assets used to secure certain bank loans was RMB31,669 million, representing a year-on-year increase of 8.13%.

As at 31 December 2024, the Group had no significant contingent liabilities.

Capital Expenditure

According to the agreements that have been entered into in relation to aircraft and engines, as at 31 December 2024, the Group expected its capital expenditures for the coming three years on aircraft and engines to be approximately RMB64,445 million in total, including the expected capital expenditure of approximately RMB27,736 million, RMB21,518 million and RMB15,191 million for each year from 2025 to 2027, respectively.

The above capital expenditure plan of the Group may vary due to factors such as entering into new purchase contracts for aircraft, engines and other flight equipment based on development strategy and market demand, variations to the original contracts and changes in price index.

Material Asset Impairment

The Group has not recorded any material asset impairment during the year. The specific amount of asset impairment has been listed in note 10 to the audited consolidated financial statements.

Overseas assets

As at 31 December 2024, the overseas assets of the Group amounted to RMB977 million, representing 0.35% of the total assets.

Analysis on Investment

1. Significant equity investments

Unit: RMB million

Name of invested company	Main business	Whether the target is mainly engaged in investment business	Way of investment	Investment amount	Share holdings	Whether to consolidate	Accounting item	Source of capital	Progress as of balance sheet date	Effects on profit or loss during the period	Whether involved in litigation	Disclosure date
China Eastern Media	Advertising and marketing	No	Acquisition	126	100%	Yes	Investments in subsidiaries	Daily operating capital	Acquisition completed	-13	No	24 January 2024
Sichuan Air	Airline operations	No	Capital increase	468	10%	No	Equity investments designed at fair value through other comprehensive income	Daily operating capital and physical assets	80% capital increase completed	–	No	21 June 2024
Shanghai Airlines	Airline operations	Yes	Capital increase	4,500	100%	Yes	Investments in subsidiaries	Daily operating capital	Capital increase completed	–	No	30 August 2024
Total	–	–	–	5,094	–	–	–	–	–		–	–

2. Financial assets measured at fair value

Unit: RMB million

Type of assets	Amount at the beginning of the period	Changes in fair value in the period	Cumulative fair value changes included in equity	Impairment provision for the period	Purchase during the period	Sale/ redemption during the period	Other changes	Amount at the end of the period
Interest rate swap contracts	48.68	-39.87	8.81	–	–	–	–	8.81
Forward currency contracts	–	46.90	46.90	–	–	–	–	46.90
Financial assets at fair value through profit or loss	65.13	35.67	–	–	–	–	–	100.80
Equity investments designated at fair value through other comprehensive income	1,057.16	-108.17	215.27	–	467.79	–	–	1,416.78
Total	1,170.97	-65.47	270.98	–	467.79	–	–	1,573.29

3. Investment in Securities

Unit: RMB million

Type of securities	Stock code	Stock abbreviation	Initial investment cost	Source of capital	Carrying amount at the beginning of the period	Changes in fair value in the period	Cumulative fair value changes included in equity	Purchase during the period	Sale during the period	Investment profit and loss for the period	Carrying amount at the end of the period	Accounting Item
Share	00696	TravelSky	18.50	Equity acquisition	259.48	-55.21	185.77	–	–	4.65	204.27	Equity investments designated at fair value through other comprehensive income
Share	600000	Pudong Development Bank	122.14	Equity replacement	64.81	35.93	–	–	–	–	100.74	Financial assets at fair value through profit or loss
Share	600221	Hainan Airlines Holding	0.07	Debt-to-equity swap	0.05	0.01	–	–	–	–	0.06	Financial assets at fair value through profit or loss
Total	–	–	140.71	–	324.34	-19.27	185.77	–	–	4.65	305.07	–

4. Analysis on major subsidiaries and affiliates

Unit: RMB

Name of company	Eastern Air Jiangsu	Eastern Air Wuhan	Eastern Air Yunnan	Shanghai Airlines	China United Airlines	CEA Technic
Date of establishment	1993	2002	2010	2010	1984	2014
Registered capital (RMB100 million)	40	27.5	36.62	100	33.2	46.52
Share holdings (%)	62.56	60	65	100	100	100
Revenue (RMB million)	10,199	4,556	10,944	12,712	8,260	11,827
Change on YoY (%)	8.07	13.46	11.09	22.98	16.16	19.63
Net profit during the reporting period (RMB million) (losses are presented in "-")	-1,006	-93	-454	-199	108	-31
Net profit during the previous reporting period (RMB million) (losses are presented in "-")	-522	-102	-594	-2,045	1	68
Total assets (RMB million)	13,933	7,469	14,053	27,057	12,560	7,778
Passenger traffic volume (million)	20,023	8,656	20,050	23,817	19,470	–
Change on YoY (%)	18.36	24.87	25.94	42.05	31.42	–
Number of passengers carried (million)	13.51	7.68	13.48	14.77	12.08	–
Change on YoY (%)	16.58	24.29	18.65	30.59	18.28	–
Fleet size (units)	72	35	75	87	60	–

Human Resources

As at 31 December 2024, the Group had 85,168 employees, the majority of whom were located in the PRC. The wages of the Group's employees generally consisted of basic salaries and performance bonuses. The Group was not involved in any major labour disputes with its employees, nor did it experience any significant turnover of employees or encounter any significant difficulties in recruiting new employees.

Total number of staff	85,168
Number of staff of the parent company	47,579
Number of staff of major subsidiaries	37,589
Number of retired staff whose expenses are committed by the parent company and major subsidiaries	11,190

Composition of professionals

Category of professionals	Number of professionals
Pilots	11,151
Flight attendants and other aircrew	23,344
Maintenance personnel	13,630
Ground services and others	27,558
Operation control	1,642
Information technology	1,084
Sales and marketing	3,377
Management	3,382
Total	85,168

Education level

Category of education level	Number of staff
Master's degree and above	3,283
Bachelor's degree	46,104
Associate degree	26,363
Others	9,418
Total	85,168

The Group focuses on the creation of an equal, diverse and inclusive workplace culture, with an aim to provide an equal and friendly working environment and development opportunities for all employees. The proportion of female employees is planned to maintain at an appropriate level in the industry. As at 31 December 2024, the proportion of female directors in the Board of Directors exceeded 12.5% and the proportion of female employees in the Company has reached 36.95%. The Board considers its diversity of gender is appropriate and no additional measurable objective is necessary in this respect.The Board has reviewed the Company's policy on board diversity, and considers it is effective and has been fully implemented.

Remuneration policies

In order to cater for the demand for the Company's strategic development, the Company improved the structure of its remuneration distribution system, optimised the protection and motivation effect of remuneration, and reasonably protected the legitimate rights of the employees and the Company. According to the Labour Contract Law of the PRC and the relevant laws and regulations, the Group has established the work position and remuneration system, namely the ground crew work position and remuneration system and aircrew work position and remuneration system. The remuneration of ground crew is composed of basic salary, wage for seniority, position-points salary, performance bonuses, allowances and benefits. The remuneration of aircrew is composed of basic salary, flight hour fees, flight benefits and other incentives.

In order to stimulate the vitality and creativity of the management members of the Group's secondary institutions, enhance the Group's market-based operation and business modernisation level, and taking into account the need for the growth and actual business conditions of the Group, the Group reformed the tenure system and contractual annual salary system for the management members of the secondary institutions. Salary mainly consists of three parts: basic annual salary, performance annual salary and tenure incentive.

Training program

Focusing on strategic goals and strategic processes, the Group has formulated and improved the multi-tier and multiform talent training plans based on the modern development needs of corporate governance system and governance capabilities, established and upgraded various training platforms with an aim to help improve the knowledge, skills and comprehensive competency of all staff to a greater extent and continuously consolidate their core competitives, further strengthening the talent foundation for high-quality development of the Group.

Report of the Directors

The Board is pleased to present the audited financial report of the Group for the year ended 31 December 2024.

Group Results

Further discussion and analysis on the business of the Group for the year ended 31 December 2024, including a fair review of the business of the Group, description of the principal risks and uncertainties facing the Group and highlight of the Group's business development in the future, are set out in Management's Discussion and Analysis from pages 26 to 37 of this annual report.

The results of the Group for the year ended 31 December 2024 and the financial position of the Company and the Group as at that date, prepared in accordance with IFRSs and PRC Accounting Standards, are set out in the financial statements.

The geographical analysis of the Group's revenue from its business is as follows:

Revenue

	PRC Accounting Standards RMB million	IFRSs RMB million
Domestic	90,676	90,676
Regional (Hong Kong, Macau and Taiwan)	3,591	3,591
International	37,853	37,853
Total	132,120	132,120

Critical Accounting Policies

Critical accounting policies are defined as those which reflect significant judgements and uncertainties and potentially result in materially different results under different assumptions and conditions.

The Group's audited consolidated financial statements have been prepared in accordance with IFRSs. The Group's critical accounting policies are disclosed in note 50 to our audited consolidated financial statements. IFRSs require the Group to adopt the accounting policies and make estimates that our Directors believe are most appropriate in the circumstances for the purposes of giving a true and fair view of our results and financial position. However, different policies, estimates and assumptions in critical areas could lead to materially different results. The critical accounting estimates and judgements made in the preparation of these financial statements are identified and set forth in note 4 to our audited consolidated financial statements.

Dividend

On 28 March 2025, the Board considered and approved the 2024 profit distribution proposal at the third regular meeting in 2025, and recommended the Company not to distribute profit for 2024.

The independent Directors of the Company are of the view that the 2024 profit distribution proposal of the Company is in line with the objective circumstances of the Company, and the deliberation procedures are lawful and effective, and are in compliance with the Company Law, the Securities Law, relevant laws and regulations of the CSRC, the Shanghai Stock Exchange and relevant provisions of the Company's Articles of Association, and that there is no prejudice to the interests of the investors, in particular, the interests of the small and medium-sized shareholders. The independent non-executive Directors of the Company agree to submit the 2024 profit distribution proposal to the 2024 annual general meeting of the Company for consideration.

The aforesaid profit distribution proposal is subject to consideration at the 2024 annual general meeting of the Company.

Dividend Policy

The Company has formulated a comprehensive dividend policy and will implement it in accordance with the Articles of Association and applicable laws and regulations.

Pursuant to the Articles of Association, the Company may distribute dividends by way of cash, shares, a combination of cash and shares, or in other reasonable manner in compliance with laws and regulations. Following the end of each fiscal year, the Board shall review the profit distribution plan and submit it to the general meeting for voting. If the profit distribution plan is approved at the general meeting, the Board shall complete the distribution within two months after the general meeting. Unless otherwise decided by the general meeting, the general meeting shall authorise the Board to distribute interim dividends.

Proposal and implementation of cash dividends distribution by the Company shall be subject to the following conditions: (1) the Company records a profit for the year, and the auditor issues an unqualified audited report on the Company's financial statements for that particular year; (2) the distributable profit (i.e. the after-tax profit of the Company after making up for losses, allocation to the statutory common reserve fund and discretionary common reserve fund) realised by the Company for the year is positive in value; (3) the Company has sufficient cash flow, and distribution of cash dividends will not affect the Company's normal operation and sustainable development. Provided that the Company is in good operating condition and has sufficient cash flow to meet the needs for its normal operation and sustainable development, the Company will proactively distribute cash dividends in return to its shareholders, and the accumulated profit distribution made in cash by the Company in the latest three years shall not be less than 30% of the average annual distributable profit attributable to the owners of the parent company in the consolidated statements in the latest three years. In the event that the said payout ratio of cash dividends cannot be met due to special reasons, the Board may adjust the payout ratio of dividends according to actual circumstances and state the reasons therefor.

For further details of the Company's dividend policy, please refer to Chapter 16: Financial and Accounting Systems and Profit Distribution of the Articles of Association.

Share Capital

1. As at 31 December 2024, the shareholding structure of the Company is set out as follows:

			Total number of shares	Approximate percentage in shareholding (%)
I	**A shares**		17,114,518,793	76.78
	1.	Listed shares with trading moratorium	0	0
	2.	Listed shares without trading moratorium	17,114,518,793	76.78
II	**H shares**		5,176,777,777	23.22
	1.	Listed shares with trading moratorium	0	0
	2.	Listed shares without trading moratorium	5,176,777,777	23.22
III	**Total number of shares**		22,291,296,570	100.00

Total Number of Shareholders

As at 31 December 2024, the total number of registered shareholders of the Company was 164,835.

Non-public Offering of A Shares

In 2022, the Company non-publicly issued 3,416,856,492 A shares, and the total amount of funds raised was approximately RMB15,000 million. The proceeds were in place and verified on 29 December 2022. On 12 January 2023, the procedures for registration, custody and lock-up of the new shares with the China Securities Depository and Clearing Corporation Limited, Shanghai Branch were completed. The shares under this non-public offering shall not be transferred within 6 months or 18 months from the closing date of the offering.

The proceeds raised from the non-public offering of A shares by the Company will be used for introduction of 38 aircraft and supplementary working capital. The use of proceeds is in line with the planned use of the raised proceeds disclosed by the Company, and there is no material change.

As at 31 December 2024, the Company utilized proceeds of RMB1.465 billion during the year. The accumulated amount of utilized proceeds was RMB14.967 billion. The balance of the fundraising account as of 31 December 2024 represents the interest on bank deposits of RMB0.36 million received. As of December 31, 2024, the principal amount of the proceeds had been fully utilized. For details, please refer to the Company's announcement published on the website of the Hong Kong Stock Exchange dated 28 March 2025.

The use of the proceeds from the non-public offering of A shares by the Company is as follows:

No.	Project Name	Total investment amount (RMB hundred million)	Intended amount of raised proceeds to be invested (RMB hundred million)
1	Introduction of 38 aircraft	289.24	105
2	Supplementary working capital	45	45
Total		334.24	150

Substantial Shareholders

So far as the Directors are aware, as at 31 December 2024, the following persons (other than the Directors, Supervisors and president of the Company) had interests or short positions in the shares and/or underlying shares of the Company which were required to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO, or as otherwise notified to the Company and the Hong Kong Stock Exchange:

Name of substantial shareholder	Class of shares	Number of shares held	Capacity	Percentage in the relevant class of issued shares	Percentage in total issued shares
CEA Holding	A shares	8,858,963,273(L)[Note 2]	Beneficial owner	51.76%(L)	39.74%(L)
		457,317,073(L)[Note 2]	Interests of controlled corporation	2.67%(L)	2.05%(L)
	H shares	2,778,396,000(L)[Note 3]	Interests of controlled corporation	53.67%(L)	12.46%(L)
CES Global	H shares	2,778,396,000(L)[Note 3]	Beneficial owner	53.67%(L)	12.46%(L)
Juneyao Group	A shares	28,678,340(L)[Note 4]	Beneficial owner	0.17%(L)	0.13%(L)
		808,441,233(L)[Note 4]	Interests of controlled corporation	4.72%(L)	3.63%(L)
	H shares	565,705,777(L)[Note 5]	Interests of controlled corporation	10.93%(L)	2.54%(L)
Juneyao Airlines	A shares	808,441,233(L)[Note 4]	Beneficial owner	4.72%(L)	3.63%(L)
		28,678,340(L)[Note 4]	Others	0.17%(L)	0.13%(L)
	H shares	12,000,000(L)[Note 5]	Beneficial owner	0.23%(L)	0.05%(L)
		554,705,777(L)[Note 5]	Interests of controlled corporation	10.72%(L)	2.49%(L)

Name of substantial shareholder	Class of shares	Number of shares held	Capacity	Percentage in the relevant class of issued shares	Percentage in total issued shares
Juneyao Hong Kong	H shares	554,705,777(L)Note 5	Beneficial owner	10.72%(L)	2.49%(L)
Wang Junjin	A shares	837,119,573(L)Note 4	Interests of controlled corporation	4.89%(L)	3.76%(L)
	H shares	566,705,777(L)Note 5	Interests of controlled corporation	10.95%(L)	2.54%(L)
Wang Han	A shares	837,119,573(L)Note 4	Interests of controlled corporation	4.89%(L)	3.76%(L)
	H shares	566,705,777(L)Note 5	Interests of controlled corporation	10.95%(L)	2.54%(L)
Ye Jinqi	A shares	837,119,573(L)Note 4	Interests of spouse	4.89%(L)	3.76%(L)
	H shares	566,705,777(L)Note 5	Interests of spouse	10.95%(L)	2.54%(L)

Notes:

1. The letter (L) denotes a long position. The data disclosed above is mainly based on the information provided on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) and by China Securities Depository and Clearing Corporation Limited.

2. 8,858,963,273 A shares were held directly by CEA Holding; and 457,317,073 A shares were held directly by CES Finance, which in turn was entirely held by CEA Holding. Therefore, CEA Holding is deemed to be interested in the 457,317,073 A shares held directly by CES Finance.

3. CES Global directly held 2,778,396,000 H shares in the capacity of beneficial owner through HKSCC, and CEA Holding indirectly owned the entire interests of CES Global through CES Finance. Therefore, CEA Holding is deemed to be interested in the 2,778,396,000 H shares held directly by CES Global.

   As at 31 December 2024, CES Global had pledged 2,370,000,000 H shares. For details, please refer to the announcement of the Company published on the website of the Hong Kong Stock Exchange on 18 July 2023.

4. Based on the information provided by China Securities Depository and Clearing Corporation Limited, 28,678,340 A shares were held directly by Juneyao Group; and 808,441,233 A shares were held directly by Juneyao Airlines. Mr. Wang Han and Mr. Wang Junjin were interested in 71.77% of shares of Juneyao Group; and Juneyao Group is the controlling shareholder of Juneyao Airlines. Ms. Ye Jinqi is the spouse of Mr. Wang Junjin. Therefore, Juneyao Group is deemed to be interested in 808,441,233 A shares held by Juneyao Airlines; Mr. Wang Han and Mr. Wang Junjin are deemed to be interested in 28,678,340 A shares and 808,441,233 A shares held directly by Juneyao Group and Juneyao Airlines, respectively; and Ms. Ye Jinqi is deemed to be interested in 837,119,573 A shares held indirectly by Mr. Wang Junjin.

   On 29 October 2019, Juneyao Group and Juneyao Airlines signed a Voting Rights Proxy Agreement to delegate the voting rights of all shares held directly by Juneyao Group as at 29 October 2019 to Juneyao Airlines. Therefore, Juneyao Airlines is also deemed to be interested in the A shares held directly by Juneyao Group.

5. Juneyao Airlines directly held 12,000,000 H shares; and Juneyao Hong Kong directly held 554,705,777 H shares in the capacity of beneficial owner through HKSCC. Mr. Wang Han and Mr. Wang Junjin were interested in 71.77% of shares of Juneyao Group; Juneyao Group is the controlling shareholder of Juneyao Airlines; and Juneyao Airlines owned the entire equity interests of Juneyao Hong Kong. Ms. Ye Jinqi is the spouse of Mr. Wang Junjin. Therefore, Juneyao Group, Mr. Wang Han and Mr. Wang Junjin are deemed to be interested in 12,000,000 H shares and 554,705,777 H shares held directly by Juneyao Airlines and Juneyao Hong Kong; Juneyao Airlines is deemed to be interested in 554,705,777 H shares held directly by Juneyao Hong Kong; and Ms. Ye Jinqi is deemed to be interested in 566,705,777 H shares held indirectly by Mr. Wang Junjin.

Shareholders who are interested in 5% or more of any class of voting shares in the Company are obliged to disclose their interests, and short positions, in voting shares of the Company when (but not limited to) there is any change in the percentage of their respective share interests or the nature of their interests pursuant to the SFO.

According to the relevant disclosure requirements laid down by the CSRC, as at the End of the Reporting Period, the 10 largest registered shareholders, the 10 largest registered shareholders of shares without trading moratorium and the 10 largest registered shareholders of shares with trading moratorium on the register of members of the Company and their respective shareholdings are as follows:

Shareholdings of top ten shareholders

Name of shareholders	Increase/ (decrease) in shareholding during the Reporting Period	Shareholding as at the End of the Reporting Period	Percentage (%)	Shares subject to trading moratorium held	Pledged, marked or frozen Status of shares	Pledged, marked or frozen Number of shares	Nature of shareholders
China Eastern Air Holding Company Limited	38,411,270	8,858,963,273	39.74	0	Nil	0	State-owned legal person
HKSCC NOMINEES LIMITED	780,000	4,703,690,775	21.1	0	Unknown	Unknown	Overseas legal person
Juneyao Airlines Co., Ltd	589,041,096	808,441,233	3.63	0	Nil	0	Domestic non-state-owned legal person
China National Aviation Fuel Holding Company	0	730,389,827	3.28	0	Nil	0	State-owned legal person
DELTA AIR LINES INC	0	465,910,000	2.09	0	Nil	0	Overseas legal person
Shanghai Licheng Information Technology Consulting Co., Limited	0	465,838,509	2.09	0	Nil	0	Domestic non-state-owned legal person
CES Finance Holding Co., Ltd.	0	457,317,073	2.05	0	Nil	0	State-owned legal person
China Securities Finance Corporation Limited	0	429,673,382	1.93	0	Nil	0	State-owned legal person
Hong Kong Securities Clearing Company Ltd.	100,026,407	347,968,226	1.56	0	Nil	0	Overseas legal person
China State-owned Enterprises Mixed Ownership Reform Fund Co., Ltd. (中國國有企業混合所有制改革基金有限公司)	0	341,685,649	1.53	0	Nil	0	State-owned legal person

Shareholdings of top ten shareholders without trading moratorium

Name of shareholders	Shareholding of shares without trading moratorium	Type of shares held and shareholding: Type of shares held	Type of shares held and shareholding: Shareholding
China Eastern Air Holding Company Limited	8,858,963,273	RMB-denominated ordinary shares	8,858,963,273
HKSCC NOMINEES LIMITED	4,703,690,775	Overseas listed foreign shares	4,703,690,775
Juneyao Airlines Co., Ltd	808,441,233	RMB-denominated ordinary shares	808,441,233
China National Aviation Fuel Holding Company	730,389,827	RMB-denominated ordinary shares	730,389,827
DELTA AIR LINES INC	465,910,000	Overseas listed foreign shares	465,910,000
Shanghai Licheng Information Technology Consulting Co., Limited	465,838,509	RMB-denominated ordinary shares	465,838,509
CES Finance Holding Co., Ltd.	457,317,073	RMB-denominated ordinary shares	457,317,073
China Securities Finance Corporation Limited	429,673,382	RMB-denominated ordinary shares	429,673,382
Hong Kong Securities Clearing Company Ltd.	347,968,226	RMB-denominated ordinary shares	347,968,226
China State-owned Enterprises Mixed Ownership Reform Fund Co., Ltd. (中國國有企業混合所有制改革基金有限公司)	341,685,649	RMB-denominated ordinary shares	341,685,649
Description of the specialized account for repurchase among the top ten shareholders	N/A		
Explanation on the above-mentioned shareholders' authorized voting rights, entrusted voting rights and abstention from voting rights	Shanghai Jidaohang entrusted Juneyao Airlines to vote on the matters considered at the 2023 annual general meeting of the Company.		
Description of any related party or concert party relationship among the above shareholders	CES Finance is 100% held by CEA Holding. Among the 4,703,690,775 shares held by HKSCC NOMINEES LIMITED, 2,778,396,000 shares were held by CES Global in the capacity of beneficial owner. CES Global was 100% held by CEA Holding. Among the 4,703,690,775 shares held by HKSCC NOMINEES LIMITED, 554,705,777 shares were held by Juneyao Hong Kong in the capacity of beneficial owner. Juneyao Hong Kong was 100% held by Juneyao Airlines. The Company is not aware of any related party or concert party relationship among other top ten shareholders without trading moratorium.		

As at the End of the Reporting Period, CES Global has pledged 2,370 million H shares of the Company.

Number of restricted shares held by the top ten shareholders and lock-up conditions

No.	Name of shareholders	Shareholding of shares with trading moratorium	Trading details of shares with trading moratorium: Date for listing and trading	Trading details of shares with trading moratorium: Number of shares newly available for listing and trading	Lock-up conditions
1	China Eastern Air Holding Company Limited	0	11 November 2024	2,494,930,875	Non-public issue, lock-up period of 36 months
		0	12 July 2024	1,138,952,165	Non-public issue, lock-up period of 18 months
Description of any related party or concert party relationship among the above shareholders		None			

Changes in shares subject to trading moratorium

Unit: shares

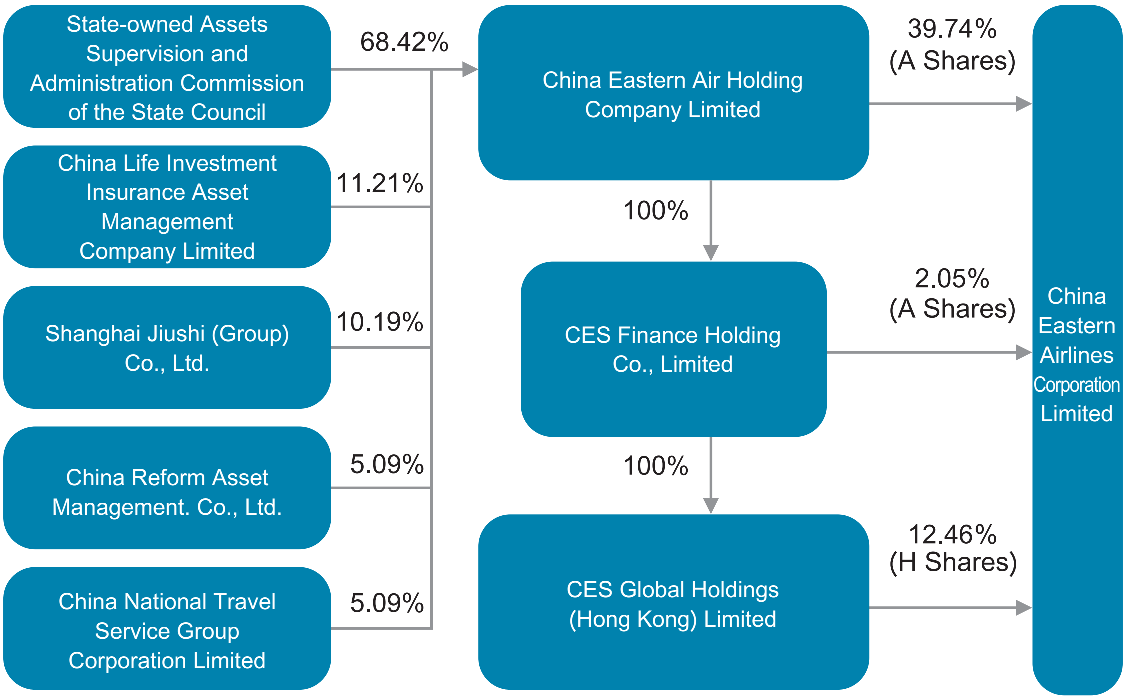
Name of Shareholders	Number of shares subject to trading moratorium at the beginning of the Reporting Period	Number of shares with trading moratorium released during the Reporting Period	Number of additional shares subject to trading moratorium during the Reporting Period	Number of shares subject to trading moratorium at the End of the Reporting Period	Reason for trading moratorium	Expiry date of trading moratorium
CEA Holding	1,138,952,165	1,138,952,165	0	0	Non-public issuance of A shares from the Company	12 July 2024
CEA Holding	2,494,930,875	2,494,930,875	0	0	Non-public issuance of A shares from the Company	11 November 2024
Total	3,633,883,040	3,633,883,040	0	0	–	–

Controlling Shareholder and De Facto Controller

Name	China Eastern Air Holding Company Limited
Person in charge or legal representative	Wang Zhiqing
Date of establishment	9 August 1986
Principal business	Managing all the state-owned assets and equity interest formed and invested by the state in group company and its invested enterprises
Details of controlling interests and investments in other domestic and foreign listed companies during the Reporting Period	Directly holds 40.5% equity of Eastern Air Logistics (stock code 601156.SH). Directly and indirectly holds 7.24% equity of TravelSky (stock code 00696.HK).

The graph of shareholding and control relationship between the Company, the de facto controller and the controlling Shareholder

The situation as of 31 December 2024 is as follow:



Purchase, Sale or Redemption of Securities

Pursuant to the resolution on granting the general mandate to the Board to repurchase H shares and A shares of the Company that was considered and approved by the Company at the 2024 first extraordinary general meeting, 2024 first H shareholders class meeting and 2024 first A shareholders class meeting convened on 8 November 2024, the Company repurchased a total of 5,000,000 A shares with a par value of RMB1.00 per share on the Shanghai Stock Exchange in December 2024 at a repurchase price ranging from RMB4.03 to RMB4.10 per A share for a total repurchase price of RMB20,350,000 (excluding transaction fees). All such shares will be cancelled in accordance with laws.

Save as disclosed above, in 2024, neither the Company nor its subsidiaries purchased, sold or redeemed any of its other listed securities ("securities", having the meaning ascribed thereto under section 1 of Appendix D2 to the Listing Rules).

Pre-emptive Rights

Under the Articles of Association and the laws of the PRC, no pre-emptive right exists, which requires the Company to offer new shares to its existing Shareholders on a pro rata basis.

Sufficiency of Public Float

Based on information that is publicly available to the Company and within the knowledge of the Directors, as at the latest practicable date prior to the issue of this annual report, the Directors believe that the Company has at all times during the year ended 31 December 2024 maintained the relevant applicable minimum percentage of listed securities as prescribed by Rule 8.08(1)(a) of the Listing Rules.

Shareholdings and Remuneration of Incumbent and Resigned Directors, Supervisors and Senior Management during the Reporting Period

(1) Shareholdings and Remuneration of Incumbent and Resigned Directors, Supervisors and Senior Management during the Reporting Period

Name	Position	Sex	Age	Effective date of appointment	Expiry date of the term	Shares held at the beginning of the year (shares)	Shares held at the end of the year (shares)	Increase/ (decrease) in shareholding during the year	Total pre-tax remuneration received from the Company during the Reporting Period: Actual amount received in 2024 (RMB10,000)	2023 Annual Salary Redemption (RMB10,000)	Whether remuneration is received from related parties
Wang Zhiqing	Chairman of the Board	Male	58	29 April 2024	up to date	–	–	–	–	–	Yes
Liu Tiexiang	Vice Chairman President	Male	58	8 November 2024 22 October 2024	up to date up to date	–	–	–	–	–	Yes
Cheng Guowei	Director	Male	54	12 February 2025	up to date	–	–	–	–	–	Yes
Sun Zheng	Independent Director	Male	67	29 April 2024	up to date	–	–	–	20	–	No
Lu Xiongwen	Independent Director	Male	58	29 April 2024	up to date	–	–	–	20	–	No
Luo Qun	Independent Director	Male	62	29 April 2024	up to date	–	–	–	5.6	–	No
Fung Wing Yee Sabrina	Independent Director	Female	53	29 April 2024	up to date	–	–	–	14	–	No
Zheng Hongfeng	Independent Director	Male	47	29 April 2024	up to date	–	–	–	14	–	No
Guo Junxiu	Chairman of the Supervisory Committee	Male	59	29 April 2024	up to date	–	–	–	–	–	Yes
Zhou Huaxin	Employee representative Supervisor	Male	53	29 April 2024	up to date	–	–	–	59.78	24.91	No
Shao Zumin	Supervisor	Male	52	29 April 2024	up to date	–	–	–	40.47	33.41	No
Zhou Qimin	Vice President, Chief Financial Officer	Male	57	29 April 2024	up to date	–	–	–	–	–	Yes
Wan Qingchao	Vice President	Male	53	29 April 2024	up to date	–	–	–	–	–	Yes
Li Ye	Vice President	Male	51	19 June 2024	up to date	–	–	–	–	–	Yes
He Xiaoqun	Vice President	Female	51	17 January 2025	up to date	–	–	–	–	–	Yes
Li Ganbin	Board Secretary, Joint Company Secretary	Male	52	31 December 2024	up to date	–	–	–	–	–	No

Name	Position	Sex	Age	Effective date of appointment	Expiry date of the term	Shares held at the beginning of the year (shares)	Shares held at the end of the year (shares)	Increase/ (decrease) in shareholding during the year	Total pre-tax remuneration received from the Company during the Reporting Period: Actual amount received in 2024 (RMB10,000)	Total pre-tax remuneration received from the Company during the Reporting Period: 2023 Annual Salary Redemption (RMB10,000)	Whether remuneration is received from related parties
The following are resigned Directors, Supervisors and senior management											
Li Yangmin	Vice Chairman, President	Male	61	29 April 2024	22 October 2024	3,960	3,960	–	–	–	Yes
Tang Bing	Director	Male	57	29 April 2024	18 June 2024	–	–	–	–	–	Yes
Lin Wanli	Director	Male	63	23 June 2021	29 April 2024	–	–	–	–	–	No
Cai Hongping	Independent Director	Male	70	31 December 2019	29 April 2024	–	–	–	6	–	No
Dong Xuebo	Independent Director	Male	70	31 December 2019	29 April 2024	–	–	–	6	–	No
Jiang Jiang	Employee representative Director	Male	60	29 April 2024	9 July 2024	–	–	–	–	–	Yes
Guo Lijun	Chairman of the Supervisory Committee	Male	53	29 March 2021	29 April 2024	–	–	–	25.00	42.85	No
Fang Zhaoya	Supervisor	Male	56	31 December 2019	29 April 2024	–	–	–	–	–	Yes
Feng Dehua	Vice President	Male	59	31 December 2019	29 April 2024	–	–	–	–	–	Yes
Wang Jian	Board Secretary	Male	51	29 April 2024	3 September 2024	–	–	–	50.86	42.85	No
Total	–	–	–	–		3,960	3,960	–	261.71	144.02	–

Note: The total pre-tax remuneration received by the Directors, Supervisors and senior management from the Company during the Reporting Period is composed of the sum of actual amount received in 2024 and 2023 annual salary redemption. For the payroll cycle of actual amount received in 2024, Sun Zheng, Lu Xiongwen and Zhou Huaxin are from January to December 2024; Cai Hongping, Dong Xuebo and Guo Lijun are from January to April 2024; Luo Qun, Fung Wing Yee Sabrina, Zheng Hongfeng and Shao Zumin are from May to December 2024; and Wang Jian is from January to August 2024.

The Company confirmed that, none of the Director has waived or agreed to waive any emolument.

Mr. Wang Zhiqing is currently the chairman and secretary of Party Committee of the Company, the chairman and secretary of Party Leadership Group of CEA Holding, a holder of PhD in management, and a representative of the 20th National Congress of the Communist Party of China. Mr. Wang joined the civil aviation industry in 1988 and served as the deputy director and a member of Party Leadership Group of the Civil Aviation Administration of China, and the deputy director of the Ministry of Transport and a member of Party Leadership Group. He served as the deputy secretary-general of the State Council and a member of Party Leadership Group of the State Council from November 2021 to October 2023. He has been the chairman, the secretary of Party Leadership Group of CEA Holding and the secretary of Party Committee of the Company since October 2023. He has served as the chairman of the Company since November 2023. Mr. Wang also serves as a member of the Standing Committee of the 16th Shanghai Municipal People's Congress. Mr. Wang graduated from the Department of Road and Transportation Engineering of Tongji University and graduated from Nanjing University of Aeronautics and Astronautics, majoring in management science and engineering. He is qualified as a professorate senior economist.

Mr. Liu Tiexiang is currently the vice chairman, president and vice secretary of Party Committee of the Company, and a director, the president and vice secretary of Party Leadership Group of CEA Holding. Mr. Liu joined the civil aviation industry in 1983 and had been the vice president and the chief operating officer of Air China Limited (a company listed on the Hong Kong Stock Exchange (stock code: 753) and the Shanghai Stock Exchange (stock code: 601111)), and the chairman of Beijing Airlines Co., Ltd. He served as the vice president and member of the Party Leadership Group of CEA Holding from March 2020 to September 2024, and the vice president and member of the Standing Committee of the Party Committee of the Company from April 2020 to October 2024. He has served as the president and deputy secretary of the Party Leadership Group of CEA Holding since September 2024, the president and the vice secretary of the Party Committee of the Company, a director of CEA Holding since October 2024, and the vice chairman of the Company since November 2024. Mr. Liu graduated from the Air Force No.1 Aviation University with a major in aviation flight and from the Party School of the Central Committee of the Communist Party of China with a major in economic management, and holds the title of Chief Pilot.

Mr. Cheng Guowei is currently a Director and vice secretary of Party Committee of the Company, and a director and vice party secretary of Party Leadership Group of CEA Holding. Mr. Cheng joined the civil aviation industry in 1994 and served as the chief engineer, director of flight maintenance of Shanghai Airlines Co., Limited, the vice president, safety director, secretary of the disciplinary committee and the secretary of the Party Committee of Shanghai Airlines Co., Limited., the secretary of the Party Committee and president of the Northwest Branch of the Company, and the president and vice secretary of the Party Committee of China Eastern Airlines Technology Co., Limited. He has been serving as the member of the Party Leadership Group of CEA Holding since December 2019. He served as a vice president of CEA Holding from December 2019 to December 2024, and a vice president of the Company from January 2020 to January 2025. He has been serving as a deputy secretary of the Party Leadership Group of CEA Holding since November 2024, the vice secretary of the Party Committee of the Company since December 2024, the director of CEA Holding since January 2025, and the director of the Company since February 2025. Mr. Cheng graduated from Nanjing University of Aeronautics and Astronautics majoring in aerodynamics and obtained a Master of Business Administration degree jointly offered by Beijing University of Technology and American City University. He holds the title of professorate senior engineer.

Mr. Sun Zheng is currently an Independent Director of the Company, a senior professor at Shanghai University of Finance and Economics China. Mr. Sun was the vice president of Shanghai University of Finance and Economics. Mr. Sun has served as an Independent Director of the Company since June 2021. Mr. Sun has currently served as an independent director of SAIC Motor Corporation Limited (a company listed on the Shanghai Stock Exchange (stock code: 600104)) and Advanced Micro-Fabrication Equipment (Shanghai) Inc. China and an external supervisor of Industrial Bank Co., Ltd. (a company listed on the Shanghai Stock Exchange (stock code: 601166)). Mr. Sun graduated from Shanghai University of Finance and Economics with a doctoral degree in economics, and is a Chinese Certified Public Accountant.

Mr. Lu Xiongwen is currently an Independent Director of the Company, the dean, a professor and doctoral supervisor of the School of Management of Fudan University, and the vice chairman of the sixth session of the China National MBA Postgraduate Education Supervisory Committee. Mr. Lu has been the Independent Director of the Company since June 2021. Currently, Mr. Lu also serves as an independent director of Baoshan Iron & Steel Co., Ltd. (a company listed on the Shanghai Stock Exchange (stock code: 600019)) and Shanghai Innovation Bank. Mr. Lu graduated from Fudan University with a doctoral degree in economics.

Mr. Luo Qun is currently an Independent Director of the Company. Mr. Luo has served as deputy general manager and party secretary of China National Aviation Fuel Group Limited Southern Company, director and party secretary of South China Bluesky Aviation Oil Co., Ltd., the general manager of China National Aviation Fuel Group Haitian Shipping Co., Ltd., the assistant general manager of China National Aviation Fuel Group Limited, the general manager and party secretary of China National Aviation Fuel Group Logistics Co., Ltd., a party member and the deputy general manager of China National Aviation Fuel Group Limited, and director and deputy general manager of Nam Kwong (Group) Company Limited. Mr. Luo has been the Independent Director of the Company since April 2024. Currently, Mr. Luo also serves as an external director of China Aviation Supplies Holding Company. Mr. Luo graduated from South China Institute of Technology and holds a master of business administration from National University of Singapore and a doctoral degree in management from the School of Business Administration of South China University of Technology. He is also a researcher-level senior engineer.

Ms. Fung Wing Yee Sabrina is currently an Independent Director of the Company, the managing director of Fung Retailing Group and holds senior management positions in several divisions of Fung Group. In Hong Kong, Ms. Fung is a member on the board of Alibaba Hong Kong Entrepreneurs Fund, a non-executive director of Convenience Retail Asia Limited (a company listed on the Hong Kong Stock Exchange (stock code: 00831)), an independent non-executive director of Chow Tai Fook Jewellery Group Limited (a company listed on the Hong Kong Stock Exchange (stock code: 01929)), the advisor on Retailing and Fashion for NBA Greater China, the honorary member of the Advisory Committee of the Roger King Center for Asian Family Business and Family Office at Hong Kong University of Science and Technology Business School, the member of the Executive Committee of the International Advisory Council of the Faculty of Business and Economics of The University of Hong Kong, a member of the Hong Kong-Europe Business Council and the Hong Kong-France Business Council of Hong Kong Trade Development Council. Internationally, Ms. Fung is a member of McLaren Advisory Group, Harvard Global Advisory Council, the board of trustees of The Carnegie Hall Corporation. Ms. Fung has served as an Independent Director of the Company since April 2024. Ms. Fung graduated from Harvard University, with a Bachelor of Arts degree in Economics.

Mr. Zheng Hongfeng is currently an Independent Director of the Company, the chairman and chief executive officer of Feeyo Technology Co. Ltd., an executive director of Hefei HangLian Cultural Communications Co., Ltd., and a civil aviation data center expert of the CAAC. Mr. Zheng was an engineer of Anhui Air Traffic Control Bureau of Civil Aviation. In 1999, he founded the Civil Aviation Resource Net of China. He led the establishment of Feeyo Technology Co. Ltd. in 2005 and launched the “VariFlight” App in 2010. Mr. Zheng has served as an Independent Director of the Company since April 2024. Mr. Zheng holds a bachelor’s degree in computer and application from Hefei University of Technology, and a master’s degree in business administration from University of Science and Technology of China.

Mr. Guo Junxiu is currently the chairman of the Supervisory Committee and the chief legal officer of the Company, and the chief legal advisor and chief compliance officer of CEA Holding. Mr. Guo joined the civil aviation industry in 2007, worked in Shanxi College of Finance and Economics and Xiamen University and served as the chief legal advisor of the Company, and the general manager of legal department of the Company and CEA Holding. He has served as the chief legal officer of the Company since February 2019, the chief compliance officer of CEA Holding since October 2022, and the chairman of the Supervisory Committee of the Company since April 2024. Mr. Guo also served as the president of Aviation Law Research Association of China Law Society and the president of Aviation Law Research Association of Shanghai Law Society. Mr. Guo graduated from Xiamen University with a degree in international law and obtained a doctorate degree in law. He obtained the title of associate professor and the qualification of lawyer.

Mr. Zhou Huaxin is currently the employee representative Supervisor of the Company, and the secretary of party committee of the comprehensive management department and the vice president of the Company and CEA Holding. Mr. Zhou joined the civil aviation industry in 1993 and served as the office director of the Company, the director of general office and director of foreign affairs office (Hong Kong, Macao and Taiwan affairs office) of CEA Holding, the party secretary and vice president of the Anhui branch of the Company, the executive vice president of the Beijing branch of the Company, and the head of Mass Organization department of the Company and CEA Holding. He has served as the employee representative Supervisor of the Company since December 2020, and the secretary of party committee of the comprehensive management department and the vice president of the Company and CEA Holding since August 2024. Mr. Zhou graduated from Lanzhou University majoring in Marxism, and obtained a master's degree in economics from the Renmin University of China majoring in national economic planning and management and an Executive Master of Business Administration degree from the School of Management of Fudan University. He holds a senior political worker title.

Mr. Shao Zumin is currently a Supervisor and the general manager of financial department of the Company, and the employee representative Supervisor and the general manager of financial department of CEA Holding. Mr. Shao joined the civil aviation industry in 1994 and served as the general manager of CES Global Holdings (Hong Kong) Limited, chief risk officer of CES Capital International (Hong Kong) Company Limited, deputy general manager of Eastern Air Overseas (Hong Kong) Corporation Limited, deputy general manager of Eastern Air Tourism Investment Group Co., Limited, deputy general manager of CEA Development Co., Limited, and the general manager of audit department of the Company and CEA Holding. He has been the employee representative Supervisor of CEA Holding since December 2020, a Supervisor of the Company since April 2024, and the general manager of financial department of the Company and CEA Holding since December 2024. Mr. Shao graduated from Shanghai University of Finance and Economics and obtained a Master of Business Administration degree. He is a senior auditor and an International Certified Internal Auditor.

Mr. Zhou Qimin is currently a vice president, the Chief Financial Officer and a party member of the Company, and the chief accountant and a party member of CEA Holding. Mr. Zhou served as chief accountant and a member of party committee of the eighth research institute of China Aerospace Science and Technology Corporation, and chief accountant of Commercial Aircraft Corporation of China, Ltd. and standing member of party committee. He has served as the chief accountant and a party member of CEA Holding since July 2020, the Chief Financial Officer of the Company since August 2020, and a vice president and party member of the Company since January 2021. Mr. Zhou has also served as the position of vice president of China Association for Public Companies. Mr. Zhou graduated from the Faculty of Mathematics of Gannan Normal University, majoring in mathematics. He also graduated from the Faculty of Management Engineering of University of Electronic Science and Technology of China, majoring in industrial management engineering, holds an undergraduate degree and is a researcher-level senior accountant.

Mr. Wan Qingchao is currently a vice president and party member of the Company, and a vice president and party member of CEA Holding. Mr. Wan joined the civil aviation industry in 1995 and served as the deputy general manager of the operation control center, the party member and the operating officer of Air China Limited, the president, the party secretary and the safety director of Air China Inner Mongolia Co., Ltd., and the director, president and vice party secretary of Shenzhen Airlines Co., Ltd. He has been a member of the party leadership group of CEA Holding since August 2023 and the vice president and party member of the Company and the vice president of CEA Holding since September 2023. Mr. Wan graduated from the School of Management Engineering of Tianjin University, majoring in industrial management, and Guanghua School of Management of Peking University with a postgraduate degree in business administration and is a qualified senior engineer.

Mr. Li Ye is currently a vice president and the member of the standing committee of the party committee of the Company, vice president and a member of party committee of CEA Holding. Mr. Li joined the civil aviation industry in August 1995, and served as vice president of Guangzhou Flight Division and the vice president of Beijing Branch of China Southern Airlines Company Limited (a company listed on the Hong Kong Stock Exchange (stock code: 01055) and the Shanghai Stock Exchange (stock code: 600029)), the general manager of Safety Supervision Department of China Southern Air Holding Company Limited (China Southern Airlines), and the chief safety director of China Southern Airlines Company Limited. He has been a member of party committee of CEA Holding since April 2024, the vice president of CEA Holding since May 2024, the member of the standing committee of the party committee of the Company since May 2024, and a vice president of the Company since June 2024. Mr. Li graduated from Beihang University with a master's degree in business administration. He has the professional title of first-grade pilot.

Ms. He Xiaoqun is currently a vice president and the member of the Standing Committee of the Party Committee of the Company, a vice president and member of the Party Group of CEA Holding. Ms. He joined the civil aviation industry in 2001 and had served as the general manager of the human resource department of China Southern Airlines Company Limited (a company listed on the Hong Kong Stock Exchange (stock code: 01055) and the Shanghai Stock Exchange (stock code: 600029)), the general manager of the human resource department of China Southern Air Holding Company Limited, the chairman and the secretary of Party Committee of China Southern Airlines Cargo Logistics (Guangzhou) Co., Ltd., the deputy general manager and the secretary of Party Committee of the Engineering Technology Branch (Aircraft Engineering Department) of China Southern Airlines Company Limited. She has been serving as the member of the Standing Committee of the Party Committee of the Company, the vice president and member of the Party Group of CEA Holding since December 2024, and a vice president of the Company since January 2025. Ms. He graduated from Xiamen University, and obtained a master's degree in economics from Xiamen University and an Executive Master of Business Administration degree from Tsinghua University. She holds the title of economist.

Mr. Li Ganbin is currently the Board secretary of the Company, the Board secretary of CEA Holding, and the head of the board office/policy research office of the Company and CEA Holding. Mr. Li joined the civil aviation industry in 1998 and had been the general manager of Shanghai Meixin Eastern Air Catering Investment Co., Ltd., the senior manager of strategic planning of the strategic development department of CEA Holding, the deputy director of the party group work department, the deputy director of the general office and the director of the party group policy research office (policy research office) and other positions of CEA Holding. He has been the head of the board office/policy research office of the Company and CEA Holding since August 2024, the Board secretary of the Company since December 2024 and the Board secretary of CEA Holding since January 2025. Mr. Li successively graduated from Gannan Normal University, East China Normal University and Fudan University, holding a doctoral degree in Economics and the title of political work specialist.

Changes in the Members of the Board and Management Personnel

Name	Position(s) held	Change	Reason for Change	Date of Change
Liu Tiexiang	Director	Election	Elected by general meeting	8 November 2024
	Vice Chairman	Election	Elected by the Board	8 November 2024
	President	Appointment	Appointed by the Board	22 October 2024
	Member and the chairman of the Aviation Safety and Environment Committee	Appointment	Appointed by the Board	8 November 2024
	Member and the chairman of the Planning, Development and Digitalization Committee	Appointment	Appointed by the Board	8 November 2024
Cheng Guowei	Director	Election	Elected by general meeting	12 February 2025
	Vice President	Cessation	Work adjustment	17 January 2025
Lu Xiongwen	Member of the Audit and Risk Management Committee	Appointment	Appointed by the Board	29 April 2024
	Member of the Nomination and Remuneration Committee	Appointment	Appointed by the Board	29 April 2024
	Member of the Planning, Development and Digitalization Committee	Cessation	Expiration of the term of office	29 April 2024
Luo Qun	Independent Director	Election	Elected by general meeting	29 April 2024
	Member of the Nomination and Remuneration Committee, the member of the Audit and Risk Management Committee	Appointment	Appointed by the Board	
	Member of the Aviation Safety and Environment Committee	Appointment	Appointed by the Board	8 November 2024
Fung Wing Yee Sabrina	Independent Director	Election	Elected by general meeting	29 April 2024
	Member of the Planning, Development and Digitalization Committee	Appointment	Appointed by the Board	
Zheng Hongfeng	Independent Director	Election	Elected by general meeting	29 April 2024
	Member of the Planning, Development and Digitalization Committee	Appointment	Appointed by the Board	
Guo Junxiu	Supervisor	Election	Elected by general meeting	29 April 2024
	Chairman of the Supervisory Committee	Election	Elected by the Supervisory Committee	29 April 2024
Shao Zumin	Supervisor	Election	Elected by general meeting	29 April 2024
Li Ye	Vice President	Appointment	Appointed by the Board	19 June 2024
He Xiaoqun	Vice President	Appointment	Appointed by the Board	17 January 2025
Li Ganbin	Board Secretary	Appointment	Appointed by the Board	31 December 2024
	Joint Company Secretary, and authorised representative required by the Listing Rules	Appointment	Appointed by the Board	7 January 2025
Ngai Wai Fung	Joint Company Secretary	Appointment	Appointed by the Board	7 January 2025

Name	Position(s) held	Change	Reason for Change	Date of Change
Li Yangmin	Vice Chairman, Director, President, the chairman and the member of the Aviation Safety and Environment Committee	Cessation	Adjustment of duties	22 October 2024
Tang Bing	Director, the chairman and member of the Planning, Development and Digitalization Committee	Cessation	Work redesignation	18 June 2024
Lin Wanli	Director	Cessation	Expiration of the term of office	29 April 2024
Dong Xuebo	Independent Director, the member of the Audit and Risk Management Committee, the member of the Planning, Development and Digitalization Committee	Cessation	Expiration of the term of office	29 April 2024
Cai Hongping	Independent Director, the member of the Audit and Risk Management Committee, the member of the Nomination and Remuneration Committee	Cessation	Expiration of the term of office	29 April 2024
Jiang Jiang	Employee Representative Director, the member of the Aviation Safety and Environment Committee	Cessation	Retirement	9 July 2024
Guo Lijun	Supervisor, Chairman of the Supervisory Committee	Cessation	Expiration of the term of office	29 April 2024
Fang Zhaoya	Supervisor	Cessation	Expiration of the term of office	29 April 2024
Feng Dehua	Vice President	Cessation	Expiration of the term of office	29 April 2024
Wang Jian	Board Secretary, Company Secretary, and authorised representative required by the Listing Rules	Cessation	Work redesignation	3 September 2024

Note: Mr. Luo Qun, Ms. Fung Wing Yee Sabrina and Mr. Zheng Hongfeng obtained the legal advice referred to in Rule 3.09D of the Listing Rules on 8 April 2024. Mr. Liu Tiexiang obtained the legal advice referred to in Rule 3.09D of the Listing Rules on 22 October 2024. Mr. Cheng Guowei obtained the legal advice referred to in Rule 3.09D of the Listing Rules on 21 January 2025. They confirmed that they understood their obligations as a Director of the Company.

Change of Particulars of Directors or Supervisors under Rule 13.51B(1) of the Listing Rules

Name	Name of other entities	Position(s) held	Date of appointment	Date of cessation
Liu Tiexiang	CEA Holding	Vice party secretary	September 2024	
		President	September 2024	
		Director	October 2024	
Cheng Guowei	CEA Holding	Vice party secretary	December 2024	
		Director	January 2025	
		Vice president	January 2020	December 2024
	Eastern Airlines Technic Co., Ltd.	Chairman	September 2021	April 2024
Sun Zheng	Advanced Micro-Fabrication Equipment (Shanghai) Inc. China	Independent director	January 2025	
	Bank of Shanghai Co., Ltd.	Independent director	August 2017	September 2024
Lu Xiongwen	Morgan Stanley Securities (China) Co., Ltd	Independent director	July 2018	July 2024
Luo Qun	China Aviation Supplies Holding Company	External director	June 2024	
Guo Junxiu	CEA Holding	General manager of the legal department	April 2009	August 2024
	CEA Development Co., Limited	Director	August 2014	July 2024
	China Eastern Import & Export Co., Ltd.	Director	April 2009	September 2024
Zhou Huaxin	CEA Holding	Head of the mass organization department	September 2020	August 2024
		Secretary of party committee of the comprehensive management department, vice president	August 2024	
	China Eastern Airlines Wuhan Limited	Chairman of the supervisory committee	December 2020	December 2024
Shao Zumin	CEA Holding	Employee representative supervisor	December 2020	March 2025
		General manager of audit department	May 2020	December 2024
		General manager of finance department	December 2024	
	Eastern Airline Logistics Co., Limited	Chairman of the supervisory committee	August 2024	
	CEA Development Co., Limited	Supervisor	May 2019	September 2024
	China Eastern Import & Export Co., Ltd.	Chairman of the supervisory committee	May 2019	November 2024
Zhou Qimin	Sichuan Airlines Co., Ltd.	Vice chairman	September 2020	August 2024
	Eastern Air Group Finance Co., Ltd.	Chairman	November 2020	July 2024
	China National Aviation Corporation (Hong Kong) Limited	Vice chairman	December 2020	March 2025
	China Logistics Group Co., Ltd.	Director	September 2024	March 2025
Wan Qingchao	Juneyao Airlines Co., Ltd	Director	June 2024	
	China Logistics Group Co., Ltd.	Director	March 2025	
Li Ye	CEA Holding	Party member	April 2024	
	CEA Holding	Vice president	May 2024	
He Xiaoqun	CEA Holding	Party member	December 2024	
	CEA Holding	Vice president	December 2024	
Li Ganbin	CEA Holding	Board secretary	January 2025	

Name	Name of other entities	Position(s) held	Date of appointment	Date of cessation
Li Yangmin	CEA Holding	Party member	May 2011	September 2024
		Vice party secretary	August 2016	September 2024
		President	February 2019	September 2024
		Director	February 2019	October 2024
Tang Bing	CEA Holding	Party member	May 2011	April 2024
		Vice party secretary	February 2019	April 2024
		Director	February 2019	May 2024
Lin Wanli	CEA Holding	External director	December 2020	March 2024
	China Nonferrous Metal Mining (Group) Co., Ltd	External director	July 2024	January 2025
	China Energy Conservation and Environmental Protection Group Co., Ltd.	External director	January 2025	
Cai Hongping	China Southern Airlines Company Limited	Independent director	December 2022	July 2024
	China Taiping Insurance Holdings Company Limited	Independent non-executive director	December 2024	
Jiang Jiang	CEA Holding	Chairman of the labour union	November 2020	June 2024
		Employee representative director	December 2020	June 2024
	Eastern Airline Logistics Co., Limited	Chairman of the supervisory committee	September 2021	July 2024
	China United Airlines Co., Ltd.	Chairman	January 2022	June 2024
Guo Lijun	CES International Financial Leasing Corporation Limited	Chairman	April 2021	January 2024
	Eastern Airline Logistics Co., Limited	Acting as president	July 2023	April 2024
Fang Zhaoya	CEA Holding	Head of the strategic development department	April 2019	February 2024
	CES Finance Holding Co., Limited	Director	May 2019	June 2024
	China Eastern Import & Export Co., Ltd.	Director	June 2019	September 2024
	China Eastern Air Catering Investment Co., Ltd.	Director	July 2019	June 2024
	Shanghai Eastern Airlines Investment Co., Ltd.	Director	July 2019	May 2024
	China Eastern Airlines Application Development Center Co., Ltd.	Director	December 2020	June 2024
	Eastern Air Logistics Co., Ltd.	Director	September 2021	September 2024
	Eastern Airlines Technic Co., Ltd.	Chairman	April 2024	
	Shanghai Technologies Aerospace Co., Ltd.	Director	October 2024	
Feng Dehua	CEA Holding	Vice president, Party member	December 2019	April 2024
	China Logistics Group Co., Ltd.	Director	December 2021	September 2024
	Juneyao Airlines Co., Ltd	Director	August 2023	July 2024
Wang Jian	Eastern Airline Logistics Co., Limited	Director	June 2017	September 2024
	Eastern Airlines Industry Investment Co., Ltd.	Chairman	February 2019	January 2024
	Eastern Airlines Industry Investment (Hong Kong) Company Limited	Chairman	April 2019	March 2024

Shareholdings of Directors, Supervisors, Chief Executive and Other Senior Management

Save as disclosed above, as at 31 December 2024, none of the Directors, Supervisors, chief executive and other members of senior management of the Company and their respective associates had any other interest or short position in the shares, underlying shares and/or debentures (as the case may be) of the Company and/or any of its associated corporations (within the meaning of Part XV of the SFO) which was required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO and as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO (including any interest or short position which any of such Directors, Supervisors, chief executive and other members of senior management of the Company and their respective associates were taken or deemed to have under such provisions of the SFO), or which was otherwise required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code (which shall be deemed to apply to the Supervisors to the same extent as it applied to the Directors).

In 2024 and as at 31 December 2024, none of the Directors, Supervisors, chief executive and other members of senior management of the Company and/or any of their spouses or children under the age of eighteen were granted any right, and the Company had not made any arrangement enabling any of them, to subscribe for equity securities or debt securities of the Company.

As at the date of this report, CEA Holding is a company having an interest in the Company's shares required to be disclosed to the Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO.

Service Contracts of Directors and Supervisors

None of the Directors or Supervisors of the Company has entered into any service contract with the Company, which is not terminable by the Company within one year without payment of compensation (other than statutory compensation).

Interests of Directors and Supervisors in Contracts

None of the Directors or Supervisors of the Company had a material interest, directly or indirectly, in any contract of significance to which the Company or any of its subsidiaries was a party during the Reporting Period (the term "contract of significance" having the meaning ascribed thereto in paragraph 15 of Appendix D2 to the Listing Rules).

Management Contracts

No contracts concerning the management and operation of the whole or any substantial part of the business of the Company were entered into or subsisted during the Reporting Period.

Competing Interests

During the Reporting Period, none of the Directors or the controlling Shareholder or each of their associates (as defined under the Listing Rules) had any interest in a business which competed or may compete with the business of the Group, or had or may have any conflict of interest with the Group.

Remuneration of Directors and Supervisors

Details of the remuneration of Directors and Supervisors are set out in note 9 to the financial statements prepared in accordance with IFRSs.

Major Suppliers and Customers

In 2024, purchases by the Company from the five largest suppliers was RMB45,755 million, accounting for 36.17% of the annual operating expenses. Among which, purchases from the largest supplier accounted for 20.21% of the operating expenses. Total income from sales to the Company's five largest customers amounted to approximately RMB27,054 million, accounting for 20.48% of the Company's operating income. Among which, revenue from sales to the largest customer accounted for 10.35% of revenue from sales of goods or rendering of services. None of the Directors, Supervisors or any of their respective associates nor any Shareholders who, to the knowledge of the Directors, hold 5% or more of the Company's share capital has any interest in any of the above mentioned suppliers and customers.

Key Relationships with Employees, Customers and Suppliers

The Group adheres to a people-oriented approach and ensures that all employees are reasonably remunerated, while continuously improving and regularly reviewing and updating its policies on remuneration and benefits, training, and occupational health and safety.

The Group maintains a good relationship with its customers and has established a customer complaint handling mechanism to receive, analyze and study complaints and to recommend remedial measures with a view to enhancing the quality of its products and services.

The Group maintains a good relationship with its suppliers and conducts fair and rigorous evaluations of its suppliers on an annual basis.

Taxation

The Company is subject to income tax at a rate of 25% (2023: 25%). Our effective income tax rate, however, may be lower than the rate of 25% because certain subsidiaries were incorporated in jurisdictions where the applicable income tax rate is 16.5% or 15% rather than 25%. We had carried forward tax losses of approximately RMB83,329 million as at 31 December 2024 (2023: RMB80,371 million), which can be used to offset future taxable income between 2025 and 2029.

Enterprise Income Tax of Overseas Non-Resident Enterprises

In accordance with the relevant tax laws and regulations in the PRC, the Company is obliged to withhold and pay PRC enterprise income tax on behalf of non-resident enterprise shareholders at a tax rate of 10% when the Company distributes any dividends to non-resident enterprise shareholders. As such, any H shares of the Company which are not registered in the name(s) of individual(s) (which, for this purpose, includes shares registered in the name of HKSCC Nominees Limited, other nominees, trustees, or other organisations or groups) shall be deemed to be H shares held by non-resident enterprise shareholder(s), and the PRC enterprise income tax shall be withheld from any dividends payable thereon. Non-resident enterprise shareholders may wish to apply for a tax refund (if any) in accordance with the relevant requirements, such as tax agreements (arrangements), upon receipt of any dividends.

Individual Income Tax of Overseas Individual Shareholders

In accordance with the relevant tax laws and regulations in the PRC, when non-foreign investment companies of the mainland which are listed in Hong Kong distribute dividends to their shareholders, the individual shareholders in general will be subject to a withholding tax rate of 10% without making any application for the entitlement for the abovementioned tax rate. However, the Company is a foreign investment company and, as confirmed by the relevant tax authorities, according to the Circular on Certain Issues Concerning the Policies of Individual Income Tax (Cai Shui Zi [1994] No. 020) (《關於個人所得稅若干政策問題的通知》(財稅字[1994]020 號)) promulgated by the Ministry of Finance and the State Administration of Taxation on 13 May 1994, overseas individuals are, as an interim measure, exempted from the PRC individual income tax for dividends or bonuses received from foreign investment enterprises.

Medical Insurance

The majority of the Group's PRC employees participate in the medical insurance schemes organised by the municipal governments. For those employees who participate in these schemes, the Group has no other obligation for the payment of medical expense beyond such contributions. For the year ended 31 December 2024, the Group's medical insurance contributions charged to profit or loss amounted to RMB986 million (2023: RMB941 million).

Employee Retirement Scheme

Details of the Group's employee retirement scheme and post-retirement benefits are set out in note 39 to the financial statements prepared in accordance with IFRSs.

Staff Housing Benefits

Details of the Group's staff housing benefits are set out in note 9 to the financial statements prepared in accordance with IFRSs.

Bank Loans and Other Borrowings

Details of bank loans and other borrowings of the Company and the Group as at 31 December 2024 are set out in note 37 to the financial statements prepared in accordance with IFRSs.

Interest Capitalised

Interest capitalised by the Group as calculated in accordance with IFRSs for the year ended 31 December 2024 was RMB422 million.

Property, Plant and Equipment

Movements in property, plant and equipment of the Company and the Group for the year are set out in note 17 to the financial statements prepared in accordance with IFRSs.

Reserves

Details of movements in reserves of the Company and the Group for the year ended 31 December 2024 and profit distribution by the Company are set out in note 43 to the financial statements prepared in accordance with IFRSs.

Donations

During the year ended 31 December 2024, the Group made donations for charitable purposes amounting to approximately RMB1.38 million.

Compliance with the Relevant Laws and Regulations which may have a Significant Impact on the Company

During the year ended 31 December 2024, the Board was not aware of any significant matters which may cause impact on the Group or any non-compliance with the laws and regulations which may have a significant impact on the Group.

Permitted Indemnity Provision

The Company has purchased and maintained directors' liability insurance throughout the year, which provides appropriate cover for legal actions brought against the Directors and directors of the subsidiaries of the Group arising from or in connection with the performance of their duties. The level of the coverage is reviewed annually.

Contract of Significance

Save as disclosed in this annual report, there was no contract of significance between the Company or any of its subsidiaries with the controlling Shareholder or its subsidiaries during the Reporting Period, nor contract of significance for the provision of services to the Company or its subsidiaries by the controlling Shareholder or its subsidiaries.

Material Litigation

As at 31 December 2024, the Group was not involved in any material litigation, arbitration or claim.

Future Plans for Material Investments and Capital Assets

As at 31 December 2024, the Group did not have any future material investments or acquisition of capital assets approved by the Board.

Significant Events

(1) On 30 August 2024, the 4th regular meeting of the Board of the Company in 2024 considered and approved the Resolution on Repurchase and Cancellation of the Shares of the Company. The Company repurchased the shares of the Company with its own funds of RMB500 million (inclusive) to RMB1 billion (exclusive) during 12 months after the consideration and approval of relevant resolution at the general meetings. In particular, the repurchase amount of the A shares is not less than RMB250 million (inclusive) and not more than RMB500 million (exclusive), and the repurchase amount of H shares is not less than RMB250 million (inclusive) and not more than RMB500 million (exclusive) (subject to translation into Hong Kong dollars based on the exchange rate). The repurchased A shares and H shares will be fully cancelled in accordance with laws upon the completion of the repurchase. On 8 November 2024, the Company convened the 2024 first extraordinary general meeting, the 2024 first A shareholders class meeting and the 2024 first H shareholders class meeting to consider and approve the relevant resolution. For details, please refer to the announcements of the Company published on the website of the Hong Kong Stock Exchange on 30 August 2024 and 8 November 2024, and the circular of the Company published on the website of the Hong Kong Stock Exchange on 27 September 2024.

(2) CEA Holding, the controlling shareholder of the Company, and CES Finance, a wholly-owned subsidiary of CEA Holding, intended, via CES Finance's wholly-owned subsidiary CES Global, to increase the shareholdings of shares of the Company with their own funds within 12 months from the date of the first increase in shareholdings on 12 September 2023 in compliance with certain market conditions, with a proposed cumulative amount of increase in the shareholdings of the A shares and the H shares of not less than RMB500 million (inclusive) but not exceeding RMB1 billion (inclusive). As of 11 September 2024, the term of the plan of increase in shareholdings expired and completed its implementation. CEA Holding has cumulatively increased its shareholding in the A shares of the Company by 152,157,306 shares, representing 0.68% of total issued share capital of the Company. CES Global has cumulatively increased its shareholding in the H shares of the Company by 152,156,000 shares, representing 0.68% of total issued share capital of the Company. The amount of increase in shareholdings was approximately RMB978 million. For details, please refer to the announcements of the Company published on the website of the Hong Kong Stock Exchange on 12 September 2023 and 12 September 2024.

Continuing Connected Transactions

The continuing connected transactions of the Company were connected transactions taken place with CEA Holding, CEA Holding's subsidiaries and other related parties during the air transportation operations of the Company. The connected transactions were conducted based on normal commercial terms and in the interests of the Company and Shareholders as a whole and were fair and reasonable to the Shareholders of the Company.

The continuing connected transactions of the Company in 2024 are as follows:

Unit: RMB million

Approved category	**Actual amount incurred up to 31 December 2024**	**2024 estimated transaction caps**
Financial services – maximum balance of deposits per day	13,975	16,000
Financial services – maximum balance of comprehensive credit line per day *(pursuant to the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange)*	8,900	16,000
Financial services – total amounts of the service fees of other financial services *(pursuant to the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange)*	12	50
Catering-related services and on-board supplies support services – amount paid	3,161	4,400
Businesses related to catering support services – as a lessor – annual rent of properties leasing and the amount of onboard supplies – amount received	106	290
Businesses related to catering support services – as a lessee – annual rent of properties leasing – amount paid	8	8
Businesses related to catering support services – as a lessee – total value of right-of-use assets of properties leasing	33	155
Aviation ancillary services – amount paid	762	1,850
Aviation ancillary services – total value of right-of-use assets [2]	364	1,850
Import and export services – amount paid [6]	–	900
Properties leasing and construction and management agency services – as a lessor – annual rent of properties leasing – amount received *(pursuant to the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange)*	5	8
Properties leasing and construction and management agency services – as a lessee – annual rent of properties leasing and fees for construction and management agency services – amount paid	184	360
Properties leasing and construction and management agency services – as a lessee – total value of right-of-use assets of properties leasing [3]	119	525
Advertising agency services – amount paid [7]	–	85
Total amount for leasing of aircraft and engines – amount paid [4]	6,634	USD3,200 million or equivalent RMB
Total value of right-of-use assets of leasing of aircraft and engines [5]	6,681	USD2,600 million or equivalent RMB

Unit: RMB million

Approved category	Actual amount incurred up to 31 December 2024	2024 estimated transaction caps
Freight logistics business support services – amount received	583	720
Cargo terminal business support services – amount paid	577	860
Transportation service fees of exclusive operation service for passenger aircraft cargo business – amount received	5,331	8,600
Aviation Internet services – amount paid	74	90
Aviation information technology services – amount paid *(pursuant to the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange)*	773	950
AIR FRANCE-KLM aviation transportation cooperation and support services – amount paid *(pursuant to the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange)*	74	380
AIR FRANCE-KLM aviation transportation cooperation and support services – amount received *(pursuant to the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange)*	63	180

Notes:

1. On 30 August 2022, the Board of the Company considered and approved the resolution regarding daily connected transactions from 2023 to 2025, and agreed the annual caps of the Company's continuing connected transactions from 2023 to 2025. On 26 September 2022, the Company entered into relevant framework agreements with related parties. On 14 December 2022, the resolution was considered and approved at 2022 first extraordinary general meeting of the Company. For details, please refer to the announcements and circular of the Company published on the websites of the Shanghai Stock Exchange and Hong Kong Stock Exchange on 30 August 2022, 26 September 2022, 25 October 2022 and 14 December 2022;

2. The total value of right-of-use assets for the involved vehicle equipment leasing at the End of the Reporting Period;

3. The total value of right-of-use assets for the involved property leasing under properties leasing and construction and management agency services at the End of the Reporting Period;

4. The total amount includes the total lease amount, interest and arrangement charge for the newly introduced finance lease aircraft, operating lease aircraft and engines;

5. The total value of right-of-use assets for the newly-introduced finance lease aircraft, operating lease aircraft and engines for the Reporting Period;

6. On 21 December 2023, CEA Technic, a wholly-owned subsidiary of the Company, acquired 55% equity interests of CEA Import & Export held by CEA Holding. CEA Import & Export was consolidated into the scope of financial statements of the Company and ceased to be a connected person of the Company and discontinues any continuing connected transactions regarding import and export services in the future;

7. In 2024, Eastern E-Commerce, a wholly-owned subsidiary of the Company, acquired 55% equity interests of China Eastern Media held by CEA Holding. China Eastern Media was consolidated into the scope of financial statements of the Company, and ceased to be a connected person of the Company and discontinues any continuing connected transactions regarding the advertising agency services in the future. As of the acquisition date, the transaction amount of the advertising agency services between the Company and China Eastern Media was nil.

On 30 August 2022, the Board of the Company considered and approved the resolution regarding daily connected transactions from 2023 to 2025, and agreed the annual caps of the Company's continuing connected transactions from 2023 to 2025. On 26 September 2022, the Company entered into relevant framework agreements with related parties. On 14 December 2022, the resolution was considered and approved at 2022 first extraordinary general meeting of the Company. The followings set out the connected person relationship and annual caps for 2024 under the renewed continuing connected transactions:

Unit: RMB million, other than USD

Agreements	**Counterparties and connected person relationship as at the transaction date**	**The annual caps for financial year ended 31 December 2024**
Financial Services Agreement – Balance of deposit	Eastern Air Group Finance Co., Ltd., which is directly interested as to approximately 53.75% by CEA Holding, and is thus an associate of CEA Holding.	16,000
Aircraft and Engines Lease Agreement (2023-2025) – Rental in total – Total right-of-use assets value	CES International Financial Leasing Corporation Limited ("CES Lease Company") is directly held as to 65% by CEA Holding, and thus CES Leasing and the lessor, which is a wholly-owned subsidiary of CES Leasing, are associates of CEA Holding.	USD3,200 million or equivalent RMB USD2,600 million or equivalent RMB
Import and Export Services Agreement	CEA Import & Export, which is directly interested as to 55% by CEA Holding, and is thus an associate of CEA Holding.	900
Flight Complementary Services Agreement – Total amounts payable – Total right-of-use assets value for lease of exclusive vehicles and equipment	CEA Development Co., Ltd., which is a wholly-owned subsidiary of CEA Holding, and is thus an associate of CEA Holding.	1,850 1,850
Catering Services and Related Services Agreement – services received – the Company as the lessee — annual rent – the Company as the lessee — total value of right-of-use assets – the Company as the lessor — annual rent	China Eastern Air Catering Investment Co., Ltd., which is directly interested as to 55% by CEA Holding, and is thus an associate of CEA Holding.	4,400 8 155 290
Property Leasing and Construction and Management Agency Agreement – Amounts of rental and fee payable – Total right-of-use assets value	CEA Holding, which is directly or indirectly interested in approximately 56.43% of the issued capital of the Company as at the transaction date, and thus is a controlling Shareholder of the Company. Shanghai Eastern Airlines Investment Co., Ltd., which is a wholly-owned subsidiary of CEA Holding, and is thus an associate of CEA Holding.	360 525
Advertising Services Agreement	China Eastern Media Co., Ltd. ("China Eastern Media"), which is directly interested as to 55% by CEA Holding, and is thus an associate of CEA Holding.	85
Freight Logistics Daily Connected Transactions Framework Agreement – Amount received for freight logistics business support services – Amount paid for cargo terminal business support services	Eastern Airline Logistics Co., Limited, which is directly interested as to 40.50% by Eastern Airlines Industry Investment, a wholly-owned subsidiary of CEA Holding, and thus is an associate of CEA Holding.	720 860

Unit: RMB million, other than USD

Agreements	Counterparties and connected person relationship as at the transaction date	The annual caps for financial year ended 31 December 2024
Exclusive Operation Agreement of Passenger Aircraft Cargo Business – Transportation service fees received for passenger aircraft cargo business	China Cargo Airlines, which is directly interested as to approximately 83% by Eastern Logistics and in turn a non-wholly owned subsidiary of CEA Holding, and is thus an associate of CEA Holding.	8,600
Aviation Airborne Communication Agreement	KDlink Technology Co., Ltd, which is directly held as to 42.50% by Eastern Airlines Industry Investment Company Limited, a wholly-owned subsidiary of CEA Holding, and is thus an associate of CEA Holding.	90

For details of the abovementioned transactions, please refer to the announcements and circulars published by the Company on the website of Hong Kong Stock Exchange on 26 September 2022, 12 October 2022 and 25 October 2022.

The independent non-executive Directors of the Company have reviewed the continuing connected transactions in 2024, and confirmed that:

(a) the transactions were entered into in the ordinary and usual course of business by the Group;

(b) the transactions were conducted (i) on normal commercial terms or (ii) (if the comparable transaction was inadequate for judgement of whether the transaction was conducted on normal commercial terms) on terms no less favourable to the Company than those available to or from independent third parties (as the case maybe); and

(c) the transactions were conducted in accordance with the terms of agreement of the relevant transaction, and the terms of transactions were fair and reasonable and in the interests of the Shareholders of the Company as a whole.

For the purpose of Rule 14A.56 of the Listing Rules, Deloitte Touche Tohmatsu, the auditors of the Company, have carried out procedures on the continuing connected transactions for the year ended 31 December 2024 in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagement Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 (Revised) "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. Deloitte Touche Tohmatsu have issued their unqualified letter containing their findings and conclusions in respect of the continuing connected transactions disclosed above by the Group in accordance with Rule 14A.56 of the Listing Rules.

In respect of each related party transaction disclosed in note 46 to the financial statements prepared in accordance with IFRSs, the Company confirms that it has complied with the relevant requirements under the Listing Rules (if applicable). Save as disclosed above, the related party transactions set out in note 46 to the financial statements prepared in accordance with IFRSs do not constitute connected transactions under the Listing Rules.

Connected Transaction

On 14 December 2023, the 27th ordinary meeting of the ninth session of the Board of the Company considered and approved the Resolution in Relation to the Acquisition of 55% Equity Interests of China Eastern Media Co., Ltd. by China Eastern Airlines E-Commerce Co., Ltd., and on 24 January 2024, China Eastern Airlines E-Commerce Co., Ltd. ("Eastern E-Commerce"), a wholly-owned subsidiary of the Company, entered into the Equity Transaction Contract with CEA Holding, pursuant to which Eastern E-Commerce shall acquire 55% equity interests of China Eastern Media held by CEA Holding at a consideration for the equity acquisition of approximately RMB126,203,000. The CEA Holding is the controlling Shareholder of the Company, holding 53.8794% equity interests in the Company as at the transaction date. Therefore, CEA Holding is a connected person of the Company within the meanings of the Listing Rules. Eastern E-Commerce's acquisition of equity interest of China Eastern Media is conducive to the Company's future development through the deep integration of online and offline media, traditional and emerging media in the digital era. Relying on the construction of the large e-commerce platform of CEA Holding, the Company will set a clear positioning of the official on-line direct sales platform of CEA Holding, accelerate the digital transformation of traditional media, meet various consumption needs of passengers in high-frequency application scenarios, improve members' activity and loyalty, achieve the marketing objectives of online sales of air tickets and auxiliary products through its own channels, and continue to promote CEA Holding to build itself into a world-class enterprise. For details, please refer to the announcements of the Company published on the website of the Hong Kong Stock Exchange on 14 December 2023 and 24 January 2024.

Provision of Guarantees

As at 31 December 2024, the balance of the external guarantee provided by the Company for its wholly-owned SPV, was approximately RMB1,078 million, and the guarantee amount was within the authorized amount approved by the general meeting, and there was no violation of the guarantees.

Engagement and Dismissal of Auditors

The auditors of the Company for the years ended 31 December 2022 and 2023 were PricewaterhouseCoopers Zhong Tian LLP and PricewaterhouseCoopers. In consideration of the Company's needs for auditing services on a prudent basis, following the fulfillment of the tender procedures and based on the results thereof, the Company engaged Deloitte Touche Tohmatsu Certified Public Accountants LLP as the domestic auditor for financial reporting and the auditor for internal control of the Company for the year 2024 and engaged Deloitte Touche Tohmatsu as the international auditor for financial reporting of the Company for the year 2024.

The fifth regular meeting of the tenth session of the Board of the Company and 2024 first extraordinary general meeting considered and approved the Resolution in Relation to the Change of Auditors for Financial Reporting and the Auditors for Internal Control for the Year 2024, and agreed to engage Deloitte Touche Tohmatsu Certified Public Accountants LLP as the domestic auditor for financial reporting and the auditor for internal control of the Company for the year 2024, and to engage Deloitte Touche Tohmatsu as the international auditor for financial reporting of the Company for the year 2024. The total audit fees for financial reports and internal control amounted to RMB10.45 million, of which the audit fees for financial reports amounted to RMB8.40 million and the audit fees for internal control amounted to RMB2.05 million.

On behalf of the Board

Wang Zhiqing
Chairman

Shanghai, the PRC
28 March 2025

Corporate Governance

Corporate Governance Practices

The Company has established a formal and robust corporate governance structure. The Company has also placed emphasis on the corporate governance principle of having transparency, accountability and safeguarding the interests of all Shareholders.

The Board believes that sound corporate governance is essential to the development of the Company's operations. The Board regularly reviews our corporate governance practices to ensure that the Company operates in accordance with the laws, regulations and requirements of the listing jurisdictions, and that the Company continuously implements corporate governance of high efficiency.

The Company's code on corporate governance practices include but not limited to the following documents:

The Articles of Association, the Rules of Procedures for General Meetings, the Rules of Meeting of the Board, the Rules of Meeting of the Supervisory Committee, the Working Regulations of Presidents, the Working Regulations of Independent Directors, the Detailed Working Rules of the Audit and Risk Management Committee, the Detailed Working Rules of the Planning, Development and Digitalization Committee, the Detailed Working Rules of the Nomination and Remuneration Committee, the Detailed Working Rules of the Aviation Safety and Environment Committee, the Management System for Information Disclosure Affairs, the Regulations for the Management of Investor Relationship, the Regulations for the Management of Connected Transactions.

As at 31 December 2024 and as at the date of publication of this annual report, the Board has reviewed the relevant provisions under the code on corporate governance adopted by the Company, and took the view that the Company's corporate governance standards as of 31 December 2024 met the requirements under the code provisions in the Code on Corporate Governance Practices (the "Code").

General Meetings and Shareholders

General Meetings

In 2024, the Company convened two general meetings in total. The main information is as follows:

On 29 April 2024, the Company held the 2023 Annual General Meeting, on which all of the 13 proposed resolutions were considered. For details, please refer to the announcements published by the Company on the websites of the Shanghai Stock Exchange and the Hong Kong Stock Exchange on 29 April 2024.

On 8 November 2024, the Company held the 2024 first extraordinary general meeting, the 2024 first A shareholders class meeting and 2024 first H shareholders class meeting, on which 3 proposed resolutions was considered and approved. For details, please refer to the announcements published by the Company on the websites of the Shanghai Stock Exchange and the Hong Kong Stock Exchange on 8 November 2024.

Attendance rate of Directors at general meetings was as follows:

Directors	Attendance/ Eligibility of Meetings	Attendance Rate
Wang Zhiqing	2/2	100%
Liu Tiexiang	1/1	100%
Sun Zheng	2/2	100%
Lu Xiongwen	2/2	100%
Luo Qun	2/2	100%
Fung Wing Yee Sabrina	2/2	100%
Zheng Hongfeng	2/2	100%
Li Yangmin	1/1	100%
Tang Bing	1/1	100%
Jiang Jiang	1/1	100%
Lin Wanli	0/0	–
Cai Hongping	0/0	–
Dong Xuebo	0/0	–

Rights of Shareholders

The procedures for the shareholders of the Company to convene an extraordinary general meeting, make inquiries to the Board and the procedures for proposing resolutions at the General Meeting are as follows:

Procedures for Convening an Extraordinary General Meeting

According to the relevant provisions of the Articles of Association and the Rules of Procedure for General Meetings of the Company, shareholders can convene general meetings by themselves. The main rules are as follows:

– Shareholder(s) either individually or jointly holding over 10% of the Company's shares may request the Board to convene an extraordinary general meeting. Such request shall be made to the Board in writing. The Board shall, in accordance with the requirement of laws, administrative regulations and the Articles of Association, make a response in writing on whether or not it agrees to convene an extraordinary general meeting within 10 days upon receipt of such request.

– If the Board refuses to convene the extraordinary general meeting, or fails to make a response within 10 days upon receipt of such request, Shareholder(s) either individually or jointly holding over 10% of the Company's shares may propose to convene an extraordinary general meeting to the Supervisory Committee. Such proposal shall be made to the Supervisory Committee in writing.

– If the Supervisory Committee agrees to convene the extraordinary general meeting, a notice convening the general meeting shall be issued within five days upon receipt of such request. Should there be any amendments to the original proposal in the notice, the consent of the relevant Shareholders shall be obtained.

– If the Supervisory Committee fails to give the notice of the general meeting within the specified time limit, it shall be deemed to have failed to convene or preside over the general meeting, in which case, Shareholder(s) either individually or jointly holding over 10% of the Company's shares for more than 90 consecutive days shall have the right to convene and preside over the meeting by themselves.

Procedures for Inquiry of Shareholder Information

Pursuant to the relevant requirements of the Articles of Association and Rules of Procedures for General Meetings of the Company, the procedures for Shareholders to make enquiries to the Board are as follows:

– Shareholders have the right to inspect or make copies of the Articles of Association, minutes of general meetings, resolutions of Board meetings, resolutions of meetings of the Supervisory Committee and financial or accounting reports.

– Shareholders may request to inspect the accounting books of the Company. In such case, such request shall be made to the Board office of the Company in writing and state its purposes. If the Company, on reasonable grounds, considers that the Shareholders are inspecting the accounting books for improper purposes and may result in damage to the Company's legitimate interests, the Company may refuse the inspection and make written response to the Shareholders stating its reasons within 15 days upon delivery of the written request by the Shareholders. If the Company refuses the inspection, the Shareholders may make proposal to the People's Court to request the Company to provide inspection of the accounting books of the Company.

Procedures for Shareholders to Propose Resolutions at the General Meeting of Shareholders

Pursuant to the relevant requirements of the Articles of Association and Rules of Procedures for General Meetings of the Company, the procedures for the Shareholders to propose resolutions at the general meeting are as follows:

– Shareholder(s) either individually or jointly holding over 3% of the issued shares of the Company carrying the right to vote may propose extraordinary resolutions and submit the same in writing to the convener prior to the holding of the general meeting. However, subject to the requirement of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Company shall issue supplemental circular of the new extraordinary resolutions and the relevant materials to the Shareholders at least 14 business days before the date of holding the general meeting. Therefore, the time for the proposing Shareholders to propose new extraordinary resolutions shall not be later than such time limit for issuing the supplemental circular to the Shareholders and shall consider and provide the Company reasonable time to prepare and despatch the supplemental circular.

– The aforesaid proposed resolutions shall be reviewed by the Board and shall be included in the agenda of such meeting if the matters fall within the scope of terms of reference of the general meeting. The convener shall announce the content of the extraordinary resolutions by issuing a supplemental notice of the general meeting upon receipt of the proposed resolutions as soon as possible. If the Board considers that the content of the proposed resolutions do not fall within the scope of terms of reference of the general meeting, explanation and description shall be given at such general meeting, which, together with the content of such proposed resolutions and explanation of the Board, shall be published along with the resolutions of the general meeting in announcement after the conclusion of the meeting.

– The Board shall review the proposed resolutions in accordance with the following principles:

Relevance. The Board shall review the resolutions proposed by the Shareholders. Matters in resolutions proposed by the Shareholders which have direct impact on the Company and are not outside the terms of reference of the general meeting as stipulated in the laws, regulations and the Articles of Association shall be submitted to the general meeting for discussion. For matters which fail to meet the above requirements, it is recommended not to submit the proposed resolutions for discussion at the general meeting.

Procedural issues. The Board may make decisions on procedural issues concerning resolutions proposed by the Shareholders. Consent of the proposing Shareholders shall be obtained if the proposed resolutions will be split up or combined for voting. In the event of any objection to the change by the proposing Shareholders, the convener of the general meeting may present the procedural issues to the general meeting for decision and discussions shall be conducted in accordance with the procedures decided by the general meeting.

Please refer to the section headed "Corporate Governance — Investor Relations" of this report for details of the contact information for Shareholders to inspect the relevant information and propose extraordinary resolutions.

The Board and Directors

Power of the Board

The Board of Directors is responsible to the general meeting and exercises the following functions and powers, including:

– to be responsible for the convening of the Shareholders' general meeting and to report on its work to the Shareholders' general meeting;

– to implement the resolutions of the Shareholders' general meetings;

– to decide on the Company's business plans and investment plans;

– to formulate the Company's annual preliminary and final financial budgets;

– to formulate the Company's profit distribution plan and plan for making up losses;

– to formulate proposals for increases or reductions in the Company's registered capital and the issue and listing of bonds and other securities;

– to draw up plans for the significant acquisitions, acquisitions of the shares of the Company, or the merger, division, spin-off, dissolution and alteration of the form of the Company;

- to approve the external guarantees other than those subject to Article 58;

- to approve the financial assistance other than those subject to Article 59;

- to examine and approve the connected transaction representing less than 5% of the absolute value of the latest audited net assets of the Company (except for the provision of guarantees and the receipt of endowment in cash assets by the Company);

- other external investment, asset acquisition or disposal, assets pledge, entrusted wealth management, external donations, etc. other than those required approval at the general meeting of the Company in accordance with the applicable laws and regulations in the place where the Company is listed and/or relevant regulatory authorities;

- to decide on the establishment of the Company's internal management structure;

- pursuant to the chairman's nominations to decide to appoint or dismiss the Company's general manager, secretary of the board of directors and other senior administrative officers, and determine their remuneration, etc. and pursuant to the general manager's nominations to decide to appoint or dismiss the deputy general manager, the financial controller, the general counsel legal adviser and other senior administrative officers of the Company and decide on their remuneration, etc.;

- to formulate the board of directors' authorized management system;

- to establish the Company's basic management system;

- to formulate proposals for any amendments of the Company's Articles of Association;

- to manage the disclosure of information of the Company;

- to propose at the general meeting to engage or replace the accounting firm performing the audit for the Company;

- to listen to the reporting on the works of the general manager of the Company and to perform checking on the works of the general manager;

- to exercise any other powers conferred by the Shareholders' general meetings.

The Board and the relevant specialised committees are responsible for the completeness of financial information and maintaining an effective internal control system and risk management of the Group, as well as reviewing the financial statements prepared by the Company. Setting the business objectives and overseeing the daily operations of the Company are the responsibilities of the President. The Articles of Association specify the duties and authorities of the Board and the managers. The Board periodically reviews the duties and functions of the President and the powers delegated to him to ensure that such arrangements are appropriate. In order to ensure the balance of powers and authorisation, the roles of the chairman and the President have been clearly defined. The chairman of the Company is Mr. Wang Zhiqing, and the President is Mr. Liu Tiexiang. There are also other senior management who are responsible for the daily management of the Company within their scope of duties.

The chairman leads the Board to ensure that the Board performs its duties effectively. The chairman is responsible for drawing up the agenda of the meeting of the Board and considering other matters that the other Directors propose to be included in the agenda. The agenda together with documents of the Board should be, as far as practicable, circulated at least three days prior to the meeting of the Board or its specialised committees. The chairman is also obliged to ensure that all the Directors are aware of matters to be raised in the meeting of the Board and have discussed about important matters. The chairman ensures that the Directors receive information that is accurate, timely, complete and clear. Through on-the-job training and professional development, continuous participation in meetings of the Board and of specialised committees of the Board and communications with different department heads of the Company, the Directors continuously enhanced their knowledge, capabilities and their understanding of the Group.

The Company has established the office of the Board, which is managed by the joint company secretary to provide related services to the Directors. The joint company secretary periodically updates the Board of the latest information on governance and regulatory matters. The joint company secretary is responsible for the collation and record of the Board meetings. The minutes of meetings together with Board meeting materials shall be kept and made available to all members of the Board. Board meetings are meant to enable the Directors to have open and frank discussions.

Directors of the Board of the Company may seek independent professional advice through the chairman for the purpose of performing their duties, with the cost borne by the Company. Meanwhile, the Company has formulated the “Working System for Independent Director”, which stipulates the selection process of independent non-executive directors, as well as the special powers and working conditions assigned to them for performing their duties, so as to ensure that the Board can obtain independent views and opinions. After review, the Company believes that the system for the Board to obtain independent opinions and its implementation are effective as of 31 December 2024.

The Board continued to make strenuous efforts to establish and improve the Company’s corporate governance policies. In addition to corporate governance policies such as Rules of Procedures for General Meetings, Rules of Meeting of the Board, Working Regulations of Presidents and Working Regulations of Independent Directors, the Company has also established the Information Disclosure Management System, Regulations for the Management of Connected Transactions and Regulation of Inside Information Registration Management.

In 2024, the Company formulated the Measures for the Administration of the Selection and Appointment of Accounting Firms in accordance with the regulatory requirements and work needs, and amended the Articles of Association, the Working Rules of the Planning, Development and Digitalization Committee of the Board and other rules and regulations.

In order to ensure sound corporate governance, as at the date of the publication of this annual report, the Board had four special committees in place, with their terms of reference drawn up in accordance with the principles set out in the Code. The joint company secretary was responsible for the collation of minutes of meetings, and the committees report to the Board.

In 2024, the Company continued to build a diversified Board. Taking the change of the Board as an opportunity to optimise the functions, responsibilities and staffing structure of the Board and the special committees under the Board, a new function of consulting and decision-making in the field of digitisation was added in the Planning and Development Committee and the committee was renamed as the Planning, Development and Digitisation Committee.

The Board held 13 meetings in 2024. Details of attendance of each Director at the Board meetings during the Reporting Period were as follows:

Directors	Attendance/ Eligibility of Meetings	Attendance rate
Wang Zhiqing	13/13	100%
Liu Tiexiang	1/2	50%
Sun Zheng	13/13	100%
Lu Xiongwen	13/13	100%
Luo Qun	11/11	100%
Fung Wing Yee Sabrina	11/11	100%
Zheng Hongfeng	11/11	100%
Li Yangmin	9/9	100%
Tang Bing	3/3	100%
Jiang Jiang	5/5	100%
Lin Wanli	2/2	100%
Cai Hongping	2/2	100%
Dong Xuebo	2/2	100%

Note: Except for Mr. Liu Tiexiang who was unable to attend the Board meeting held on 8 November 2024 in person due to business commitments and has authorized Wang Zhiqing, the Chairman of the Board, to attend and exercise voting rights on his behalf, all Directors attended the relevant Board meetings in person.

Directors

As of the End of the Reporting Period, the Board consisted of seven Directors, including Mr. Wang Zhiqing (Chairman), Mr. Liu Tiexiang (Vice Chairman and President), and five independent non-executive Directors, namely Mr. Sun Zheng, Mr. Lu Xiongwen, Mr. Luo Qun, Ms. Fung Wing Yee Sabrina and Mr. Zheng Hongfeng. For details of biographies and appointments of each Director, please refer to the "Report of the Directors - Shareholdings and Remuneration of Incumbent and Resigned Directors, Supervisors and Senior Management during the Reporting Period" of this report.

Independent Non-Executive Directors

Independent non-executive Directors of the Company shall possess specialised knowledge and experience. They shall be able to play their roles of supervising and balancing to the fullest extent to protect the interests of Shareholders and the Company as a whole. The Board considers that they shall be able to exercise independent judgement effectively, which complies with guidelines on assessment of independence pursuant to Rule 3.13 of the Listing Rules. Pursuant to Rule 3.13 of the Listing Rules, the Company has received the annual confirmation letters from each of the independent non-executive Directors on their independence. All Directors (including independent non-executive Directors) are appointed for a term of three years. The formal appointment letters and the Articles of Association have set out the terms and conditions of their appointment. Other than working relationships, the Directors, Supervisors and members of senior management of the Company do not have any financial, business or family connection with one another.

During the Reporting Period, the Company strengthened the safeguards for the performance of duties by the independent Directors, established a mechanism for special meetings of the independent Directors, and specified the convenor of the special meetings of the independent Directors, so as to ensure that the independent non-executive Directors of the Company strictly complied with the relevant laws and regulations, the Articles of Association and the relevant provisions of independent non-executive directors, actively performed their duties, participated in various major decisions, expressed independent opinions on matters such as connected transaction, profit distribution, external guarantees, the selection and appointment of directors, supervisors and senior management and the remuneration of the senior management, played an important role in the standardized operation of the Company and safeguarded the legitimate rights and interests of minority shareholders. During the Reporting Period, the Chairman held at least one meeting with the independent non-executive Directors without the presence of other Directors.

Directors' Interests

All the Directors shall declare to the Board upon their first appointment their capacities as directors or any other positions held in other companies or institutions, the declaration of which shall be renewed once a year. When the Board of the Company discusses any motion or transaction and considers any Director has any conflict of interest, the Director shall declare his interest and abstain from voting, and will excuse himself as appropriate. The Company shall, pursuant to guidelines applicable to the Company, request from Directors their confirmation if they or their associates are connected with any transactions entered into by the Company or its subsidiaries during each financial reporting period. Material related party transactions have been disclosed in the notes to the financial statements prepared in accordance with IFRSs of this report.

Securities Transactions by Directors and Supervisors

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as the securities transactions code for the Directors. Each of the Directors and the Supervisors has been provided with a copy of the Model Code upon his appointment. Having made specific enquiry of all Directors, the Company is not aware of any non-compliance of any Directors or the Supervisors with the required standard set out in the Model Code in 2024.

The code of conduct adopted by the Company regarding securities transactions by the Directors and Supervisors is no less stringent than the Model Code.

In addition, pursuant to the requirements of the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange, the shares of the Company transferred by each of the Directors, Supervisors and members of senior management of the Company every year shall not exceed 25% of the total number of shares held by each of them, and they are not allowed to purchase the shares of the Company within six months after they have sold their shares. They are also not allowed to sell the shares of the Company within six months after they have bought the shares of the Company. Additionally, within six months after their retirement, they are not allowed to transfer the shares of the Company held by them.

All the employees who may have unpublished price sensitive information related to the Group are also required to comply with the Model Code. During the Reporting Period, the Company is not aware of any breach of laws and regulations.

Directors' Responsibilities in Respect of Financial Statements

The Directors confirm that they are responsible for the preparation of the financial statements of the Group.

The Auditor's Report of the Company's auditors in respect of the financial statements is set out on pages 93 to 97 of this annual report.

The Directors are not aware of any material uncertainties relating to events or conditions that may have a significant impact on the Company's ability to continue as a going concern.

Training of Directors

Content of development of skills and training	Directors participated
In May 2024, Shanghai Stock Exchange Independent Directors' Performance Platform	Luo Qun, Zheng Hongfeng, Fung Wing Yee Sabrina
In July 2024, Shanghai Stock Exchange, the third Follow-up Training for Independent Directors of Listed Companies in 2024	Luo Qun
In August 2024, Shanghai Stock Exchange, the fourth Follow-up Training for Independent Directors of Listed Companies in 2024	Lu Xiongwen, Zheng Hongfeng, Fung Wing Yee Sabrina
In December 2024, Shanghai Stock Exchange, "Key Points and Suggestions for Independent Directors of Listed Companies to Perform Anti-Fraud Duties" training	Sun Zheng, Lu Xiongwen, Luo Qun, Zheng Hongfeng, Fung Wing Yee Sabrina
In December 2024, Shanghai Listed Companies Association, the Second Training Course for Directors, Supervisors and Executives of Listed Companies in Shanghai Jurisdiction in 2024	Wang Zhiqing, Liu Tiexiang, Cheng Guowei

The Board office of the Company is responsible for organising, arranging and reviewing the training and continuing professional development of the Directors and members of the senior management.

Training of Company Secretary

During the year 2024, Mr. Li Ganbin, the joint company secretary of the Company, attended the training for the post of secretary of the Board of companies listed on the Main Board organised by the Shanghai Stock Exchange. The Board office of the Company is responsible for arranging and reviewing the training and continuing professional development of the Directors and members of the senior management.

Special Committees under the Board of Directors

The Board of the Company consists of the Audit and Risk Management Committee, the Planning, Development and Digitalization Committee, the Nomination and Remuneration Committee, and the Aviation Safety and Environment Committee. Each special committee earnestly performed its duties in accordance with the requirements of the articles or working rules of the committee, reviewed various proposals comprehensively and prudently, and proposed scientific and reasonable professional opinions and suggestions for the decision-making for the Board.

Special Committee Category	Name of members
Audit and Risk Management Committee	Wang Zhiqing*, Lu Xiongwen, Luo Qun
Planning, Development and Digitalization Committee	Liu Tiexiang*, Sun Zheng, Luo Qun
Nomination and Remuneration Committee	Liu Tiexiang*, Fung Wing Yee Sabrina, Zheng Hongfeng
Aviation Safety and Environment Committee	Sun Zheng*, Lu Xiongwen, Luo Qun

Note: Those annotated with * above represent the chairmen of the special committees, among which, when considering nomination related matters, the Nomination and Remuneration Committee shall be chaired by Mr. Wang Zhiqing; when considering remuneration related matters, the Nomination and Remuneration Committee shall be chaired by Mr. Lu Xiongwen.

Nomination and Remuneration Committee

As at 31 December 2024, the Nomination and Remuneration Committee of the Board of the Company comprised three Directors, namely Mr. Wang Zhiqing, Mr. Lu Xiongwen and Mr. Luo Qun, among which Mr. Wang Zhiqing is the chairman of the committee, and Mr. Lu Xiongwen and Mr. Luo Qun are independent non-executive Directors. When considering and approving remuneration related matters, the Nomination and Remuneration Committee shall be chaired by Mr. Lu Xiongwen.

1. Main Duties of the Nomination and Remuneration Committee

(1) To make recommendations to the Board regarding its size and composition based on the relevant provisions of the PRC Company Law and in the light of specific circumstances such as the characteristics of the Company's equity structure;

(2) To study the criteria and procedures for selecting Directors and senior management and make recommendations to the Board;

(3) To select qualified candidates to become Directors and senior management;

(4) To examine the candidates for the positions of Directors and senior management and make recommendations in connection with the same;

(5) To examine candidates for other senior management positions whose engagement is subject to approval by the Board and make recommendations in connection with the same;

(6) To study and review the policies and plans for remuneration of the Directors and senior management;

(7) To study the criteria for assessing the Directors and senior management, carry out such assessments and make recommendations in connection with the same;

(8) To evaluate the performance of the Directors and senior management based on the Company's actual business circumstances and make recommendations in connection with the same;

(9) To be responsible for monitoring the implementation of the Company's remuneration system;

(10) Other matters delegated by the Board.

According to the Working Rules of the Nomination and Remuneration Committee of the Board of Directors, the procedure for electing Directors and senior management is as follows:

(1) the Nomination and Remuneration Committee shall actively liaise with the relevant departments of the Company to study the requirement for Directors and senior management, and produce a written document thereon;

(2) the Nomination and Remuneration Committee may conduct a wide-ranging search for candidates for the positions of Director and senior management within the Company, within enterprises controlled by the Company or within enterprises in which the Company holds equity, and on the human resources market;

(3) the profession, academic qualifications, professional titles, detailed work experience and all concurrently held positions of the initial candidates shall be compiled as a written document;

(4) the Nomination and Remuneration Committee shall listen fully to the opinion of the nominee regarding his/her nomination;

(5) a meeting of the Nomination and Remuneration Committee shall be convened, and the qualifications of the initial candidates shall be examined on the basis of the conditions for appointment of Directors and senior management;

(6) before the selection of a new Director and the engagement of a new member of the senior management, the recommendations of and relevant information on the relevant candidate(s) shall be submitted to the Board; and

(7) the Nomination and Remuneration Committee shall carry out other follow-up tasks based on the decisions of and feedback from the Board.

According to the Detailed Working Rules of the Nomination and Remuneration Committee of the Board, the Board Diversity Policy is:

(1) When performing related duties, the Nomination and Remuneration Committee shall take into account the Board Diversity Policy required by the document, so as to supervise the execution of such policy, and review and amend the policy in due course to ensure its validity.

(2) When reviewing the size and composition of the Board and searching and proposing candidates for Directors, the Nomination and Remuneration Committee shall take into account the relevant factors in accordance with the business model and actual requirements of the Company in order to achieve diversity of the Board. The Nomination and Remuneration Committee can consider Board diversity from different aspects, including but not limited to gender, age, cultural and educational background, race, profession and experience, skills, knowledge and length of service, etc. After taking into account of the related factors mentioned above, the Nomination and Remuneration Committee will offer the final appointment recommendations to the Board based on the strengths of the candidates and their contribution to the Board.

2. Attendance of Members of the Nomination and Remuneration Committee Meetings

Members	Attendance/ Eligibility of Meetings	Attendance rate
Wang Zhiqing	5/5	100%
Lu Xiongwen	5/5	100%
Luo Qun	4/4	100%
Cai Hongping	1/1	100%

Note: All members of the Nomination and Remuneration Committee attended the respective Nomination and Remuneration Committee meetings in person.

3. Performance of the Nomination and Remuneration Committee

Under the leadership of the Board, the Nomination and Remuneration Committee performed their duties diligently to standardize the election of Directors and members of senior management of the Company, establish and refine the incentive and assessment mechanism of Directors and members of senior management of the Company to promote the realisation of the long-term goals of the Company. In 2024, the committee organized and convened five meetings in compliance with laws and considered and approved 14 resolutions including the Resolution Regarding the Remuneration of Directors, Supervisors and Senior Management of the Company in 2023, the Resolution Regarding the Nomination of Candidate for Director of the Tenth Session of the Board, the Resolution Regarding the Nomination of Candidate for independent Director of the Tenth Session of the Board, which provided support for the Board's decisions.

4. The Detailed Working Rules of the Nomination and Remuneration Committee are posted on the website of the Company (www.ceair.com).

Aviation Safety and Environment Committee

As at 31 December 2024, the Aviation Safety and Environment Committee of the Company comprised Mr. Liu Tiexiang, Mr. Sun Zheng and Mr. Luo Qun. Mr. Liu Tiexiang served as the chairman of the Committee.

1. Main Duties of the Aviation Safety and Environment Committee

The Committee mainly responsible for consistent implementation of the relevant laws and regulations of national aviation safety and ESG, overseeing and managing the aviation safety management and ESG of the Company, studying, considering and making recommendation on aviation safety plans and major issues of the related safety duties and overseeing their implementation, studying, considering and making recommendation on major environmental protection issues in relation to aviation carbon emission on domestic and international levels and overseeing their implementation, studying, considering and making comment or recommendation on issues related to ESG of the Company.

The Aviation Safety and Environment Committee shall be accountable to the Board of Directors and report to the Board of Directors. The Committee's proposed resolutions shall be submitted to the Board of Directors for consideration and approval. The results of the Committee's discussions shall be reported to the Board of Directors.

2. Attendance of Members of the Aviation Safety and Environment Committee Meetings

Members	Attendance/ Eligibility of Meetings	Attendance Rate
Liu Tiexiang	0/0	–
Sun Zheng	3/3	100%
Luo Qun	0/0	–
Li Yangmin	3/3	100%
Jiang Jiang	2/2	100%

Note: All members of the Aviation Safety and Environment Committee attended the respective Aviation Safety and Environment Committee meetings in person. As of 31 December 2024, the Aviation Safety and Environment Committee has not been convened since 8 November 2024, when the composition of the special committee was adjusted.

3. Performance of Aviation Safety and Environment Committee

Under the leadership of the Board, the Aviation Safety and Environment Committee performed duties diligently in accordance with the requirements under the Detailed Working Rules of the Aviation Safety and Environment Committee of the Board, and provided guidelines to the relevant operational departments of the Company to actively and consistently implement the relevant laws and regulations of national aviation safety and environmental protection, so as to ensure the safe and green operation of the Company, which laid the foundation for the sustainable development of the Company. The Committee consistently implemented the relevant laws and regulations of national aviation safety and environmental protection in accordance with the requirements of the Detailed Working Rules of the Aviation Safety and Environment Committee of the Board to further enhance the aviation safety plans and guidelines of the Company. The committee also studied and provided guidance on the major environmental protection issues in relation to aviation carbon emission on domestic and international levels.

In 2024, the Aviation Safety and Environment Committee strengthened guidance on civil aviation safety and major environmental protection issues in relation to aviation carbon emission, and convened three meetings in accordance with laws and regulations for consideration and approval of relevant resolutions in relation to 2023 Work Report and 2024 Work Plan on Aviation Safety, which provided support for the Board's decisions.

4. The Detailed Working Rules of the Aviation Safety and Environment Committee are posted on the website of the Company (www.ceair.com).

Planning, Development and Digitalization Committee

As at 31 December 2024, the Planning, Development and Digitalization Committee of the Company comprised three Directors, namely Mr. Liu Tiexiang, Ms. Fung Wing Yee Sabrina and Mr. Zheng Hongfeng, among which, Mr. Liu Tiexiang is the chairman of the committee.

1. Main Duties of the Planning, Development and Digitalization Committee

(1) To consider the annual operational goals of the Company and make recommendations to the Board;

(2) To consider the annual investment proposal of the Company and make recommendations to the Board;

(3) To consider the material investments (other than the annual investment proposal) of the Company and make recommendations to the Board;

(4) To consider the development plan of the Company and make recommendations to the Board;

(5) To study and consider the fleet development plan and aircraft purchase plan of the Company and submit independent report to the Board;

(6) To consider the Company's digital development strategy, digital transformation planning programme, and important reform matters of digital construction, etc., and provide decision-making suggestions;

(7) To study other major events which may have influence on the development of the Company and make recommendations in connection with the same;

(8) To oversee the implementation of the above matters and conduct inspection of the same;

(9) To consider other matters as authorised by the Board and oversee their implementation.

2. Attendance of Members of the Planning, Development and Digitalization Committee Meetings

Members	Attendance/ Eligibility of Meetings	Attendance rate
Liu Tiexiang	0/0	–
Fung Wing Yee Sabrina	5/5	100%
Zheng Hongfeng	5/5	100%
Tang Bing	2/2	100%
Dong Xuebo	2/2	100%
Lu Xiongwen	2/2	100%

Note: All members of the Planning, Development and Digitalization Committee attended the respective Planning, Development and Digitalization Committee meetings in person. As of 31 December 2024, the Planning, Development and Digitalization Committee has not been convened since 8 November 2024, when the composition of the special committee was adjusted.

3. Performance of the Planning, Development and Digitalization Committee

The Planning, Development and Digitalization Committee is responsible for studying, considering and making plans or recommendation in regard to the long term development plans and material investment decisions of the Company and overseeing their implementation.

In 2024, in compliance with laws and regulations, seven committee meetings were convened and fourteen resolutions were passed, including the 2024 Investment Plan of the Company, Resolution on the mid-term adjustment of the "14th Five-Year" development plan of the Company, new operating leases for some narrow-body aircraft and other major issues, which provided professional support for the Board's decisions.

4. The Detailed Working Rules of the Planning, Development and Digitalization Committee are posted on the website of the Company (www.ceair.com).

Audit and Risk Management Committee

As at 31 December 2024, the Audit and Risk Management Committee of the Company comprised Mr. Sun Zheng, Mr. Lu Xiongwen and Mr. Luo Qun. Mr. Sun Zheng is the chairman of the Audit and Risk Management Committee. The members of the Audit and Risk Management Committee are all independent Directors of the Company, among which Mr. Sun Zheng is an accounting professional.

1. **Main Duties of the Audit and Risk Management Committee**

   The Audit and Risk Management Committee is responsible for checking and monitoring the financial reports and internal control of the Company, checking and evaluating the overall risk management of the Company, in particular the risk management and risk control system for material decision, significant events and major business, and overseeing their implementation.

2. **Attendance of Members of the Audit and Risk Management Committee Meetings**

Members	Attendance/ Eligibility of Meetings	Attendance rate
Sun Zheng	9/9	100%
Cai Hongping	4/4	100%
Dong Xuebo	4/4	100%
Lu Xiongwen	5/5	100%
Luo Qun	5/5	100%

Note: All members of the Audit and Risk Management Committee attended the respective Audit and Risk Management Committee meetings in person.

3. **Performance of Audit and Risk Management Committee**

   The Audit and Risk Management Committee held 9 meetings in total in 2024. The Company's senior management, external auditors, financial department and audit department were invited to attend the meeting. Based on the reports of the external and internal auditors, and with reference to the accounting principles and practices, and internal controls adopted by the Company, the Audit and Risk Management Committee conducted reviews of audits, internal control, risk management and financial statements with a view to assessing whether the relevant requirements are complied with. The Company's final results for 2023 and first quarterly results, interim results and third quarterly results for 2024 had been discussed in the Audit and Risk Management Committee's meetings before they were submitted to the Board for approval.

   Please refer to the "2024 Performance Report of the Audit and Risk Management Committee" disclosed on the website of the Shanghai Stock Exchange and the website of the Hong Kong Stock Exchange by the Company on 28 March 2025 for the performance of the Audit and Risk Management Committee.

   The Audit and Risk Management Committee has also reviewed the performance, independence and objectivity of the Company's auditors. During the Reporting Period, the total fee to Deloitte Touche Tohmatsu Certified Public Accountants LLP and Deloitte Touche Tohmatsu for the provision of financial statements prepared under PRC Accounting Standards and IFRSs and internal control audit services amounted to RMB10 million, and the total fee for the provision of non-audit services amounted to RMB0 million. The auditors' remuneration was approved by the Audit and Risk Management Committee, the Board and the general meeting.

4. **The Working Rules of the Audit and Risk Management Committee are posted on the website of the Company (www.ceair.com).**

Remuneration Policy of Directors

Directors generally do not receive remuneration from the Company except independent non-executive Directors who receive a fixed remuneration. However, Directors who serve in other administrative positions of the Company will receive salary separately for those positions.

Certain Directors received emoluments from CEA Holding, the parent of the Company, in respect of their directorship or senior management positions in the Company and its subsidiaries.

Generally, the policy regarding the remuneration packages of Directors are aimed primarily at linking the remuneration of Directors and their performance to the objectives of the Company, in order to motivate them in their performance and retain them. Pursuant to the policy, the Directors are not allowed to approve their own remuneration.

The major composition of remuneration of the Directors includes basic salary and bonus.

The Directors review the basic salary of each Director on an annual basis pursuant to the remuneration policy of the Company. In 2024, pursuant to the service contracts entered into between the Company and each of the Directors, the Directors are entitled to receive a fixed basic salary.

Bonuses are calculated based on the measurable performance and contribution of the operating units for which the Directors are responsible.

Remuneration of Independent Non-executive Directors

As of the publication date of this report, remuneration received by the independent non-executive Directors in 2024 were as follows:

Name	Remuneration before tax (RMB10,000)
Sun Zheng	20
Lu Xiongwen	20
Luo Qun	5.6
Fung Wing Yee Sabrina	14
Zheng Hongfeng	14

Remuneration of Senior Management

As of the publication date of this report, the members of senior management of the Company received the following remuneration in 2024:

Name	Position	Remuneration before tax (RMB10,000)
Liu Tiexiang	Vice Chairman, President	–
Zhou Qimin	Vice President, Chief Financial Officer	–
Wan Qingchao	Vice President	–
Li Ye	Vice President	–
He Xiaoqun	Vice President	–
Li Ganbin	Board Secretary, Joint Company Secretary	–

Work of the Supervisory Committee

In 2024, pursuant to the PRC Company Law, the Corporate Governance Standards for Listed Companies, the Articles of Association and other relevant laws and regulations and regulatory documents, the Supervisory Committee of the Company supervised the legality and compliance of the finance of the Company and the performance of duties by the Directors, president and other senior management of the Company, reviewed and issued opinions on issues such as the Company's financial condition, connected transactions, internal control and use of proceeds, and safeguarded the legitimate rights and interests of the Company and its Shareholders.

As at 31 December 2024, the Supervisory Committee of the Company consisted of 3 supervisors. In 2024, the Supervisory Committee convened seven meetings in total, and all of the supervisors attended the meetings in person.

Internal Control and Risk Management

Internal Control System

The Board shall be responsible for the establishment, integrity and effective implementation of internal control and review the effectiveness of the internal control system through the Audit and Risk Management Committee at least once a year. The internal control system of the Company is essential to risk management which, in turn, is important in ensuring that operational objectives can be achieved. The Company established internal control procedures to prevent assets from unauthorised use or disposal, to ensure the maintenance of appropriate accounting records and to provide reliable financial information either for internal use or for dissemination externally. However, the control procedures aim at reasonably (but not absolutely) assuring that there will not be material misrepresentation, loss or misconduct. The internal control system of the Company is prepared in accordance with the relevant laws and regulations, subsidiary regulations and constitutional documents.

The Group reviews the effectiveness of its internal control system annually, which includes control over finance, operations, compliance with laws and regulations as well as risk management. The results of the review have been reported to the Audit and Risk Management Committee and the Board.

Main Features of the Internal Control System

The Group is one of the early adopters in the development of internal control systems. As early as 2004, the Group started the construction of internal control in order to meet the requirements of the US Sarbanes-Oxley Act. In 2008, five ministries including the Ministry of Finance successively issued the Basic Standards for Corporate Internal Control and its supporting guidelines to require enterprises to establish an internal control system in compliance with the regulatory requirements and specifications. The Group initiated the construction project of comprehensive risk management and internal control system in March 2010.

Internal Control Evaluation Work in 2024

(1) Organisational Structure

The Group established the internal control working team in 2024, which is responsible for the organisation and implementation of internal control appraisal of the year. The working team is led by the leader of the Company's auditing work, and key staff of audit department is designated as team members.

(2) Work Arrangement

According to the internal control evaluation work arrangement of 2024, all units of the Group were arranged to carry out self-inspection on internal control, organise centralised on-site testing. Firstly, 5 management support departments, 9 business operations units, 12 branches and 8 subsidiaries (a total of 34 units) conducted self-inspection on internal control in accordance with the internal control evaluation programme and based on their own business characteristics. Secondly, the working team selected 16 key units to conduct on-site testing on their key business processes. Finally, the working team collected and compiled the data on daily inspections and audits of safe operation of each unit as a key component of internal control evaluation. It was determined that the internal control evaluation for the year focused on the Group's overall control process, 25 business control processes and 32 core business information system control processes.

(3) Evaluation Work Organisation and Safeguard Measures

To effectively promote internal control evaluation work, the working team intensified information communication through the formulation of contact system, regular meeting and work briefing system, and held internal control evaluation work assignment meetings at key stages of on-site testing work to strengthen the organisational management of specialized projects. The working team guided through centralised training, one-on-one tutoring, on-site supervision, on-site explanation and questions and answers covering all stages of the internal control evaluation work, and publicised and explained internal control principles, application of evaluation standard and work skills to improve the internal control evaluation skills of each unit.

(4) Results of internal control evaluation

The Group has evaluated the effectiveness of the internal control over the financial reports and non-financial reports, in accordance with the Basic Rules for Corporate Internal Control and its supporting guidelines, and other regulatory requirements of internal control, combined with the internal control system and evaluation methods, and based on internal control of daily supervision and special project supervision. It is believed that the Group's overall internal control is effective as at 31 December 2024 (the base date of the internal control evaluation report), and there are no significant deficiencies in the Group's financial reports, and no significant deficiencies of internal control related to the non-financial reports.

Measures of Internal Control

During the assessment of internal control of the Group, all entities should strictly follow the principle of "immediate rectification", immediately rectify the internal control defects identified, while formulating rectification plans for internal control defects which cannot be rectified immediately to push forward the progress of rectification. To further implement the rectification in internal control defects and enhance the optimisation of internal control, upon the completion of defect identification, the Group will publish documents to require the relevant entities to formulate rectification measures for those defects with incomplete rectification, clarify the responsibilities and time limits for rectification and diligently assign the rectification work.

The Board confirms that the Group has systems and procedures in place to identify, manage and report material risks in the course of achieving its strategic objectives. The Board continues to monitor risks with the support of the specialised committees and senior management. Such systems aim to manage but not eliminate the risk of failure to achieve business objectives, and can only provide reasonable but not absolute assurance for the absence of material misrepresentation or loss.

Procedures of Internal Audit

The Company's internal audit department is responsible for conducting an independent audit of whether or not the internal control system is sufficient and effective. The auditing plan is prepared using a risk-based approach and is discussed and finalised by the Audit and Risk Management Committee annually. Other than the pre-determined scope of work for each year, the department is also required to conduct other specific audits.

The Board of the Company directly leads the internal audit work, which is specifically supervised by the Chairman. All the internal audit reports are delivered to the Chairman, the president, chief financial officer, and the management of the department being audited and the related departments. The outcome of each audit, in summary, will also be discussed with the Audit and Risk Management Committee. The Board and the Audit and Risk Management Committee of the Company actively monitor the number and seriousness of the inspection results submitted by the internal audit department, and the relevant corrective measures taken by the relevant department.

Anti-corruption Policy

The Company attaches great importance to anti-corruption work through continuously preventing corruption caused by concentration of power, capital intensive and rich resource, preventing integrity risks in procurement and other sectors, and continuously promoting reforms, preventing risks, improving systems, and improving governance. In addition, the Company attaches great importance to the protection of whistleblowers, formulates and implements relevant rules for the handling of prosecutions and accusations by discipline inspection and supervision agencies, regulates the handling of prosecutions and accusations by discipline inspection organizations at all levels, and unblocks reporting channels for relevant groups (including but not limited to reporting to the Disciplinary Committee of the Company, the Audit and Risk Management Committee of the Board of Directors, etc.), so as to ensure the exercise of their supervisory power and safeguard their legitimate rights and interests.

Procedures for Processing and Publication of Inside Information and Internal Control Measures

The Board attaches importance to the management of inside information and system construction, and has formulated relevant policies on the procedures for handling and releasing inside information as well as internal control measures, including Regulation of Inside Information Registration Management. The regulation sets out the scope of inside information, responsibility for confidentiality, registration requirements and other aspects, as well as compliance and reporting procedures. The senior management of the Company must take all reasonable measures to prevent breach of the disclosure requirements of the Company. They must promptly draw the attention of management to any potential dissemination of inside information, and the management will inform the Board of prompt action. In serious violation of this policy, the Board will decide or assign appropriate persons to determine the course of action to correct the problem and avoid recurrence.

Risk Management

The Audit and Risk Management Committee of the Company is responsible for checking and evaluating the overall risk management of the Group and overseeing their implementation.

The internal audit department of the Company is responsible for preparing related risk management report and reporting to the Audit and Risk Management Committee periodically. It is responsible for coordinating the implementation of appropriate procedures to manage the operational risks of the Group.

The Board, being the highest leadership and decision-making organ for comprehensive risk management, established the Audit and Risk Management Committee, and has set up three levels of defence in risk management around the business units, risk management unit and internal audit department. The Board has incorporated the concept of internal risk control into every business unit and established the risk management framework to identify, assess and respond to substantial risks. The first level of defence in the Group's risk management is the business units, for which risk management measures and internal control procedures have been incorporated into the work and operation of the business units. The second level of defence in the Group's risk management is the risk management unit, which led and coordinated all business units and continuously supervised over relevant work to ensure that risk management in the Group has been fully executed. The third level of defence in the Group's risk management is the internal audit department, which is directly responsible to the Board and the Audit and Risk Management Committee, and supervised and assessed every business unit and operational departments for risk management.

The Group has established a general and continuous supervision mechanism, in order to discover defect in the design and operation of the internal risk control system in time. The internal audit department is responsible for auditing every business unit and operational department of the Group, and the internal audit is supervised and overseen by the Board and the Audit and Risk Management Committee. The internal audit department has to report regularly or upon request to the Board, the Audit and Risk Management Committee, etc. Any defect in internal risk control discovered in supervision and checks should be reported in accordance with the internal audit procedures, and the relevant defects should be rectified and improved in accordance with the queries raised.

In 2024, the Board has reviewed the internal control system in relation to risk management and considered that the Group had discharged its duties of risk management and internal control of listed companies as required by the Listing Rules, and the Company's risk management and internal control systems were effective and adequate during the year 2024.

Investor Relations

The Company fully respects and actively safeguards the legitimate rights and interests of investors, especially small and medium-sized investors, and has established the Regulations for the Management of Investor Relationship to foster corporate integrity and self-discipline, realise standardised operation and ensure that the interests of its investors are protected through ways such as on-site communication, phone and the Internet to facilitate its communication with investors.

During the Reporting Period, the Company organised and held a meeting with major corporate shareholders of CEA with the personal participation of the Chairman to strengthen communication with shareholders and convey confidence in development; organised the Company's management team to conduct annual performance roadshows in Hong Kong and Singapore to gain a close understanding of the overseas capital market's evaluation, judgement and investment preference of the Company; convened the annual, semi-annual and third quarter performance briefing meetings, and actively participated in the industry strategy meetings organised by investment banks, and made use of channels such as SSE e-interactive, IR phone, mailbox and official website, etc. The Chairman, President, Chief Financial Officer and Independent Directors interacted closely with investors and responded to investors' concerns in a timely manner. Throughout the year, the Company participated in 56 investor conferences of various types, including 37 domestic and overseas exchange meetings and approximately 15 online exchanges in total, and communicated with a total of 445 investors from 313 institutions. The Board has reviewed the Company's shareholders' communication policy. In light of the facts above, the Board considers the Company's shareholders' communication policy is effective and has been fully implemented.

The daily communication between the Board of Directors and Shareholders is generally coordinated through the Board secretary, representative of the Company's securities affairs and designated staff. For any enquiries about the Board, Shareholders may contact us by calling 86-21-22330932 or by email to ir@ceair.com or they may put forward their questions at the annual general meeting or extraordinary general meetings directly. In respect of the procedures for Shareholders to propose resolutions at the annual general meeting or extraordinary general meetings, they may enquire with the Board Secretary through the aforesaid channels. Investors and the public may access the Company's website (www.ceair.com) and download related documents from the online database. The website also sets out details of each of the Company's operations. Announcements or other documents issued by the Company may also be downloaded from the website of the Company.

Based on the information publicly available to the Company and to the knowledge of the Directors of the Company, at least 25% of the issued share capital of the Company was held by the public.

Changes in Constitutional Documents

As at 29 April 2024, in order to fully implement the spirit of the Opinions on the Reform of the Independent Director System for Listed Companies of the General Office of the State Council, and promote the formation of a more scientific and sound independent director system and mechanism, according to the Measures for the Administration of Independent Directors of Listed Companies of the China Securities Regulatory Commission, the Company has made corresponding amendments to the Articles of Association, taking into account the latest requirements of recent domestic and overseas listing regulatory rules and actual circumstances. For details, please refer to the announcements of the Company dated 14 December 2023 and 29 April 2024.

On behalf of the Board

Wang Zhiqing
Chairman

Shanghai, the PRC
28 March 2025

Social Responsibilities

The Group's corporate culture concept system consists of corporate vision, corporate core values and corporate spirit. The Group strives to achieve its vision of building a world-class excellent airline company that is "cherished by staff, preferred by customers, satisfied by shareholders and trusted by society" while following the corporate core values of "providing heart-to-heart service to our customers" and upholding the corporate spirit of "earnestness, efficiency, enthusiasm, excellence". The Board of the Company highly recognizes the Company's corporate culture concept. All members act as role models and strive to promote corporate culture while performing their duties in strict compliance with national laws, administrative regulations, the Articles of Association and resolutions of the general meeting, so as to ensure that the Company's strategy is consistent with its corporate culture.

Adhering to the five development visions of "Innovation, Synergy, Green Development, Openness and Sharing", the Group integrated social responsibilities into the traditional core management scopes of the Company in terms of aviation safety, passenger services and staff development, proactively fulfilled its economic, social and environmental responsibilities, and continued to deal with environmental and social issues such as climate change, sustainable use of resources and targeted poverty alleviation. For details, please refer to the China Eastern Airlines Corporation Limited 2024 Sustainability (ESG) Report published by the Company.

Major Awards Obtained in 2024

During the Reporting Period, the Group actively fulfilled its social responsibilities and received wide recognition from society. Major awards related to social responsibilities were as follows:

Name of award	Awarding institutions
TOP30 Central Enterprise in Brand Building Capacity 2023	SASAC
2024 BrandZ Top 100 Most Valuable Chinese Brands	WPP and Kantar
2024 Brand Finance Top 50 Most Valuable Global Airline Brands	Brand Finance
2024 Fortune China Top 500	Fortune
Eight Awards under "Sky Choice Travel Awards 2024"	CAAC In-flight Magazine
Awarded "Excellent" in the "2023 Comprehensive Assessment of the Work of Central Enterprises in Implementing the Important Instructions and Comments of General Secretary Xi Jinping"	SASAC
CEA C919 Flight Department Awarded "Model of Central Enterprises" in 2024	SASAC
First Batch of Outstanding Achievements in the Brand Leadership Campaign of Central Enterprises — China Eastern Airlines Service Brand "Eastern Airlines Lingyan (東航凌燕)"	SASAC
Selected as one of the "China ESG Listed Companies Yangtze River Delta Pioneer 50"	China Enterprise Reform and Development Society, Shanghai SASAC, Responsibility Cloud Research Institute
Best Partner for Children's Philanthropy	Shanghai Children's Foundation
2024 China CSR Ranking by YICAI "Environment and Ecology Contribution Award"	YICAI
Golden Bee 2024 Excellent Corporate Sustainability Report – Longevity Award	Golden Bee Think Tank
"Best China Airline" in the 17th TTG China Travel Awards	TTG China

Name of award	Awarding institutions
"Outstanding Cases" on ESG of Listed Central Enterprises – "CEA: Building Greener and Sustainable Flights Covering All Dimensions from the Ground to the Air"	Bureau of Social Responsibility of SASAC
2024 Shanghai Top 100 Enterprises (20th) 2024 Shanghai Top 100 Service Enterprises (9th)	Shanghai Enterprise Confederation Shanghai Federation of Economic Organizations Shanghai Entrepreneur Association Jiefang Daily Newspaper
First and Second Prizes in Microfilm of 2024 Shanghai Quality Brand Storytelling Competition	Shanghai Association for Quality
"Grade A in Information Disclosure for 2023-2024"	Shanghai Stock Exchange
2024 Best Practice of the Board of Directors of Listed Companies	China Association for Public Companies
Excellent Practice Cases on Governance and Internal Control of Listed Companies in Shanghai	The Listed Companies Association of Shanghai
"Golden Information Disclosure Award" of the 26th Golden Bull Award for Listed Companies	China Securities Journal
LACP Platinum Award for Annual Report in the Aviation Industry Category	LACP (League of American Communications Professionals)
ARC Gold Award for Annual Report Cover Design of Airlines	ARC (MerComm, Inc)
100 Excellence Employer of China of 2024	51job.com
Employer Excellence of China 2024 Single Award — Excellence in ESG Attraction	51job.com
TOP10 Most Responsible Employers under China Best Employer Award	Zhaopin.com

Ecological Protection, Pollution Prevention and Control, Environmental Responsibility Fulfillment

In 2024, the Group strictly implemented its primary responsibility for energy and environmental protection, and continued to promote a high level of protection of the ecological environment by closely focusing on the vision of carbon peaking and carbon neutrality, with a view to vigorously promoting the Group's green, low-carbon, circular and sustainable development.

1. **Strengthening the green top-level design and enhancing dual-carbon capacity building.** The Group formulated the 2024 Work Ledger for Green and Low-Carbon Development, and promoted the implementation of the key tasks of the Peak Carbon Action Plan of China Eastern Airlines Corporation Limited. The Group updated the Document List for Environmental and Energy Management System and other documents according to the latest industry policy document, established a professional talent pool for green and low-carbon development, and organized training on green and low-carbon topics including plastic restriction policy, pollution prevention and control, application of sustainable aviation fuels, and carbon trading market mechanism, etc., to enhance the professional capacity of dual-carbon business personnel.

2. **Coordinating the construction of ecological civilization and consolidating the achievements of green governance.** The Group implemented the requirements of the CAAC on regular efforts to keep the skies blue, and continued to push forward the special task of "APU replacement" and "oil-to-electricity conversion" for airport vehicles. The Group participated in the formulation of the Substitution Specifications for Disposable Non-degradable Plastic Products on Domestic Passenger Flights and launched a Group-wide self-inspection on plastic restriction to ensure that the Group's flights, terminals, offices and cargo-related products comply with the plastic restriction policy.

3. **Implementing the concept of green development and optimizing operations to save energy and reduce emissions.** In 2024, the Group withdrew 13 old aircraft and introduced 35 new-generation fuel-efficient models, including the C919, B787 series and A320NEO series. The Group continued to save fuel through refined fuel-saving management such as precise control of landing residual fuel, promoting the use of lightweight on-board equipment, and improving the actual flight level and the execution rate of single-engine taxiing, and reduced weight by 22.4 tons on 142 aircraft in 2024. By optimizing the matching of aircraft models and routes, expanding and optimizing the placement of transit products, and increasing the cultivation of through transit and multimodal transportation products to lengthen the flight distance of routes and reduce unit fuel consumption, the average flight distance of the Group's domestic flights increased by nearly 8.4% in 2024 compared to 2019, and the number of transit routes in the four major hubs increased by 9.2% compared to 2019.

4. **Implementing market-based emission reduction and enhancing carbon emission management capability.** The Group completed annual carbon emission reports, monitoring plans and verification work in accordance with the requirements of the CAAC and the Shanghai Municipal Bureau of Ecology and Environment, and completed its performance work on schedule. As the Group did not generate carbon emissions between two points within the European Union, no report was required.

5. **Promoting energy conversion in the industry and implementing the deployment and application of SAF.** The Group continued to follow up on domestic and overseas SAF-related policies, strengthened communication with other airline companies, scientific research institutes and upstream and downstream enterprises in the supply chain, and studied ways to offset carbon emissions by SAF fuel. The Group actively participated in the domestic SAF pilot program, and monitored and controlled the operation of commercial flights in the SAF application pilot program, promoted green products and monitored engine data on a regular basis. Since 2022, the Group has cooperated with Airbus to fill 27 Airbus aircraft with a certain percentage of SAF blended fuel for delivery flights, and the cumulative amount of pure SAF fuel filled totaled 38.2 tons.

6. **Actively participating in sustainable development affairs and paying attention to the progress of global climate governance.** The Group followed the trend of sustainable development in the industry and actively participated in seminars and conferences organized by the International Air Transport Association (IATA) and the SkyTeam Airline Alliance, etc., in order to understand and accumulate innovative achievements and advanced experiences in sustainable development in the industry.

7. **Launching the training and publicity on ecological environmental protection and enhancing ESG-related information disclosure.** The Group continued to carry out training on ecological environmental protection within its system, and promoted the environmental protection philosophy and the effectiveness of energy saving and consumption reduction of airlines in conjunction with activities such as the World Environment Day and Low Carbon Day, so as to create the awareness of energy saving and ecological environmental protection among all employees. The Group advocated green travel for passengers and explored ways to reduce costs and increase efficiency in green development through "cost sharing and benefit sharing". The Group enhanced the online "Green Travel" zone, including the "Light Flight Enjoyment" product that guides passengers to dine on demand, and the "Low Carbon Priority" product based on domestic SAF applications and energy-saving models, to encourage passengers to voluntarily pay a premium for aviation emission reduction.

The Company has published high-quality sustainability (ESG) related special reports for 17 consecutive years. In 2024, the Company was awarded the "Environment and Ecology Contribution Award" in the China CSR Ranking of YICAI, and the "Eco-Airline of the Year" and the "Sustainable Contribution Brand of the Year" in CAAC In-flight Magazine's "Sky Choice Travel Awards 2024".

Rural Revitalisation

Poverty alleviation and rural revitalisation projects	Quantity/ content	Description
Total investment (RMB10,000)	4,431	
Of which: Funds (RMB10,000)	2,677	Non-reimbursable assistance funds
Value of materials (RMB10,000)	1,753	Free flight tickets and logistics relief
Number of beneficiaries (persons)	140,000	People benefiting from industrial assistance
Forms of assistance (e.g. poverty alleviation through industrial development, employment and education, etc.)	Aviation revitalisation	In 2024, the new Lincang Airport-Shanghai Pudong direct round-trip route was opened. In 2024, more than 3,800 flights involving Lincang and Cangyuan were operated, transporting more than 360,000 passengers, and driving the GDP of the local area to be more than RMB650 million through the route. In 2024, the new free transportation quota was added, and 676 tons of air cargo was provided with free logistics and transportation services through the airports of Lincang and Cangyuan. With an investment of nearly RMB1 million, 250 newly admitted university students from difficult families in the two counties were provided with free air tickets for enrollment.
	Industry revitalisation	The Group promoted assistance in the honeybee specialty industry. A new three-year assistance agreement was signed with the Honey Bee Institute and Cangyuan County, with a plan to invest RMB15.718 million for three consecutive years to support Cangyuan's black honey appraisal and rapid testing, the promotion of improved Chinese honeybee varieties, and the construction of the Cangyuan Experimental Station of the Honey Bee Research Institute of the Chinese Academy of Agricultural Sciences. The Group developed and promoted the "MU Tea (東航那杯茶)" assisted product. By implementing the "Central Enterprise + Local Government + Cooperative + Assisted Workshop + Tea Farmer" assistance mechanism, the Group promoted the development of the tea industry in the paired assistance areas. The "MU Tea (東航那杯茶)" was selected as one of the "Case Studies on Central Enterprises Assisting Brand Building for the Revitalisation of Rural Industries", and the average annual sales revenue of the product exceeded RMB15 million.
	Consumption revitalisation	The Group released a catalog of recommended products for consumption assistance in 2024, launched the 2024 Farmer-Assisting Spring Festival Bazaar Event, expanded the procurement share of consumption assistance products in employees' Spring Festival welfare, sympathy products and prizes for activities, and directly procured and assisted in the sale of agricultural products amounting to RMB81.66 million for the year.

Poverty alleviation and rural revitalisation projects	Quantity/ content	Description
	Education revitalisation	CEA, in conjunction with Tsinghua University and Fudan University, trained grassroots cadres and industry leaders for the assistance areas, and provided offline training in Beijing and Shanghai for more than 1,300 person-times. In conjunction with the Department of Teachers of the Ministry of Education, CEA provided offline training to teachers from the two counties in Beijing Normal University and East China Normal University for 800 person-times. The two universities provided offline door-to-door courses and training for 4,425 person-times. CEA actively coordinated with the experts stationed in Cangyuan from the Honey Bee Research Institute of the Chinese Academy of Agricultural Sciences to provide on-site teaching and training for 1,687 person-times. In conjunction with the rural revitalisation distance learning stations set up by Tsinghua University in the two counties, CEA actively carried out online training for grassroots cadres, industry leaders and farmers in the new era for 7,727 person-times.
	Ecological revitalisation	CEA invested RMB442,000 to help Bangbing Village in Shuangjiang County to implement the hardening of the main road in the village and the construction of solar-powered street lamps, which contributed to the ecological revitalisation.
	Health revitalisation	CEA invested RMB600,000 in connection with Xinxing Cathay International to help implement cochlear implant surgeries for six patients with severe hearing impairment in the two counties. In Bangbing Village, Shuangjiang County, CEA built a new 50-cubic-meter water reservoir and assisted in the construction of a 10-kilometer drinking water network to improve the water security of villagers, benefiting 860 people.
	Cultural revitalisation	CEA invested RMB146,000 to support the implementation of the beehive drum dance non-heritage cultural protection and inheritance project in Manlai Village, Cangyuan County, which contributed to cultural revitalisation.

In 2024, under the unified deployment of its controlling shareholder, CEA Holding (the Company and CEA Holding hereinafter referred to as "CEA"), the Company was deeply engaged in the assistance such as "aviation revitalisation", "industry revitalisation", "consumption revitalisation" and "education revitalisation" to continuously solidify the fruits of rural revitalisation. During the year, CEA invested RMB44.31 million in non-reimbursable assistance funds and RMB204.24 million in reimbursable assistance funds, introduced RMB6.21 million in non-reimbursable assistance funds and RMB5.34 million in reimbursable assistance funds, directly purchased agricultural products from poverty-eradication areas for RMB47.52 million, and assisted in the sale of agricultural products for RMB34.15 million. CEA provided training to grassroots cadres, industry leaders and technicians for 8,122 person-times, 1,932 person-times and 11,809 person-times, respectively. Through these efforts, the Group fully accomplished the annual assistance tasks, and received "good" rating in the assessment of targeted assistance for central units for six consecutive years.

Independent Auditor's Report

Deloitte. 德勤

To the Shareholders of China Eastern Airlines Corporation Limited

(incorporated in the People's Republic of China with limited liability)

Opinion

We have audited the consolidated financial statements of China Eastern Airlines Corporation Limited (the "Company") and its subsidiaries (collectively referred to as "the Group") set out on pages 98 to 215, which comprise the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (the "IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Impairment tests of goodwill, aircraft and engines	
As stated in Note 4(a), Note 4(b), Note 17, Note 19, and Note 20 to the consolidated financial statements, as of 31 December 2024, the balance of the Group's goodwill was RMB11,272 million, and the balances of the Group's owned and leased aircraft and engines were RMB82,977 million and RMB108,298 million, which were significant to the financial statements. The Group performs impairment tests of goodwill annually and performs impairment tests of aircraft and engines when indication of impairment exists. The goodwill and aircraft and engines were all associated with airline transportation operations unit. When performing the impairment tests, management determined the recoverable amount of the airline transportation operations unit based on the higher of its fair value less costs of disposal and its present value of projected future cash flows. The determination of the present value of projected future cash flows of the airline transportation operations unit was based on the key assumptions, including revenue growth rates, gross margin rates, and discount rate, which depended on management's significant estimates and judgements. We identified the impairment tests of goodwill, aircraft and engines as a key audit matter since the balances of goodwill, aircraft and engines were significant, and there were significant management's accounting estimates and judgements involved.	Our procedures in relation to the impairment tests of goodwill, aircraft and engines included: • Understanding and evaluating the design and implementation of key internal controls related to impairment tests of goodwill, aircraft and engines. Testing the operating effectiveness of those key internal controls. • Evaluating the reasonableness of management's inclusion of goodwill, aircraft and engines in airline transportation operations unit. • Involving internal valuation specialist to assist in evaluating appropriateness of the method and model used in the impairment tests, and the reasonableness of the key parameters including discount rate and long term revenue growth rates. • Evaluating the reasonableness of the profit forecast used in projected future cash flows by comparing it with the Group's historical data, approved financial budgets and operating plans. • Evaluating the reasonableness of management's estimates by comparing the current year's actual financial results with the respective forecasts used in prior year's impairment tests. • Performing sensitivity analysis to evaluate the impact on the impairment tests of goodwill, aircraft and engines if there would be reasonable changes in the key parameters which were significant in determining the present value of projected future cash flows.

Other Information

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors and Those Charged with Governance for the Consolidated Financial Statements

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements *(continued)*

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in the independent auditor's report is Yam Siu Man.

Deloitte Touche Tohmatsu
Certified Public Accountants

Hong Kong
28 March 2025

Consolidated Statement of Profit or Loss

Year ended 31 December 2024

	Notes	Year ended 31 December 2024 RMB million	2023 RMB million (Restated Note 2.2)
Revenue	5	**132,120**	113,788
Other operating income and gains	7	**6,503**	5,429
Operating expenses			
Aircraft fuel		**(45,499)**	(41,102)
Depreciation and amortisation		**(26,644)**	(25,041)
Wages, salaries and benefits	9	**(26,552)**	(23,672)
Take-off and landing charges		**(17,535)**	(14,558)
Aircraft maintenance		**(6,171)**	(4,542)
Food and beverages		**(4,227)**	(2,993)
Selling and marketing expenses		**(3,949)**	(2,931)
Civil aviation development fund		**(1,122)**	(1,056)
Ground services and other expenses		**(445)**	(564)
Impairment charges	10	**(44)**	(17)
Impairment losses on financial assets, net	11	**(38)**	(49)
Low value and short-term lease rentals		**(26)**	(400)
Fair value changes of financial asset at fair value through profit or loss		**36**	(7)
Other operating expenses		**(4,789)**	(4,222)
Total operating expenses		**(137,005)**	(121,154)
Operating income/(loss)	8	**1,618**	(1,937)
Share of result of associates	23	**225**	131
Share of result of joint ventures	24	**49**	(8)
Finance income	12	**115**	496
Finance costs	13	**(5,911)**	(6,982)
Loss before income tax		**(3,904)**	(8,300)
Income tax expense	14	**(894)**	(336)
Loss for the year		**(4,798)**	(8,636)
Loss is attributable to:			
Equity holders of the Company		**(4,226)**	(8,190)
Non-controlling interests		**(572)**	(446)
		(4,798)	(8,636)
Loss per share attributable to the equity holders of the Company:			
– Basic (expressed in RMB per share)	16	**(0.19)**	(0.37)

Consolidated Statement of Profit or Loss and Other Comprehensive Income

Year ended 31 December 2024

	Notes	Year ended 31 December 2024 RMB million	2023 RMB million (Restated Note 2.2)
Loss for the year		**(4,798)**	(8,636)
Other comprehensive income/(expense):			
Items that may be subsequently reclassified to profit or loss			
– Effective portion of changes in fair value of hedging instruments arising during the period, net of tax		**5**	(35)
Items that may not be subsequently reclassified to profit or loss			
– Fair value changes of equity investments designated at fair value through other comprehensive (loss)/income, net of tax		**(81)**	6
– Share of other comprehensive income of an associate, net of tax	23	**2**	5
– Actuarial loss on the post-retirement benefit obligations, net of tax	39	**(152)**	(79)
Other comprehensive expense for the year, net of tax		**(226)**	(103)
Total comprehensive expense for the year		**(5,024)**	(8,739)
Total comprehensive loss attributable to:			
Equity holders of the Company		**(4,441)**	(8,300)
Non-controlling interests		**(583)**	(439)
		(5,024)	(8,739)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

As at 31 December 2024

	Notes	31 December 2024 RMB million	31 December 2023 RMB million (Restated Note 2.2)
Non-current assets			
Property, plant and equipment	17	**103,330**	95,991
Investment properties	18	**96**	277
Right-of-use assets	19(a)	**112,433**	118,331
Intangible assets	20	**11,603**	11,607
Advanced payments on acquisition of aircraft	21	**14,986**	15,183
Investments in associates	23	**2,218**	2,049
Investments in joint ventures	24	**512**	464
Equity investments designed at fair value through other comprehensive income	25	**1,417**	1,057
Derivative financial instruments	26	**–**	33
Deferred tax assets	28	**9,160**	9,851
Other non-current assets	27	**3,984**	4,157
		259,739	259,000
Current assets			
Flight equipment spare parts	29	**1,680**	1,640
Trade and bills receivables	30	**1,949**	2,191
Prepayments and other receivables	32	**11,184**	9,727
Financial assets at fair value through profit or loss	31	**101**	65
Derivative financial instruments	26	**56**	16
Restricted bank deposits	33	**61**	319
Cash and cash equivalents	33	**4,072**	11,858
		19,103	25,816
Current liabilities			
Trade and bills payables	34	**14,515**	4,601
Other payables and accruals	36	**20,227**	20,584
Contract liabilities	35	**10,678**	7,422
Current portion of borrowings	37	**49,576**	53,006
Current portion of lease liabilities	19(b)	**16,997**	19,428
Income tax payable		**71**	50
Current portion of provision for lease return costs for aircraft and engines	38	**1,939**	1,191
		114,003	106,282
Net current liabilities		**(94,900)**	(80,466)
Total assets less current liabilities		**164,839**	178,534

As at 31 December 2024

	Note	31 December 2024 RMB million	31 December 2023 RMB million (Restated Note 2.2)
Non-current liabilities			
Borrowings	37	**53,598**	58,022
Lease liabilities	19(b)	**55,852**	64,747
Provision for lease return costs for aircraft and engines	38	**7,619**	7,897
Contract liabilities	35	**632**	586
Post-retirement benefit obligations	39	**2,240**	2,206
Other long-term liabilities	40	**1,246**	1,510
Deferred tax liabilities		**1**	1
		121,188	134,969
Net assets		**43,651**	43,565
Equity attributable to equity holder of the Company			
– Share capital	41	**22,291**	22,291
– Perpetual bond	42	**25,067**	20,057
– Reserves	43	**(4,564)**	606
– Treasury Shares		**(20)**	–
		42,774	42,954
Non-controlling interests	22	**877**	611
Total equity		**43,651**	43,565

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

The consolidated financial statements on pages 98 to 215 were approved by the Board of Directors on 28 March 2025 and were signed on behalf.

Wang Zhiqing
Chairman

Liu Tiexiang
Vice Chairman, President

Consolidated Statement of Changes in Equity

Year ended 31 December 2024

	Notes	Attributable to equity holders of the Company						Non-controlling interests RMB million	Total equity RMB million
		Share capital RMB million	Perpetual bond RMB million	Treasury shares RMB million	Other reserves RMB million	Accumulated losses RMB million	Total RMB million		
Total equity at 31 December 2022, as previously stated		22,291	–	–	53,289	(43,922)	31,658	1,020	32,678
Business combination under common control	2.2	–	–	–	72	50	122	–	122
Total equity at 1 January 2023, as restated		22,291	–	–	53,361	(43,872)	31,780	1,020	32,800
Comprehensive income:									
Loss for the year		–	–	–	–	(8,190)	(8,190)	(446)	(8,636)
Other comprehensive (expense) income		–	–	–	(110)	–	(110)	7	(103)
Total comprehensive expense		–	–	–	(110)	(8,190)	(8,300)	(439)	(8,739)
Total transaction with equity holders:									
Issue of perpetual bond	42	–	20,000	–	–	–	20,000	–	20,000
Business combination under common control		–	–	–	(430)	–	(430)	–	(430)
Transactions with non-controlling interest		–	–	–	(30)	–	(30)	30	–
Dividend paid before business combination under common control		–	–	–	–	(66)	(66)	–	(66)
Distribution to holders of perpetual bond		–	57	–	–	(57)	–	–	–
Balance at 31 December 2023, as restated		22,291	20,057	–	52,791	(52,185)	42,954	611	43,565
Total equity at 1 January 2024, as restated		**22,291**	**20,057**	**-**	**52,791**	**(52,185)**	**42,954**	**611**	**43,565**
Comprehensive (expense) income:									
Loss for the year		**-**	**-**	**-**	**-**	**(4,226)**	**(4,226)**	**(572)**	**(4,798)**
Other comprehensive expense		**-**	**-**	**-**	**(215)**	**-**	**(215)**	**(11)**	**(226)**
Total comprehensive expense		**-**	**-**	**-**	**(215)**	**(4,226)**	**(4,441)**	**(583)**	**(5,024)**
Total transaction with equity holders:									
Issue of perpetual bond	42	**-**	**5,000**	**-**	**-**	**-**	**5,000**	**-**	**5,000**
Business combination under common control		**-**	**-**	**-**	**(126)**	**-**	**(126)**	**-**	**(126)**
Transactions with non-controlling interest		**-**	**-**	**-**	**(3)**	**-**	**(3)**	**-**	**(3)**
Repurchase of shares		**-**	**-**	**(20)**	**-**	**-**	**(20)**	**-**	**(20)**
Capital injection by non-controlling interests in subsidiaries		**-**	**-**	**-**	**-**	**-**	**-**	**849**	**849**
Interests paid to holders of perpetual bond		**-**	**(590)**	**-**	**-**	**-**	**(590)**	**-**	**(590)**
Distribution to holders of perpetual bond		**-**	**600**	**-**	**-**	**(600)**	**-**	**-**	**-**
Balance at 31 December 2024		**22,291**	**25,067**	**(20)**	**52,447**	**(57,011)**	**42,774**	**877**	**43,651**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

Year ended 31 December 2024

	Notes	Year ended 31 December 2024 RMB million	2023 RMB million (Restated Note2.2)
Cash flow from operating activities			
Cash generated from operations	44(a)	**37,521**	26,646
Income tax paid		**(207)**	(93)
Net cash generated from operating activities		**37,314**	26,553
Cash flow from investing activities			
Additions to property, plant and equipment and other non-current assets		**(16,339)**	(18,665)
Additions to financial assets at fair value through other comprehensive income		**–**	(600)
Withdrawal/(Placement) of restricted bank deposits		**294**	(300)
Net proceeds from disposal of a subsidiary		**–**	45
Dividends received		**91**	66
Proceeds from disposal of property, plant and equipment		**681**	459
Withdraw of novation of purchase rights		**4,097**	2,934
Net cash (used in) investing activities		**(11,176)**	(16,061)
Cash flows from financing activities			
Proceeds from perpetual bond		**5,000**	20,000
Proceeds from draw-down of short-term bank loans		**42,803**	31,000
Proceeds from draw-down of long-term bank loans		**10,500**	23,500
Proceeds from short-term debentures		**18,000**	40,000
Proceeds from non-controlling interests in subsidiaries		**849**	–
Repayments of short-term bank loans		**(46,700)**	(40,600)
Repayments of long-term bank loans		**(5,216)**	(17,983)
Repayments of short-term debentures		**(18,000)**	(40,000)
Repayments of long-term debentures and bonds		**(9,000)**	(6,800)
Repayments of principal of lease liabilities		**(25,777)**	(18,974)
Repurchase of treasury shares		**(20)**	–
Dividends paid to company's shareholders		**–**	(19)
Interest paid		**(6,287)**	(6,571)
Decrease in an amount due to a jointly-controlled entity		**(126)**	(430)
Settlement relating to derivative financial instruments		**46**	60
Net cash used in financing activities		**(33,928)**	(16,817)
Net decrease in cash and cash equivalents		**(7,790)**	(6,325)
Cash and cash equivalents at beginning of the year		**11,858**	18,169
Effects of exchange rate changes on cash and cash equivalents		**4**	14
Cash and cash equivalents at end of the year		**4,072**	11,858

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Consolidated Financial Statements

Year ended 31 December 2024

1. Corporate information

China Eastern Airlines Corporation Limited (the "Company"), a joint stock company limited by shares, was established in the People's Republic of China (the "PRC") on 14 April 1995. The address of the Company's registered office is 66 Airport Street, Pudong International Airport, Shanghai, the PRC. The Company and its subsidiaries (together, the "Group") are principally engaged in the operation of civil aviation, including the provision of passenger, cargo, mail delivery and other extended transportation services, also manufacturing and maintenance of aircraft and aviation equipment, agency services, import and export business, tourism and hotel business; and other businesses related to air transportation.

The immediate holding company and ultimate holding company of the Company is China Eastern Air Holding Company Limited ("CEA Holding"), a state-owned enterprise established in the PRC.

The A shares and H shares of the Company are listed on the Shanghai Stock Exchange and the Stock Exchange of Hong Kong Limited, respectively.

These financial statements were approved and authorised for issue by the Company's Board of Directors (the "Board") on 28 March 2025.

2. Basis of preparation

2.1 Basis of preparation

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards ("IFRSs") issued by the IASB. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and by the Hong Kong Companies Ordinance.

They have been prepared under the historical cost convention, except for equity investments designated at fair value through other comprehensive income, financial assets at fair value through profit or loss and derivative financial instruments which have been measured at fair value.

These financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest million except when otherwise indicated.

(i) Going concern

In 2024, the Group incurred net loss of RMB4.798 billion. As at 31 December 2024, the Group's current liabilities exceeded its current assets by approximately RMB94.900 billion. In preparing these financial statements, the Board has conducted a detailed review over the Group's going concern ability based on its unutilized banking facilities, financial condition and operating results. The Board has also considered the following factors:

- Sufficient unutilised banking facilities as at 31 December 2024;
- The Group's sound credit standing and history of cooperation with banks and other financial institutions; and
- The Group's expected net cash inflows from operating activities for not less than 12 months starting from the year end date of these financial statements, considering the Group's major operating costs including fuel prices during such period.

2. Basis of preparation *(continued)*

2.1 Basis of preparation *(continued)*

(i) Going concern *(continued)*

The Board believes that the Group has sufficient source of financing to enable it to operate, as well as to meet its liabilities as and when they become due, and to support its capital expenditures in the forseeable future of not less than twelve months starting from the year end date of these financial statements. Accordingly, the Board continued to prepare the Group's financial statements as of and for the year ended 31 December 2024 on a going concern basis.

2.2 Restatement

Formerly the Group held 45% interest of China Eastern Media Co., Ltd. ("China Eastern Media") and it was accounted for as an associate using the equity method of accounting. In February 2024, the Group acquired the remaining 55% equity interest in China Eastern Media from CEA Holding, with the purchase consideration of RMB126 million, and China Eastern Media has become a wholly owned subsidiary of the Group upon the acquisition.

The acquisition is considered as a business combination involving entities under common control and has been accounted for by using merger accounting method. Accordingly, the comparative figures for 2023 as set out in these consolidated financial statements have been restated to include the historical financial information of China Eastern Media since the date when China Eastern Media first came under the control of CEA Holding.

The adoption of merger accounting has resulted in a increase in the Group's loss for the year ended 31 December 2023 by approximately RMB19 million, see Note 22(b).

3. Application of New and amendments to IFRSs

(i) Amended standards adopted by the Group

In the current year, the Group has applied the following amendments to IFRSs issued by the IASB for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2024 for the preparation of the Group's consolidated financial statements:

Amendments to IFRS 16	Lease Liability in a Sale and Leaseback
Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 1	Non-current Liabilities with Covenants
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangement

The application of the amendments to IFRSs in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

3. Application of New and amendments to IFRSs *(continued)*

(ii) New standards and interpretations not yet adopted

The following new and amendments to accounting standards have been published that are not mandatory for 31 December 2024 reporting periods and have not been early adopted by the Group:

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments[3]
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity[3]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards — Volume 11[3]
Amendments to IAS 21	Lack of Exchangeability[2]
IFRS 18	Presentation and Disclosure in Financial Statements[4]

1 Effective for annual periods beginning on or after a date to be determined
2 Effective for annual periods beginning on or after 1 January 2025
3 Effective for annual periods beginning on or after 1 January 2026
4 Effective for annual periods beginning on or after 1 January 2027

Except for the new IFRSs mentioned below, the Directors anticipate that the application of all other amendments to IFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

IFRS 18 Presentation and Disclosure in Financial Statements.

IFRS 18 Presentation and Disclosure in Financial Statements, which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 Presentation of Financial Statements. This new IFRSs, while carrying forward many of the requirements in IAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Minor amendments to IAS 7 Statement of Cash Flows and IAS 33 Earnings per Share are also made.

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of IFRS 18 on the Group's consolidated financial statements.

4. Critical accounting estimates and judgements

Estimates and judgements used in preparing the financial statements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the recoverable amount which is the higher of its value in use and its fair value less costs of disposal. The Group uses the value in use of the cash-generating unit to which the goodwill is allocated to determine the recoverable amount. The cash flow projections used to determine the value in use of a cash-generating unit, including the airline transportation operations cash-generating unit, is based on significant assumptions, such as revenue growth rates, long term growth rate, gross margin rates, and discount rate applied to the projected cash flows. (See Note 20)

(b) Estimated impairment of long-term assets (other than goodwill)

The Group tests whether property, plant and equipment, right-of-use assets, intangible assets (other than goodwill), advanced payments on acquisition of aircraft and other non-current assets have been impaired in accordance with the accounting policy stated in Note 17.2 to the consolidated financial statements. The recoverable amount of the asset or the cash-generating unit has been determined based on the higher of its value in use and its fair value less costs of disposal. When the single asset is hard to estimate, the recoverable amount would calculated as the CGU. The cash flow projections used to determine the value in use of a cash-generating unit, including the airline transportation operations cash-generating unit, is based on significant assumptions, such as revenue growth rates, gross margin rates, and discount rate applied to the projected cash flows. These assumptions may be affected by unexpected changes in future market or economic conditions.

(c) Provision for lease return costs for aircraft and engines

Provision for lease return costs for aircraft and engines is recognised as part of the right-of-use assets and are depreciated during the lease term. The estimation of the provision is made taking into account anticipated aircraft and engines' utilisation patterns and the anticipated return costs derived from historical experience of actual return costs incurred. Different estimates could significantly affect the estimated provision for lease return costs for aircraft and engines. As at 31 December 2024, the amount of provision is RMB9,558 million (2023: RMB9,088 million) in accordance with the accounting policy stated in Note 38.1.

(d) Depreciation of property, plant and equipment and right-of-use assets

Depreciation of components related to the owned and leased airframe and engine overhaul costs are based on the Group's historical experience with similar airframe and engine models and taking into account anticipated overhauls costs, timeframe between each overhaul, ratio of actual flying hours and estimated flying hours between overhauls. Different judgments or estimates could significantly affect the estimated depreciation charge and the results of operations.

Except for components related to the owned and leased airframe and engine overhaul costs, other property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives, after taking into account the estimated residual value. The useful lives are based on the Group's historical experience with similar assets and taking into account anticipated technological changes. The Group reviews the estimated useful lives of assets regularly in order to determine the amount of depreciation expense to be recorded during any reporting period. The depreciation expense for future periods is adjusted if there are significant changes from previous estimates.

4. Critical accounting estimates and judgements *(continued)*

(e) Deferred income tax

The Group pays corporate income tax in different regions. There is uncertainty about the final tax treatment of certain transactions and events among the ordinary course of business. The Group needs to make significant judgments when accruing income tax expense in each region. If there is a discrepancy between the final determination of these tax events and the amount originally recorded, the difference will have an impact on the amount of income tax expense and deferred income tax.

As at 31 December 2024, a deferred tax asset of RMB7,223 million (2023: RMB7,803 million) in relation to unused tax losses has been recognised in the consolidated statement of financial position. Addition information is disclosed in Note 28.

Deferred tax assets are recognised for unused tax losses and deductible temporary difference to the extent that it is probable that taxable profit will be available against which the losses and deductible temporary difference, and the carry forward of unused tax credits and unused tax losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. To determine the future taxable profits, reference was made to the latest available profit forecast. The key assumptions adopted in the future taxable profit forecast include revenue growth rates and gross margin rates. In cases where the actual future taxable profits generated are less or more than expected, or change in facts and circumstances which result in revision of future taxable profits estimation, a material reversal or further recognition of deferred tax assets may arise, which would be recognised in profit or loss for the period in which such a reversal or further recognition takes place.

(f) Recognition of contract liabilities for frequent flyer programme

Passenger ticket under the Company's frequent flyer programme provide customers with mileage points earned. A portion of passenger revenue attributable to the mileage points issued is deferred based on the relative stand-alone selling price approach. Significant assumptions are used in determining the estimated stand-alone selling price of mileage points, which is estimated by reference to the quantitative value a program member receives by redeeming mileage points for flights and goods, and the estimated Breakage. The Breakage is estimated considering historical redemption pattern, current industry and economic trends and other relevant factors. Changes in the significant assumptions could have a significant effect on the balance of contract liabilities for frequent flyer programme and the results of operations.

(g) Retirement benefits

The Group operates and maintains a defined retirement benefit plan which provides eligible retirees with benefits including retirement subsidies, life allowance as well as other welfare. The cost of providing the aforementioned benefits in the defined retirement benefit plan is actuarially determined and recognised over the employee's service period by utilising various actuarial assumptions and using the projected unit credit method in accordance with the accounting policy stated in Note 39.1 to the consolidated financial statements. These assumptions include, without limitation, the selection of discount rate, mortality and annual rate of increase of per capita benefit payment. The discount rate is based on management's review of government bonds. The Mortality is based on average expected remaining life of eligible participants. The annual rate of increase of benefit payments is based on the general local economic conditions. Additional information regarding the retirement benefit plan is disclosed in Note 39 to the consolidated financial statements.

5. Revenue

(a) Disaggregated revenue from contracts with customers:

An analysis of revenue is as follows:

	2024 RMB million	2023 RMB million
Revenue from contracts with customers	131,889	113,552
Revenue from other sources		
– Rental income	231	236
	132,120	113,788

For the year ended 31 December 2024

	Airline transportation operations RMB million	Others operations RMB million	Total RMB million
Types of goods or services			
Traffic revenues			
– Passenger	121,483	–	121,483
– Cargo and mail	5,331	–	5,331
Ticket cancellation and commission service	2,445	–	2,445
Ground service income	823	–	823
Others	1,489	318	1,807
Total revenue from contracts with customers	131,571	318	131,889
Geographical markets			
Domestic	90,127	318	90,445
Regional	3,591	–	3,591
International	37,853	–	37,853
Total revenue from contracts with customers	131,571	318	131,889

The timing of revenue recognition of airline transportation operations of the Group is at a point in time.

5. Revenue *(continued)*

(a) Disaggregated revenue from contracts with customers: *(continued)*

For the year ended 31 December 2023

	Airline transportation operations RMB million	Others operations RMB million	Total RMB million
Types of goods or services			
Traffic revenues			
– Passenger	104,576	–	104,576
– Cargo and mail	3,634	–	3,634
Ticket cancellation and commission service	2,531	–	2,531
Ground service income	645	–	645
Others	1,726	440	2,166
Total revenue from contracts with customers	113,112	440	113,552
Geographical markets			
Domestic	89,514	440	89,954
Regional	2,848	–	2,848
International	20,750	–	20,750
Total revenue from contracts with customers	113,112	440	113,552

The following table shows the amount of revenue recognised in the current reporting period that was included in the contract liabilities at the beginning of the reporting period:

	2024 RMB million	2023 RMB million
Revenue recognised that was included in contract liabilities at the beginning of the year:		
Passenger transportation services	**6,333**	2,932

As at 31 December 2024, the contract liabilities for passenger transportation services amounted to RMB9,574 million (2023: RMB6,453 million).

5. Revenue *(continued)*

(a) Disaggregated revenue from contracts with customers: *(continued)*

The table below presents the activity of the contract liabilities for frequent flyer programme.

	2024 **RMB million**	2023 RMB million
At 1 January	**1,405**	1,370
Deferred during the year	**1,483**	1,350
Recognised as revenue during the year	**(1,219)**	(1,315)
At 31 December	**1,669**	1,405
Less: the related pending output value added tax therein	**(151)**	(125)
	1,518	1,280

5.1 Accounting policies of revenue recognition

(i) Performance obligations for contracts with customers

(a) Provision of services

Traffic revenue

Passenger, cargo and mail revenues are recognised as traffic revenue when the transportation is provided. The value of sold but unused tickets is included in contract liabilities as sales in advance of carriage ("SIAC").

Commission income

Commission income represents amounts earned from other carriers in respect of sales made by the Group on their behalf, and is recognised upon ticket sales.

Other operations incomes

Revenues from the provision of ground services and other travel related services are recognised when the services are rendered.

5. Revenue *(continued)*

5.1 Accounting policies of revenue recognition *(continued)*

(i) Performance obligations for contracts with customers *(continued)*

(b) Frequent flyer programme

The Group operates a frequent flyer programme called "Eastern Miles" that issues mileage points to program members based on accumulated mileage. Mileage points can be used to redeem for free or discounted goods or tickets until expiration. The frequent flyer programme provides a significant right to the customers and the Group treats it as a separate performance obligation. The Group defers a portion of passenger revenue attributable to the mileage points issued based on the relative stand-alone selling price approach and recognises revenue when the mileage points are redeemed and performance obligations are fulfilled or the mileage points expire unused. The stand-alone selling price of the mileage points was estimated based on the historical prices of equivalent flights and goods provided for mileage points redeemed and was adjusted for mileage points that are not expected to be redeemed ("Breakage").

(c) Sale of goods

Revenue from the sale of goods is recognised at the point in time when control of the asset is transferred to the customer.

(d) Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

(ii) Transaction price allocated to the remaining performance obligation for contracts with customers

The active customer loyalty points have no expiration and can be redeemed anytime at customers' discretion.

(iii) Rental income

Rental income is recognised on a time proportion basis over the lease terms. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are incurred.

6. Operating segment information

Chief operating decision maker ("CODM") has been identified as the office of the General Manager, who reviews the Group's internal reporting in order to assess performance and allocate resources. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker ("CODM"), who has been identified as the office of the General Manager that makes strategic decisions.

The Group has two reportable segments. "Airline transportation operations", mainly comprises the provision of passenger, cargo, mail delivery and ground service.

Other services including primarily tour operations, air catering and other miscellaneous services are not included within the airline transportation operations segment, as their internal reports are separately provided to the CODM. The results of these operations are included in the "other segments" column.

Inter-segment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

6. Operating segment information *(continued)*

In accordance with IFRS 8, segment disclosure has been presented in a manner that is consistent with the information used by the Group's CODM. The Group's CODM monitors the results, assets and liabilities attributable to each reportable segment based on financial results prepared under the PRC Accounting Standards for Business Enterprises (the "PRC Accounting Standards"), which differ from IFRSs in certain aspects. Segment revenue and loss before income tax are the same as the consolidated figures as reported in the consolidated financial statement for the year ended 31 December 2024 and 2023. The difference between reportable segment assets and consolidated figures as reported in the consolidated financial statements, arising from different accounting policies is set out in Note (ii) below.

The segment results for the year ended 31 December 2024 were as follows:

	Airline transportation operations RMB million	Other segments RMB million	Eliminations RMB million	Unallocated* RMB million	Total RMB million
Segment revenue					
Reportable segment revenue from external customers	131,802	318	–	–	132,120
Inter-segment sales	–	1,444	(1,444)	–	–
Reportable segment revenue	131,802	1,762	(1,444)	–	132,120
Reportable segment (loss)/income before income tax	(4,771)	522	–	345	(3,904)
Reportable segment income tax expense	(792)	(102)	–	–	(894)
Reportable segment (loss)/income	(5,563)	420	–	345	(4,798)
Other segment information					
Depreciation and amortisation	26,393	251	–	–	26,644
Impairment losses, net	39	(1)	–	–	38
Impairment charges	44	–	–	–	44
Interest income	141	14	(40)	–	115
Interest expenses	5,155	33	(40)	–	5,148
Investment in associates	–	–	–	225	225
Investment in joint venture	–	–	–	49	49

6. Operating segment information *(continued)*

The segment results for the year ended 31 December 2023 were as follows:

	Airline transportation operations RMB million (Restated Note 2.2)	Other segments RMB million (Restated Note 2.2)	Eliminations RMB million (Restated Note 2.2)	Unallocated* RMB million (Restated Note 2.2)	Total RMB million (Restated Note 2.2)
Segment revenue					
Reportable segment revenue from external customers	113,348	440	–	–	113,788
Inter-segment sales	–	826	(826)	–	–
Reportable segment revenue	113,348	1,266	(826)	–	113,788
Reportable segment (loss)/income before income tax	(8,835)	422	–	113	(8,300)
Reportable segment income tax expense	(260)	(76)	–	–	(336)
Reportable segment (loss)/income	(9,095)	346	–	113	(8,636)
Other segment information					
Depreciation and amortisation	24,767	274	–	–	25,041
Impairment losses, net	50	(1)	–	–	49
Impairment charges	22	(5)	–	–	17
Interest income	1,068	13	(585)	–	496
Interest expenses	6,660	6	(585)	–	6,081
Investment in associates	–	–	–	131	131
Investment in joint venture	–	–	–	(8)	(8)

The segment assets and liabilities as at 31 December 2024 and 31 December 2023 were as follows:

	Airline transportation operations RMB million	**Other segments RMB million**	**Eliminations RMB million**	**Unallocated[i] RMB million**	**Total RMB million**
At 31 December 2024					
Reportable segment assets[ii]	**261,705**	**4,275**	**(2,844)**	**13,464**	**276,600**
Reportable segment liabilities	**236,235**	**1,799**	**(2,844)**	**1**	**235,191**
Capital expenditure	**34,669**	**274**	**(10)**	**–**	**34,933**
At 31 December 2023					
Reportable segment assets[ii]	267,430	4,029	(2,420)	13,535	282,574
Reportable segment liabilities	242,039	1,631	(2,420)	1	241,251
Capital expenditure	27,243	109	–	–	27,352

(i) Unallocated results primarily represent the share of results of associates and joint ventures, fair value changes of derivative financial instruments, fair value change of financial assets at fair value through profit or loss and dividend income relating to equity investments. Unallocated assets and liabilities primarily represent investments in associates and joint ventures, derivative financial instruments, equity investments designated at fair value through other comprehensive income, deferred tax assets and liabilities and financial assets at fair value through profit or loss.

(ii) The difference between reportable segment assets and consolidated figures as reported in the consolidated financial statements of RMB2,242 million (2023: RMB2,242 million) represents the different measurement of the fair value of acquisition cost of the shares from Shanghai Airlines between the PRC Accounting standards and IFRSs, which results in the different measurement of goodwill.

6. Operating segment information *(continued)*

The Group's business operates in three main geographical areas, even though they are managed on a worldwide basis.

The Group's revenues by geographical area are analysed based on the following criteria:

(1) Traffic revenue from services within the PRC (excluding the Hong Kong Special Administrative Region ("Hong Kong"), Macau Special Administrative Region ("Macau") and Taiwan) is classified as domestic operations. Traffic revenue from inbound or outbound services among Hong Kong, Macau and Taiwan is classified as regional operations while that with other overseas markets is classified as international operations.

(2) The Group's revenues by geographical area are listed as below:

	2024 **RMB million**	2023 RMB million
Domestic	**90,676**	90,190
Regional	**3,591**	2,848
International	**37,853**	20,750
	132,120	113,788

(3) The major revenue-earning assets of the Group are its aircraft, all of which are registered in the PRC. Since the Group's aircraft are deployed flexibly across its route network, there is no suitable basis of allocating such assets and the related liabilities by geographic area and hence segment non-current assets and capital expenditure by geographic area are not presented. Except the aircraft, most non-current assets (except financial instruments) are registered and located in the PRC.Except the aircraft, most non-current assets (except financial instruments) are registered and located in the PRC.

7. Other operating income and gains

	2024 **RMB million**	2023 RMB million
Co-operation routes income (note (a))	**4,510**	3,616
Routes subsidy income (note (b))	**323**	221
Other subsidy income (note (c))	**672**	1,165
Gain on disposal of items of property, plant and equipment, right-of-use assets and intangible assets	**394**	86
Compensation from ticket sales agents	**305**	174
Others	**299**	167
	6,503	5,429

(a) Co-operation routes income represents subsidies granted by various local authorities and other parties, with which the Group developed certain routes to support the development of local economy. The amounts granted are calculated based on the agreements entered into by all parties.

(b) Routes subsidy income represents subsidies granted by various authorities to support certain international and domestic routes operated by the Group.

(c) Other subsidy income represents subsidies granted by various local authorities based on certain amounts of tax paid and other government grants.

(d) There are no unfulfilled conditions or other contingencies related to subsidies that were recognised for the year ended 31 December 2024 and 2023.

8. Operating income/(loss)

Operating income/(loss) is stated after charging the following items:

	2024 **RMB million**	2023 RMB million
Amortisation of intangible assets (Note 20)	**166**	193
Depreciation of property, plant and equipment (Note 17)	**11,151**	9,632
Depreciation of right-of-use assets (Note 19(a))	**14,586**	14,454
Depreciation of investment properties (Note 18)	**17**	10
Amortisation of long-term deferred assets included in other non-current assets	**724**	752
Write-down of flight equipment spare parts to net realisable value and rotables (Note 10)	**43**	17
Consumption of flight equipment spare parts	**2,077**	1,463
Auditors' remuneration	**10**	12

9. Wages, salaries and benefits

	2024 RMB million	2023 RMB million
Wages, salaries, bonuses and allowances	**20,530**	17,842
Employee welfare and benefits	**582**	675
Pension (Note 39(a))	**2,878**	2,698
Medical insurance (note (i))	**986**	941
Staff housing fund (note (ii))	**1,390**	1,290
Staff housing allowances	**177**	217
Early retirement benefits (note (iii))	**9**	9
	26,552	23,672

Notes:

(i) Medical insurance

Majority of the Group's PRC employees participate in the medical insurance schemes organised by municipal governments.

(ii) Staff housing fund

In accordance with the relevant PRC housing regulations, the Group is required to contribute to the state-sponsored housing fund for its employees. At the same time, the employees are required to contribute an amount equal to the Group's contribution. The employees are entitled to claim the entire sum of the fund contributed under certain specified withdrawal circumstances. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits.

(iii) Early retirement benefits

The Group implements an early retirement scheme which allows eligible employees to early retire on a voluntary basis. The Group undertakes the obligations to pay the early retirement employees' basic salaries and certain welfare in the future on a monthly basis according to the early retirement scheme, together with social insurance and housing fund pursuant to the regulation of the local government. The benefits of the early retirement scheme are calculated based on factors including the remaining number of years of service from the date of early retirement to the normal retirement date and the benefits the early retirement employees enjoyed. The present value of the future cash flows expected to be required to settle the obligations is recognised as a provision in "other long-term liabilities".

9. Wages, salaries and benefits *(continued)*

Notes: *(continued)*

(iv) Directors' and executive's remuneration

Directors', chief executive's and supervisors' remuneration for the year, disclosed pursuant to the applicable Listing rules and Companies Ordinance, was as follows:

	2024 RMB'000	2023 RMB'000
Fees	**856**	700
Other emoluments:		
Salaries, allowances and benefits in kind	**2,165**	1,872
Performance related bonuses*	**–**	–
Pension scheme contributions	**99**	64
	3,120	2,636

* No executive directors of the Company are entitled to bonus payments which are determined as percentage of the profit after tax of the Group.

2024

	Fees RMB'000	Salaries, allowances and benefits in kind RMB'000	Performance related bonuses RMB'000	Pension scheme contributions RMB'000	Total RMB'000
Executive Directors					
Wang Zhiqing***	–	–	–	–	–
Liu Tiexiang*&**	–	–	–	–	–
Cheng Guowei*&**	–	–	–	–	–
Li Yangmin*&****	–	–	–	–	–
Tang Bing*&****	–	–	–	–	–
Lin Wanli****	–	–	–	–	–
Jiang Jiang*&****	–	–	–	–	–
Independent non-executive Directors					
Cai Hongping****	60	–	–	–	60
Dong Xuebo****	60	–	–	–	60
Sun Zheng	200	–	–	–	200
Lu Xiongwen	200	–	–	–	200
Fung Wing Yee Sabrina**	140	–	–	–	140
Zheng HongFeng**	140	–	–	–	140
Luo Qun**	56	–	–	–	56
Supervisors					
Guo Junxiu*&**	–	–	–	–	–
Shao Zuming**	–	701	–	38	739
Zhou Huaxin**	–	799	–	48	847
Guo Lijun****	–	665	–	13	678
Fang Zhaoya*&****	–	–	–	–	–
Total	856	2,165	–	99	3,120

9. Wages, salaries and benefits *(continued)*

Notes: *(continued)*

(iv) Directors' and executive's remuneration *(continued)*

2023

	Fees RMB'000	Salaries, allowances and benefits in kind RMB'000	Performance related bonuses RMB'000	Pension scheme contributions RMB'000	Total RMB'000
Executive Directors					
Wang Zhiqing***	–	–	–	–	–
Li Yangmin*	–	–	–	–	–
Tang Bing*	–	–	–	–	–
Lin Wanli	–	–	–	–	–
Jiang Jiang	–	–	–	–	–
Independent non-executive Directors					
Cai Hongping	200	–	–	–	200
Dong Xuebo	100	–	–	–	100
Sun Zheng	200	–	–	–	200
Lu Xiongwen	200	–	–	–	200
Supervisors					
Guo Lijun	–	1,124	–	39	1,163
Fang Zhaoya*	–	–	–	–	–
Zhou Huaxin	–	748	–	25	773
Total	**700**	**1,872**	**–**	**64**	**2,636**

* These directors and supervisors of the Company received emoluments from CEA Holding, the parent company, part of which were in respect of their services to the Company and its subsidiaries. No apportionment has been made as it is impracticable to apportion those amounts between their services to the Group and their services to CEA Holding.

** These directors and supervisors of the Company were newly appointed or elected during the year ended 31 December 2024.

*** Mr. Wang Zhiqing was appointed and elected as Chairman of the Company during the year ended 31 December 2023 and same as above directors his emolument was also paid by CEA Holding.

**** These directors and supervisors of the Company resigned during the year ended 31 December 2024.

None of directors and supervisors waived any renunciation during 31 December 2024 and 2023.

(v) Five highest paid individuals

Nil of the Company's directors and supervisors was among the five highest paid individuals in the Group for the year ended 31 December 2024 (2023: Nil). The emoluments payable to the five highest paid individuals were as follows:

	2024 RMB'000	2023 RMB'000
Wages, salaries and allowances	**9,717**	8,844
Performance related bonuses*	**–**	–
Pension scheme contributions	**318**	194
	10,035	9,038

* None of the above highest paid individuals are entitled to bonus payments which are determined as a percentage of the profit after tax of the Group.

9. Wages, salaries and benefits *(continued)*

Notes: *(continued)*

(v) Five highest paid individuals *(continued)*

The number of five highest paid individuals whose emoluments fell within the following bands is as follows:

	2024	2023
HK$1,500,001 to HK$2,000,000	**4**	4
HK$2,000,001 to HK$2,500,000	**1**	1
HK$2,500,001 to HK$3,000,000	**–**	–

During the year ended 31 December 2024, no emoluments were paid by the Group to the directors, supervisors and the five highest paid individuals as an inducement to join or upon joining the Group, or as a compensation for loss of office (2023: Nil).

10. Impairment charges

	2024 RMB million	2023 RMB million
Write-down of flight equipment spare parts to net realisable value (Note 29)	**43**	17
Write-down of rotables to net realisable value	**1**	–
	44	17

11. Impairment losses on financial assets, net

	2024 RMB million	2023 RMB million
Impairment losses reversed on other non-current assets	**–**	(1)
Impairment losses on trade receivable, net (Note 30)	**15**	12
Impairment losses on other receivables (Note 32)	**23**	38
	38	49

12. Finance income

	2024 RMB million	2023 RMB million
Interest income	**115**	496

13. Finance costs

	2024 RMB million	2023 RMB million
Interest on bank borrowings	**2,304**	2,340
Interest relating to lease liabilities	**2,412**	2,980
Interest relating to post-retirement benefit obligations	**59**	67
Interest relating to provision for lease return costs for aircraft and engines	**305**	307
Interest on bonds and debentures	**536**	917
Interest relating to interest rate swap contracts	**(46)**	(60)
Less: Amounts capitalised (note (a))	**(422)**	(470)
	5,148	6,081
Foreign exchange losses, net (note (b))	**763**	901
	5,911	6,982

Notes

(a) The weighted average interest rate used for interest capitalisation is 2.74% per annum for the year ended 31 December 2024 (for the year ended 31 December 2023: 3.24%).

(b) The exchange losses primarily related to the translation of the Group's foreign currency denominated borrowings and lease liabilities for the year ended 31 December 2024.

14. Income tax

The amounts of income tax expense charged to the consolidated income statements represent:

	2024 RMB million	2023 RMB million
Current income tax	**178**	320
Deferred income tax	**716**	16
	894	336

Most of the Company's branches and subsidiaries in mainland China are subject to income tax rate of 25% (2023: 25%) except some branches and subsidiaries obtained approval from the tax authorities at a preferential rate of 15% (2023:15%), and certain subsidiaries of the Company in Hong Kong are subject to Hong Kong profits tax rate of 16.5% (2023: 16.5%).

14. Income tax *(continued)*

A reconciliation of the income tax expense applicable to loss before tax at the statutory rate for the country in which the Company and the majority of its subsidiaries are domiciled to the tax expense at the effective tax rate is as follows:

	2024 **RMB million**	2023 RMB million
Loss before income tax	**3,904**	8,300
Tax calculated at the tax rate of 25% (2023: 25%)	**(976)**	(2,075)
Lower tax rates enacted by local authorities	**(43)**	33
Additional deduction of research and development costs	**(61)**	(40)
Income tax deduction of purchase of special equipment for production safety	**(32)**	(18)
Share of results of associates and joint ventures	**(69)**	(33)
Income not subject to tax	**(20)**	(5)
Unrecognised tax losses and timing difference	**1,951**	2,286
Expenses not deductible for tax	**148**	125
Adjustments in respect of current tax of previous periods	**(4)**	63
Tax expense	**894**	336
Effective tax rate	**23%**	4%

15. Dividends

The Board did not propose any dividend for the years ended 31 December 2024 and 2023.

16. Loss per share

The calculation of basic loss per share for the year ended 31 December 2024 was based on the loss attributable to equity holders of the Company of RMB4,226 million and the weighted average number of shares of 22,291,295,570 in issue during the year.

The calculation of basic loss per share for the year ended 31 December 2023 was based on the loss attributable to equity holders of the Company of RMB8,190 million and the weighted average number of shares of 22,291,295,570 in issue during the year.

The Company had no potentially dilutive options or other financial instruments relating to the ordinary shares in issue during the years ended 31 December 2024 and 2023.

17. Property, plant and equipment

	Aircraft, engines and flight equipment RMB million	Buildings RMB million	Other property, plant and equipment RMB million	Construction in progress RMB million	Total RMB million
31 December 2024					
At 1 January 2024					
Cost	152,903	17,516	9,468	2,409	182,296
Accumulated depreciation and impairment	(75,140)	(4,400)	(6,765)	–	(86,305)
Net carrying amount	77,763	13,116	2,703	2,409	95,991
At 1 January 2024, net of accumulated depreciation and impairment	77,763	13,116	2,703	2,409	95,991
Additions	8,373	–	493	493	9,359
Disposals	(46)	(296)	(27)	–	(369)
Other decrease	–	–	–	(4)	(4)
Transfer from construction in progress	–	74	17	(91)	–
Transfer from investment properties (Note 18)	–	48	–	–	48
Transfer from right-of-use assets (Note 19(a))	9,541	–	–	–	9,541
Transfer to investment properties (Note 18)	–	(15)	–	–	(15)
Transfer to intangible assets (Note 20)	–	–	–	(5)	(5)
Transfer to right-of-use assets (Note 19(a))	–	–	–	(59)	(59)
Transfer to other non-current assets	–	–	–	(6)	(6)
Depreciation provided during the year	(9,948)	(621)	(582)	–	(11,151)
At 31 December 2024, net of accumulated depreciation and impairment	85,683	12,306	2,604	2,737	103,330
At 31 December 2024:					
Cost	176,139	17,315	9,653	2,737	205,844
Accumulated depreciation and impairment	(90,456)	(5,009)	(7,049)	–	(102,514)
Net carrying amount	85,683	12,306	2,604	2,737	103,330

17. Property, plant and equipment *(continued)*

(a) As at 31 December 2024, the ownership certificates of buildings with a net carrying amount of RMB3,359 million (2023: RMB3,227 million) have not been obtained. The directors of the Company are of the opinion that the Group legally owns and has the rights to use the aforesaid buildings, and that there is no material adverse impact on the overall financial position of the Group.

(b) The following table indicates the cost and net carrying amount of the Group's aircraft pledged as collateral under certain borrowing arrangements (Note 38):

	2024		2023	
	Cost RMB million	**Net carrying amount RMB million**	Cost RMB million	Net carrying amount RMB million
Aircraft				
– pledged as collateral	**34,243**	**23,483**	31,669	18,948

(c) As of 31 December 2024, the balances of the Group's owned and leased aircraft and engines were RMB82,977 million and RMB108,298 million, respectively. The aircraft and engines were all associated with air transportation unit.

In 2024, the Group incurred net loss of RMB47.98 billion and the Company performed the impairment tests of aircraft and engines. For the purpose of impairment test, the aircraft and engines and other assets (including Property, plant and equipment, right-of-use assets, construction in progress and intangible assets) were all allocated to the cash-generating unit ("CGU") of airline transportation operations that the Group operates.The recoverable amount of the CGU has been determined based on the present value of future cash flows.

The key assumptions for revenue growth rate and gross margins are based on the past performances and market development expectations. The growth rates within forecast period based on financial budgets approved by managements covering a five-year period. The growth rates beyond the five-year period were extrapolated using a 2%. The discount rates used are pre-tax rates which are 10.1%.

17. Property, plant and equipment *(continued)*

	Aircraft, engines and flight equipment RMB million	Buildings RMB million	Other property, plant and equipment RMB million	Construction in progress RMB million	Total RMB million
31 December 2023					
At 1 January 2023					
Cost	136,733	16,499	9,556	3,738	166,526
Accumulated depreciation and impairment	(66,650)	(3,992)	(6,660)	–	(77,302)
Net carrying amount	70,083	12,507	2,896	3,738	89,224
At 1 January 2023, net of accumulated depreciation and impairment	70,083	12,507	2,896	3,738	89,224
Additions	10,774	6	222	570	11,572
Interest capitalised	–	–	–	22	22
Disposals	(30)	(12)	(32)	–	(74)
Other decrease	–	(24)	(1)	(99)	(124)
Transfer from construction in progress	–	1,232	246	(1,478)	–
Transfer from investment properties (Note 18)	–	6	–	–	6
Transfer from right-of-use assets (Note 19(a))	5,386	–	–	–	5,386
Transfer to investment properties (Note 18)	–	(45)	–	–	(45)
Transfer to intangible assets (Note 20)	–	–	–	(10)	(10)
Transfer to right-of-use assets (Note 19(a))	–	–	–	(277)	(277)
Transfer to other non-current assets	–	–	–	(57)	(57)
Depreciation provided during the year	(8,450)	(554)	(628)	–	(9,632)
At 31 December 2023, net of accumulated depreciation and impairment	77,763	13,116	2,703	2,409	95,991
At 31 December 2023:					
Cost	152,903	17,516	9,468	2,409	182,296
Accumulated depreciation and impairment	(75,140)	(4,400)	(6,765)	–	(86,305)
Net carrying amount	77,763	13,116	2,703	2,409	95,991

17. Property, plant and equipment *(continued)*

17.1 Accounting policies of property, plant and equipment

Property, plant and equipment are tangible assets that are held for use in the supply of services, or for administrative purposes. Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses.

Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, including costs of testing whether the related assets is functioning properly and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy.

When each major aircraft overhaul is performed, its cost is recognised in the carrying amount of the item of property, plant and equipment and is depreciated over the appropriate maintenance cycles. Components related to airframe overhaul cost, are depreciated on a straight-line basis over 5 to 12 years. Components related to engine overhaul costs, are depreciated between each overhaul period using the ratio of actual flying hours and estimated flying hours between overhauls. Upon completion of an overhaul, any remaining carrying amount of the cost of the previous overhaul is derecognised and charged to profit or loss.

Except for components related to overhaul costs, the depreciation method of which has been described in the preceding paragraph, other depreciation of property, plant and equipment is calculated using the straight-line method to write off their costs to their residual values over their estimated useful lives, as follows:

	Estimated useful lives	Estimated residual rate	Annual depreciation rate
Owned aircraft and engines	20 years	0% to 5%	4.75% to 5%
Rotables	10 years	0%	10%
Buildings	8 to 35 years	3% to 5%	2.71% to 12.13%
Other property, plant and equipment	3 to 20 years	3% to 5%	4.75% to 32.33%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

Construction in progress represents a building under construction, which is stated at cost less any impairment losses, and is not depreciated. Cost comprises the direct costs of construction and capitalised borrowing costs on related borrowed funds during the period of construction. Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

17. Property, plant and equipment *(continued)*

17.2 Accounting policies of impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

18. Investment properties

	2024 **RMB million**	2023 RMB million
Cost		
At 1 January	**620**	475
Transfer from property, plant and equipment (Note 17)	**22**	176
Transfer from right-of-use assets (Note 19(a))	**15**	–
Transfer to property, plant and equipment (Note 17)	**(98)**	(12)
Transfer to right-of-use assets (Note 19(a))	**(12)**	(4)
Eliminated on disposals	**(234)**	(15)
At 31 December	**313**	620
Accumulated depreciation		
At 1 January	**343**	219
Transfer from property, plant and equipment (Note 17)	**7**	131
Transfer from right-of-use assets (Note 19(a))	**4**	–
Transfer to property, plant and equipment (Note 17)	**(50)**	(6)
Transfer to right-of-use assets (Note 19(a))	**(4)**	(1)
Eliminated on disposals	**(100)**	(10)
Charge for the year (Note 8)	**17**	10
At 31 December	**217**	343
Net book amount		
At 31 December	**96**	277

As at 31 December 2024, the fair value of the investment properties was approximately 510 million (2023: 1,020 million) according to a valuation performed by an independent professionally qualified valuer.

The investment properties are leased to third parties and related parties under operating leases. Rental income of RMB231 million (2023: RMB236 million) was received by the Group during the year in respect of the leases.

As at 31 December 2024, the Group had no pledged investment properties (2023: Nil).

18. Investment properties *(continued)*

Fair value hierarchy

The following table illustrates the fair value measurement hierarchy of the Group's investment properties:

Buildings	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB million	Significant observable inputs (Level 2) RMB million	Significant unobservable inputs (Level 3) RMB million	Total RMB million
Not measured at fair value but fair value is disclosed:				
As at 31 December 2024	**–**	**113**	**397**	**510**
As at 31 December 2023	–	141	879	1,020

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 (2023: Nil).

The fair values of the buildings with comparable market prices have been estimated using significant observable inputs and calculated by adjusted market prices considering the condition and location of the buildings.

The fair values of the buildings without comparable market prices have been estimated by a discounted cash flow valuation model using significant unobservable inputs such as the estimated rental value, rent growth, long term vacancy rate and discount rate. For the estimated rental value and rent growth which change in the same direction to the fair value, in contrast, the long term vacancy rate and discount rate change opposite to the fair value.

18.1 Accounting policies of Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are stated at cost less subsequent accumulated depreciation and any accumulated impairment losses. Depreciation is recognised so as to write off the cost of investment properties over their estimated useful lives and after taking into account of their estimated residual value, using the straight-line method.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. A leased property which is recognised as a right-of-use asset is derecognised if the Group as intermediate lessor classifies the sublease as a finance lease. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

19. Leases

The Group as a lessee

The Group has lease contracts for various items of aircraft, engines, buildings and others used in its operations. Lump sum payments were made upfront to acquire the leased land with lease periods of 40 to 50 years, and no ongoing payments will be made under the terms of these land leases. As at 31 December 2024, the Group had 454 aircraft (2023: 481 aircraft) under leases, which generally have lease terms between 3 and 15 years. Leases of engines generally have lease terms between 5 and 10 years, while buildings generally have lease terms between 2 and 10 years. Others, including motor vehicles, generally have lease term between 2 and 5 years. The Group also has lease contracts for buildings and equipment with lease terms of 12 months or less or is individually of low value. Generally, the Group is restricted from assigning and subleasing the leased assets to parties outside the Group.

(a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

	Aircraft, and engines RMB million	Prepayments for land use rights RMB million	Buildings RMB million	Others RMB million	Total RMB million
At 31 December 2022 and 1 January 2023, net of accumulated depreciation	124,453	2,148	1,330	257	128,188
Additions	8,036	158	553	973	9,720
Transfer from investment properties (Note 18)	–	3	–	–	3
Transfer to property, plant and equipment (Note 17)	(5,386)	–	–	–	(5,386)
Transfer from construction in progress	–	277	–	–	277
Disposals	(17)	–	–	–	(17)
Depreciation provided during the year (Note 8)	(13,207)	(73)	(889)	(285)	(14,454)
At 31 December 2023	113,879	2,513	994	945	118,331
At 31 December 2023 and 1 January 2024, net of accumulated depreciation	**113,879**	**2,513**	**994**	**945**	**118,331**
Additions	**16,945**	**216**	**1,278**	**150**	**18,589**
Transfer from investment properties (Note 18)	**–**	**8**	**–**	**–**	**8**
Transfer to property, plant and equipment (Note 17)	**(9,541)**	**–**	**–**	**–**	**(9,541)**
Transfer from construction in progress	**–**	**59**	**–**	**–**	**59**
Transfer to investment properties (Note 18)	**–**	**(11)**	**–**	**–**	**(11)**
Disposals	**–**	**(76)**	**(2)**	**(338)**	**(416)**
Depreciation provided during the year (Note 8)	**(12,985)**	**(103)**	**(1,267)**	**(231)**	**(14,586)**
At 31 December 2024	**108,298**	**2,606**	**1,003**	**526**	**112,433**

19. Leases *(continued)*

The Group as a lessee *(continued)*

(b) Lease liabilities

The carrying amount of lease liabilities and the movements during the year are as follows:

	2024 **RMB million**	2023 RMB million
Carrying amount at 1 January	**84,175**	97,008
New leases	**14,271**	5,645
Other addition	**46**	57
Effect of foreign exchange	**134**	439
Accretion of interest recognised during the year	**2,360**	2,909
Payments	**(28,137)**	(21,883)
Carrying amount at 31 December	**72,849**	84,175
Analysed into:		
Current portion	**16,997**	19,428
Non-current portion	**55,852**	64,747

The maturity analysis of lease liabilities is disclosed in Note 49 to the consolidated financial statements.

(c) The amounts recognised in profit or loss in relation to leases are as follows:

	2024 **RMB million**	2023 RMB million
Interest on lease liabilities (Note 13)	**2,671**	3,227
Depreciation charge of right-of-use assets (Note 8)	**14,586**	14,454
Low value and short-term lease rental	**18**	400
Total amount recognised in profit or loss	**17,275**	18,081

(d) The Group has no significant lease contracts that include extension and termination options or contain variable payments.

(e) The total cash outflow for leases and future cash outflows relating to leases that have not yet commenced are disclosed in Notes 44(d) and 45, respectively, to the consolidated financial statements.

19. Leases *(continued)*

The Group as a lessor

The Group leases certain of its investment properties and buildings in the PRC under operating lease arrangements, with leases negotiated for terms ranging from one to fifteen years. The terms of the leases generally require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions. Rental income recognised by the Group during the year was RMB231 million (2023: RMB236 million) (Note 5).

At 31 December 2024, the undiscounted lease payments receivable by the Group in future periods under non-cancellable operating leases with its tenants are as follows:

	2024 **RMB million**	2023 RMB million
Within one year	**250**	214
After one year but within two years	**122**	136
After two years but within three years	**88**	58
After three years but within four years	**62**	51
After four years but within five years	**50**	48
After five years	**176**	215
	748	722

19.1 Accounting policies of Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(i) As lessee

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date

19. Leases *(continued)*

19.1 Accounting policies of Leases *(continued)*

(i) As lessee *(continued)*

- amounts expected to be payable by the Group under residual value guarantees
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Refundable rental deposits paid are accounted under IFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Except for engine overhaul costs are depreciated between each overhaul period using the ratio of actual flying hours and estimated flying hours between overhauls, right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Aircraft and engines under leases	3 to 20 years
Buildings	2 to 10 years
Prepayments for land use rights	40 to 50 years
Others	2 to 5 years

19. Leases *(continued)*

19.1 Accounting policies of Leases *(continued)*

(i) As lessee *(continued)*

If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

The Group applies the short-term lease recognition exemption to its short-term leases (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets which newly valuations below USD5,000 or RMB35,000. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- The modification increases the scope of the lease by adding the right to use one or more underlying assets; and

- The consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability, less any lease incentives receivable, based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification. The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset.

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

The lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.

The lease payments change due to changes in market rental rates following a market rent review in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

A lease contract is modified and the lease modification is not accounted for as a separate lease.

19. Leases *(continued)*

19.1 Accounting policies of Leases *(continued)*

(ii) As lessor

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases that transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee are accounted for as finance leases.

(iii) Sales and leaseback

The Group applies the requirements for determining when a performance obligation is satisfied in IFRS 15 to determine whether the transfer of an asset is accounted for as a sale of that asset.

As seller-lessee

If the transfer of an asset by the seller-lessee satisfies the requirements of IFRS 15 to be accounted for as a sale of the asset, the Group measures the right-of-use asset arising from the leaseback at the proportion of the previous carrying amount of the asset that relates to the right of use retained by the seller-lessee. Accordingly, the Group recognises only the amount of any gain or loss that relates to the rights transferred to the buyer-lessor. If the fair value of the consideration for the sale of an asset does not equal the fair value of the asset, or if the payments for the lease are not at market rates, the Group makes the following adjustments to measure the sale proceeds at fair value: a) any below-market terms shall be accounted for as a prepayment of lease payments; and b) any above-market terms shall be accounted for as additional financing provided by the buyer-lessor to the seller-lessee. The potential adjustment required is measured on the basis of the more readily determinable of: a) the difference between the fair value of the consideration for the sale and the fair value of the asset; and b) the difference between the present value of the contractual payments for the lease and the present value of payments for the lease at market rates.

If the transfer of an asset by the seller-lessee does not satisfy the requirements of IFRS 15 to be accounted for as a sale of the asset, the Group continues to recognise the transferred asset and recognises a financial liability equal to the transfer proceeds. It shall account for the financial liability applying IFRS 9.

19. Leases *(continued)*

19.1 Accounting policies of Leases *(continued)*

(iii) Sales and leaseback *(continued)*

As seller-lessee *(continued)*

Sublease – When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset.

Lease modification

Changes in considerations of lease contracts that were not part of the original terms and conditions are accounted for as lease modifications, including lease incentives provided through forgiveness or reduction of rentals.

(iv) Operating leases

The Group accounts for a modification to an operating lease as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease.

(v) Finance leases

The Group accounts for a lease modification as a separate lease if:

- The modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- The consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a modification to a finance lease that is not accounted for as a separate lease, if the lease would have been classified as an operating lease had the modification been in effect at the inception date, the Group accounts for the lease modification as a new lease from the effective date of the modification; and measures the carrying amount of the underlying asset as the net investment in the lease immediately before the effective date of the lease modification. Otherwise, the Group accounts for the modification in accordance with the requirements of IFRS 9. If the change represents a substantial modification, the finance lease receivables of the original lease are derecognised and a derecognition gain or loss calculated using the revised lease payments discounted at the revised discount rate is recognised in profit or loss on the date of the modification. If the change does not represent a substantial modification, the Group continues to recognise the finance lease receivables in which such carrying amount will be calculated at the present value of the modified contractual cash flows discounted at the related receivables' original discount rate. Any adjustment to the carrying amount is recognised in profit or loss at the effective date of modification.

20. Intangible assets

	Goodwill (Note(a)) RMB million	Others RMB million	Total RMB million
Cost at 1 January 2024, net of accumulated amortization	**11,272**	**335**	**11,607**
Additions	**–**	**157**	**157**
Transfer from construction in progress (Note 17)	**–**	**5**	**5**
Amortisation provided during the year	**–**	**(166)**	**(166)**
At 31 December 2024	**11,272**	**331**	**11,603**
At 31 December 2024:			
Cost	**11,272**	**2,538**	**13,810**
Accumulated amortisation	**–**	**(2,207)**	**(2,207)**
Net carrying amount	**11,272**	**331**	**11,603**

	Goodwill (Note(a)) RMB million	Others RMB million	Total RMB million
Cost at 1 January 2023, net of accumulated amortization	11,274	386	11,660
Additions	–	133	133
Transfer from construction in progress (Note 17)	–	10	10
Disposal	(2)	(1)	(3)
Amortisation provided during the year	–	(193)	(193)
At 31 December 2023	11,272	335	11,607
At 31 December 2023:			
Cost	11,272	2,377	13,649
Accumulated amortisation	–	(2,042)	(2,042)
Net carrying amount	11,272	335	11,607

(a) The balance represents goodwill arising from the acquisition of Shanghai Airlines. The value of the goodwill is attributable to strengthening the competitiveness of the Group's airline transportation operations, attaining synergy through integration of the resources and accelerating the development of international air transportation in Shanghai.

The above goodwill belongs to the Group's airline transportation operations which is a independent CGU. The recoverable amount of the CGU is rely on financial budgets approved by managements covering a five-year period. The long-term growth rate used to extrapolate the cash flows of the above cash-generating unit beyond the five-year period is 2%. The pre-tax discount rate applied to the pre-tax cash flow projections is 10.1%. The gross margins are based on the utilization of aircraft and engines and market development expectations when calculating the present value of future cash flows. No impairment for the goodwill was required based on the value-in-use calculation as at the reporting date.

21. Advanced payments on acquisition of aircraft

	2024 **RMB million**	2023 RMB million
At 1 January	**15,183**	13,970
Payment during the year	**4,676**	4,337
Interest capitalised	**422**	448
Other reduction (Note (a))	**(5,295)**	(3,572)
At 31 December	**14,986**	15,183

Included in the Group's balance as at 31 December 2024, the amounts of accumulated interest capitalised are approximately RMB1,553 million (2023: RMB1,736 million).

(a) During the year, the Group received prepaid advanced payments amounting to RMB4,097 million (2023: RMB2,934 million).

22. Subsidiaries

The Group's principal subsidiaries at 31 December 2024 and 2023 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The place of incorporation or registration is also their principal place of business.

Company name	Place and date of incorporation/ registration and place of business	Principle activities	Issued ordinary/ registered share capital million	Ownership interest held by the group		Ownership interest held by non-controlling interests	
				2024	2023	**2024**	2023
China Eastern Airlines Jiangsu Co., Ltd. ("CEA Jiangsu")	PRC/Mainland China, 7 April 1993	Provision of airline services	RMB4,000[Note]	**62.56%**	62.56%	**37.44%**	37.44%
China Eastern Airlines Wuhan Co., Ltd. ("CEA Wuhan")	PRC/Mainland China, 16 August 2002	Provision of airline services	RMB2,750[Note]	**60%**	60%	**40%**	40%
Shanghai Eastern Flight Training Co., Ltd. ("Shanghai Flight Training")	PRC/Mainland China, 18 December 1995	Provision of flight training services	RMB694	**100%**	100%	**-**	–
Shanghai Airlines Co., Ltd. ("Shanghai Airlines")	PRC/Mainland China, 16 March 2010	Provision of airline services	RMB10,000	**100%**	100%	**-**	–
Eastern Airlines Technic Co., Ltd. ("CEA Technic")	PRC/Mainland China, 19 November 2014	Provision of airline maintenance services	RMB4,652	**100%**	100%	**-**	–
China Eastern Airlines Yunnan Co., Ltd. ("CEA Yunnan")	PRC/Mainland China, 27 July 2010	Provision of airline services	RMB3,662	**65%**	65%	**35%**	35%
Eastern Air Overseas (Hong Kong) Co., Ltd. ("Eastern Air Overseas")	Hong Kong, 10 June 2011	Provision of import and export, investment, leasing and consultation services	HKD280	**100%**	100%	**-**	–
China United Airlines Co., Ltd. ("China United Airlines")	PRC/Mainland China, 21 September 1984	Provision of airline services	RMB3,320	**100%**	100%	**-**	–
China Eastern Airlines Application Development Center Co., Ltd. ("Application Development Center")	PRC/Mainland China, 21 November 2011	Provision of research and development of technology and products in the field of aviation	RMB498	**100%**	100%	**-**	–
China Eastern Airlines E-Commerce Co., Ltd. ("Eastern E-Commerce")	PRC/Mainland China, 1 December 2014	E-commerce platform and ticket agent	RMB100	**100%**	100%	**-**	–
China Eastern Media Co., Ltd. ("China Eastern Media") (Note(b))	PRC/Mainland China	Provision of aviation advertising platform operation services	RMB200	**100%**	45%	**-**	55%
Shanghai Eastern Digital Technology Co., Ltd. ("Eastern Digital")	PRC/Mainland China	Provision of development of information system and technical service	RMB200	**100%**	–	**-**	–
SPV	PRC/Mainland China	Provision of leasing business	–	**100%**	100%	**-**	–
China Eastern Airlines (Shantou) Economic Development Co., Ltd.	PRC/Mainland China	Provision of airline products	RMB10	**55%**	55%	**45%**	45%

Note：

As at 31 December 2024, the company's capital increase process is still ongoing.

22. Subsidiaries *(continued)*

(a) Non-controlling interests

Details of the Group's subsidiaries that have material non-controlling interests are set out below:

	31 December 2024	31 December 2023
Percentage of equity interest held by non-controlling interests:		
CEA Jiangsu	**37.44%**	37.44%
CEA Yunnan	**35.00%**	35.00%
CEA Wuhan	**40.00%**	40.00%

	31 December 2024 RMB million	31 December 2023 RMB million
Loss for the year allocated to non-controlling interests:		
CEA Jiangsu	**(372)**	(195)
CEA Yunnan	**(159)**	(208)
CEA Wuhan	**(37)**	(41)
Accumulated balances of non-controlling interests at the reporting date:		
CEA Jiangsu	**(566)**	(940)
CEA Yunnan	**777**	936
CEA Wuhan	**667**	612

22. Subsidiaries *(continued)*

(a) Non-controlling interests *(continued)*

The following tables illustrate the summarised financial information of the above subsidiaries. The amounts disclosed are before any inter-company eliminations:

31 December 2024	**CEA Jiangsu RMB million**	**CEA Yunnan RMB million**	**CEA Wuhan RMB million**
Revenue	**10,199**	**10,944**	**4,556**
Loss for the year	**(1,006)**	**(454)**	**(93)**
Total comprehensive loss for the year	**(1,015)**	**(454)**	**(113)**
Current assets	**1,257**	**363**	**1,246**
Non-current assets	**12,676**	**13,690**	**6,223**
Current liabilities	**10,601**	**8,405**	**3,596**
Non-current liabilities	**4,864**	**2,564**	**1,448**
Net cash flows from operating activities	**468**	**1,530**	**698**
Net cash flows used in investing activities	**(371)**	**(623)**	**(214)**
Net cash flows (used in)/from financing activities	**(103)**	**(920)**	**516**
Net (decrease)/increase in cash and cash equivalents	**(6)**	**(13)**	**1,000**

31 December 2023	CEA Jiangsu RMB million	CEA Yunnan RMB million	CEA Wuhan RMB million
Revenue	9,437	9,851	4,016
Loss for the year	(522)	(594)	(102)
Total comprehensive loss for the year	(526)	(594)	(89)
Current assets	817	540	221
Non-current assets	12,507	14,984	6,504
Current liabilities	10,862	8,570	3,256
Non-current liabilities	4,979	3,417	1,930
Net cash flows from operating activities	810	2,098	569
Net cash flows used in investing activities	(212)	(798)	(276)
Net cash flows used in financing activities	(594)	(1,292)	(293)
Net increase in cash and cash equivalents	4	8	–

22. Subsidiaries *(continued)*

(b) Business combination under common control

Formerly the Group held 45% interest of China Eastern Media and it was accounted for as an associate using the equity method of accounting. In February 2024, the Group acquired the remaining 55% equity interest in China Eastern Media from CEA Holding, with the purchase consideration of RMB126 million, and China Eastern Media has become a wholly owned subsidiary of the Group upon the acquisition.

The acquisition is considered as a business combination involving entities under common control and has been accounted for by using merger accounting method. Accordingly, the comparative figures of 2023 as set out in these consolidated financial statements have been restated to include the historical financial information of China Eastern Media since the date when China Eastern Media first came under the control of CEA Holding.

The adoption of merger accounting for the year ended 31 December 2023 has resulted in a increase in the Group's total comprehensive income and loss attributable to ordinary shareholders of the Company for the year ended 31 December 2023 by approximately RMB10 million and RMB19 million respectively. The restatement of China Eastern Media affected the allocated part of the other segments.

The following is a reconciliation of the effect arising from the acquisition of China Eastern Media which is accounted for under common control combination on the consolidated financial statements.

	As at 31 December 2023			
	Balances as previously reported RMB million	Merger of China Eastern Media RMB million	Elimination of inter-company balances RMB million	Balances as restated RMB million
Consolidated Statement of Financial Position				
Total assets	284,733	249	(166)	284,816
Total liabilities	241,270	60	(79)	241,251
Total equity	43,463	189	(87)	43,565

	Year ended 31 December 2023			
	Amounts as previously reported RMB million	Merger of China Eastern Media RMB million	Elimination of inter-company balances RMB million	Amounts as restated RMB million
Consolidated Statement of Profit or Loss and Other Comprehensive Income				
Total revenue	113,741	98	(51)	113,788
Loss for the year	(8,617)	(39)	20	(8,636)

23. Investments in associates

	2024 RMB million	2023 RMB million
Share of net assets	**2,218**	2,049

The movements in investments in associates were as follows:

	2024 RMB million	2023 RMB million
At 1 January	**2,049**	1,956
Additions	**–**	–
Share of results of associates	**225**	131
Share of revaluation on equity investments designated at fair value through other comprehensive income held by an associate	**2**	1
Share of other reserve of associates	**(3)**	–
Dividend declared during the year	**(55)**	(39)
At 31 December	**2,218**	2,049

23. Investments in associates *(continued)*

Particulars of the principal associates, which are limited liability companies, are as follows:

Company name	Place of establishment and operation and date of establishment	Registered capital		Attributable equity interest		Principal activities
		2024	2023	**2024**	2023	
		Million	Million			
Eastern Air Group Finance Co., Ltd. ("Eastern Air Finance Company")	PRC/Mainland China 6 December 1995	**RMB2,000**	RMB2,000	**25%**	25%	Provision of financial services to group companies of CEA Holding
China Eastern Air Catering Investment Co., Ltd.	PRC/Mainland China 17 November 2003	**RMB660**	RMB660	**45%**	45%	Provision of air catering services
Shanghai Pratt & Whitney Aircraft Engine Maintenance Co., Ltd. ("Shanghai P&W") (Note(a))	PRC/Mainland China 28 March 2008	**USD40**	USD40	**51%**	51%	Provision of aircraft, engine and other related component maintenance services
New Shanghai International Tower Co., Ltd.	PRC/Mainland China 17 November 1992	**RMB167**	RMB167	**20%**	20%	Property development provision and management services
Shanghai Collins Aviation Maintenance Service Co., Ltd. ("Collins Aviation")	PRC/Mainland China 27 September 2002	**USD7**	USD7	**35%**	35%	Provision of airline electronic product maintenance services
Shanghai Airlines Tours International (Group) Co., Ltd. ("Shanghai Airlines Tours")	PRC/Mainland China 29 August 1992	**RMB143**	RMB143	**35%**	35%	Tour operations, travel and air ticketing agency and transportation
Shanghai Eastern Supply Chain Management Co., Ltd.	"PRC/Mainland China 13 May 2003"	**RMB42**	RMB42	**49%**	49%	Provision of supply chain and logistics
Xi'an Civil Aviation Kaiya Technology Co., Ltd. ("Xian Kaiya")	PRC/Mainland China 9 July 2002	**RMB1,500**	RMB1,500	**32%**	32%	Provision of technology service
Shanghai Hongpu Civil Airport Communication Co., Ltd ("Shanghai Hongpu")	PRC/Mainland China 2 June 2000	**RMB2,500**	RMB2,500	**30%**	30%	Provision of technology service

Note:

(a) In 2008, the Company entered into an agreement with United Technologies International Corporation ("Technologies International") to establish Shanghai P&W, in which the Company holds a 51% interest. According to the shareholder's agreement, Technologies International has the power to govern the financial and operating policies and in this respect the Company accounts for Shanghai P&W as an associate.

23. Investments in associates *(continued)*

The following table illustrates the aggregate financial information of the Group's associates that were not individually material:

	2024 **RMB million**	2023 RMB million
Share of the associates' results for the year	**225**	131
Share of the associates' other comprehensive income	**2**	1
Share of the associates' total comprehensive income	**227**	132
Aggregate carrying amount of the Group's interests in the associates	**2,218**	2,049

24. Investments in joint ventures

	2024 **RMB million**	2023 RMB million
Share of net assets	**512**	464

The movements in investments in joint ventures were as follows:

	2024 **RMB million**	2023 RMB million
At 1 January	**464**	455
Additions	**–**	14
Share of results	**49**	(8)
Share of revaluation on equity investments designated at fair value through other comprehensive income held by the Joint venture	**–**	4
Dividend declared during the year	**(1)**	(1)
At 31 December	**512**	464

24. Investments in joint ventures *(continued)*

Particulars of the principal joint ventures, which are limited liability companies, are as follows:

Company name	Place of establishment and operation and date of establishment	Registered capital		Attributable equity interest		Principal activities
		2024 Million	2023 Million	**2024**	2023	
Shanghai Technologies Aerospace Co., Ltd. ("Technologies Aerospace") (note)	PRC/Mainland China 28 September 2004	**USD73**	USD73	**51%**	51%	Provision of repair and maintenance services
Eastern China Kaiya System Integration Co., Ltd. ("China Kaiya")	PRC/Mainland China 21 May 1999	**RMB10**	RMB10	**41%**	41%	Provision of computer system development and maintenance services
CAE Melbourne Flight Training Pty Ltd. ("CAE Melbourne")	Australia 9 March 2007	**AUD11**	AUD11	**50%**	50%	Provision of flight training services
Xi'an CEA SAFRAN Landing Systems Services Co., Ltd. ("XIESA")	PRC/Mainland China 12 July 2017	**USD40**	USD40	**50%**	50%	Provision of aircraft, engine and other related component maintenance services
Shanghai Donghang Zhongmian Tax-Free Products Co., Ltd.	PRC/Mainland China 21 October 1999	**RMB3**	RMB3	**50%**	50%	Provision of Tax-free Products

Note:

Under a joint venture agreement with a joint venture partner of Technologies Aerospace dated 10 March 2003, the Group and the joint venture partner have agreed to share the control over the economic activities of Technologies Aerospace. Any strategic financial and operating decisions relating to the activities of Technologies Aerospace require the unanimous consent of the Company and the joint venture partner.

The following table illustrates the aggregate financial information of the Group's joint ventures that were not individually material:

	2024 RMB million	2023 RMB million
Share of the joint ventures' loss and total comprehensive income for the year	**49**	(8)
Share of revaluation on equity investments designated at fair value through other comprehensive income held by the Joint venture	**–**	4
Share of the associates' total comprehensive income	**49**	(4)
Aggregate carrying amount of the Group's interests in the joint ventures	**512**	464

25. Equity investments designated at fair value through other comprehensive income

	2024 **RMB million**	2023 RMB million
Listed equity investment, at fair value		
TravelSky Technology Limited	**204**	260
Unlisted equity investments, at fair value		
Aviation Data Communication Corporation Limited	**95**	126
Sichuan Airlines Corporation Limited	**1,068**	600
Others	**50**	71
	1,213	797
	1,417	1,057

The above equity investments were irrevocably designated at fair value through other comprehensive income as the Group considers these investments to be strategic in nature.

Amounts recognised in profit or loss and other comprehensive income:

	2024 **RMB million**	2023 RMB million
(Losses)/gains recognised in other comprehensive income	**(81)**	6
Dividends from equity investments held at FVOCI recognised in profit or loss in other income	**32**	11

26. Derivative financial instruments

	Assets		Liability	
	2024	2023	**2024**	2023
	RMB million	RMB million	**RMB million**	RMB million
Foreign exchange swaps	**47**	–	**–**	–
Interest rate swaps	**9**	49	**–**	–
Total	**56**	49	**–**	–
Less: current portion				
– Foreign exchange swaps	**(47)**	–	**–**	–
– Interest rate swaps	**(9)**	(16)	**–**	–
Total	**(56)**	(16)	**–**	–
Non-current portion	**–**	33	**–**	–

Cash flow hedge — Interest rate risk

The Group entered into interest rate swap contracts to mitigate its interest rate risk. The interest rate swap contracts had been designated as cash flow hedge against the variability in market interest rates of lease liabilities. As at 31 December 2024, the notional principal of the outstanding interest rate swap contracts amounted to USD53 million (31 December 2023: USD189 million) These contracts would expire in 2025.

Cash flow hedge — Foreign exchange risk

The Group entered into foreign exchange swap contracts to mitigate its foreign exchange risk. The foreign exchange swap contracts had been designated as cash flow hedge against the currency fluctuations. As at 31 December 2024, the notional principal of the outstanding foreign exchange swap contracts amounted to USD216 million (31 December 2023: nil). These contracts would expire in 2025.

27. Other non-current assets

	2024	2023
	RMB million	RMB million
Deferred pilot recruitment costs	**2,169**	2,198
Deposits relating to aircraft held under leases	**81**	80
Rebate receivables on aircraft acquisitions	**697**	684
Prepayment for acquisition of property, plant and equipment	**82**	287
Others	**955**	908
	3,984	4,157

28. Deferred tax assets and liabilities

Deferred tax assets and liabilities are offset when there is a legally enforceable right of offsetting and when the deferred income taxes relate to the same authority. The following amounts, determined after appropriate offsetting, are shown in the consolidated statement of financial position:

	2024 **RMB million**	2023 RMB million
Deferred tax assets	**9,160**	9,851
Deferred tax liabilities	**1**	1
Net deferred income tax assets	**9,159**	9,850

Movements in the net deferred tax assets were as follows:

	2024 **RMB million**	2023 RMB million
At 1 January	**9,850**	9,857
Charged to profit or loss (Note 14)	**(716)**	(16)
Credit to other comprehensive income	**25**	9
At 31 December	**9,159**	9,850

28. Deferred tax assets and liabilities *(continued)*

The deferred tax assets and liabilities (prior to the offsetting of balances within the same tax jurisdiction) were made up of the taxation effects of the following:

	2024 **RMB million**	2023 RMB million
Deferred tax assets:		
Loss available for offsetting against future taxable profits	**7,223**	7,803
Lease liabilities	**6,087**	7,395
Provision for lease return costs for aircraft and engines	**1,871**	1,680
Impairment provision for receivables	**103**	97
Impairment provision for flight equipment spare parts	**88**	84
Other payables and accruals	**48**	74
Impairment provision for property, plant and equipment	**18**	18
Government grants related to assets	**11**	14
Financial asset at fair value through profit or loss	**5**	5
Others	**116**	76
	15,570	17,246
Deferred tax liabilities:		
Right-of-use assets	**(6,343)**	(7,299)
Equity investments designated at fair value through other comprehensive income	**(54)**	(80)
Derivative financial instruments	**(14)**	(13)
Others	**–**	(4)
	(6,411)	(7,396)
	9,159	9,850

28. Deferred tax assets and liabilities *(continued)*

Movements in the net deferred tax assets/(liabilities) of the Group for the year were as follows:

	At 1 January 2024 RMB million	Credited/ (charged) to profit or loss RMB million	(Charged)/ credited to other comprehensive income RMB million	At 31 December 2024 RMB million
For the year ended 31 December 2024				
Provision for lease return costs for aircraft and engines	1,680	191	–	1,871
Lease liabilities	7,395	(1,308)	–	6,087
Impairment provision for flight equipment spare parts	84	4	–	88
Impairment provision for receivables	97	6	–	103
Impairment provision for property, plant and equipment	18	–	–	18
Financial asset at fair value through profit or loss	5	–	–	5
Other payables and accruals	74	(26)	–	48
Government grants related to assets	14	(3)	–	11
Loss available for offsetting against future taxable profits	7,803	(580)	–	7,223
Safety equipment tax credit	76	40	–	116
	17,246	(1,676)	–	15,570
Right-of-use assets	(7,299)	956	–	(6,343)
Equity investments designated at fair value through other comprehensive income	(80)	–	26	(54)
Derivative financial instruments	(13)	–	(1)	(14)
Others	(4)	4	–	–
	(7,396)	960	25	(6,411)
Net deferred tax assets	9,850	(716)	25	9,159

28. Deferred tax assets and liabilities *(continued)*

Movements in the net deferred tax assets/(liabilities) of the Group for the year were as follows: *(continued)*

	At 1 January 2023 RMB million	Credited/ (charged) to profit or loss RMB million	(Charged)/ credited to other comprehensive income RMB million	At 31 December 2023 RMB million
For the year ended 31 December 2023				
Provision for lease return costs for aircraft and engines	1,488	192	–	1,680
Lease liabilities	6,935	460	–	7,395
Impairment provision for flight equipment spare parts	79	5	–	84
Impairment provision for receivables	87	10	–	97
Impairment provision for property, plant and equipment	29	(11)	–	18
Financial asset at fair value through profit or loss	7	(2)	–	5
Other payables and accruals	74	–	–	74
Government grants related to assets	15	(1)	–	14
Loss available for offsetting against future taxable profits	8,393	(590)	–	7,803
Safety equipment tax credit	55	21	–	76
	17,162	84	–	17,246
Right-of-use assets	(7,199)	(100)	–	(7,299)
Equity investments designated at fair value through other comprehensive income	(78)	–	(2)	(80)
Derivative financial instruments	(24)	–	11	(13)
Others	(4)	–	–	(4)
	(7,305)	(100)	9	(7,396)
Net deferred tax assets	9,857	(16)	9	9,850

28. Deferred tax assets and liabilities *(continued)*

As at the reporting date, the Group had the following balances in respect of which deferred tax assets have not been recognised:

	2024		2023	
	Deferred taxation RMB million	**Temporary differences RMB million**	Deferred taxation RMB million	Temporary differences RMB million
Tax losses carried forward	**13,090**	**53,352**	11,788	47,859
Other deductible temporary differences	**8**	**32**	5	20
Total unrecognised deferred tax assets	**13,098**	**53,384**	11,793	47,879

In accordance with the PRC tax law and relevant regulations, tax losses for the year 2020 can be carried forward for a period of eight years and other years' tax losses can be carried forward for a period of five years to offset against future taxable income. The Group's tax losses carried forward will expire between 2025 and 2029.

	At 31 December 2024	At 31 December 2023
2024	**–**	198
2025	**2,016**	1,339
2026	**16,133**	7,306
2027	**26,465**	31,744
2028	**8,200**	7,272
2029	**538**	–
	53,352	47,859

As at 31 December 2024, management carried out an assessment to determine whether future taxable profits will be available to utilise the tax losses and deductible temporary differences. The Group has recognised deferred tax assets of RMB7,223 million (2023: RMB7,803 million) for tax losses of RMB29,977 million (2023: RMB32,512 million).

28.1 Accounting policies of income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

28. Deferred tax assets and liabilities *(continued)*

28.1 Accounting policies of income tax *(continued)*

Deferred tax liabilities are recognised for all taxable temporary differences, except:

(i) when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and at the time of the transaction does not give rise to equal taxable and deductible temporary differences; and

(ii) in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

(i) when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and at the time of the transaction does not give rise to equal taxable and deductible temporary differences; and

(ii) in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

29. Flight equipment spare parts

	2024 **RMB million**	2023 RMB million
Flight equipment spare parts	**2,038**	1,983
Less: provision for spare parts	**(358)**	(343)
	1,680	1,640

Movements in the Group's provision for impairment of flight equipment spare parts were as follows:

	2024 **RMB million**	2023 RMB million
At 1 January	**343**	327
Accrual	**43**	17
Amount written off in relation to disposal of spare parts	**(28)**	(1)
At 31 December	**358**	343

30. Trade and bills receivables

The credit terms given to trade customers are determined on an individual basis.

	2024 **RMB million**	2023 RMB million
Trade and bills receivables	**2,047**	2,285
Less: impairment	**(98)**	(94)
	1,949	2,191

An aging analysis of the trade and bills receivables as at the end of the reporting period, based on the invoice/billing date, is as follows:

	2024 **RMB million**	2023 RMB million
Within 90 days	**1,970**	2,156
91 to 180 days	**5**	17
181 to 365 days	**3**	39
Over 365 days	**69**	73
	2,047	2,285

As at 1 January 2024, trade and bills receivables from contracts with customers amounted to RMB2,191 million.

Balances with related parties included in trade and bills receivables are summarised in Note 46(c)(i). As at 31 December 2024, total bills received amounting to RMB59 million (2023: nil) are held by the Group for future settlement of trade and bills receivables. All bills received by the Group are with a maturity period of less than one year.

The movements in the loss allowance for impairment of trade receivables are as follows:

	2024 **RMB million**	2023 RMB million
At 1 January	**94**	88
Impairment losses, net (Note 11)	**15**	12
Amount written off as uncollectible	**(11)**	(6)
At 31 December	**98**	94

As at 31 December 2024, the loss allowance based on collective assessment is RMB42 million (2023: 46 million).

30. Trade and bills receivables *(continued)*

The Group applies IFRS 9 simplified approach to measuring the expected credit losses which uses a lifetime expected loss allowance for all trade receivables. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

As at 31 December 2024

		Past due			
	Current	**Less than 90 days**	**90 to 365 days**	**Over 365 days**	**Total**
Expected credit loss rate (%)	**1.52**	**1.91**	**12.50**	**95.65**	**4.79**
Gross carrying amount (RMB million)	**1,708**	**262**	**8**	**69**	**2,047**
Expected credit losses (RMB million)	**26**	**5**	**1**	**66**	**98**

As at 31 December 2023

		Past due			
	Current	Less than 90 days	90 to 365 days	Over 365 days	Total
Expected credit loss rate (%)	1.11	1.74	5.36	90.41	4.11
Gross carrying amount (RMB million)	1,984	172	56	73	2,285
Expected credit losses (RMB million)	22	3	3	66	94

As at 31 December 2024, the Group did not have any past due trade receivables without impairments.

The net impacts of recognition and reversal of provisions for impaired receivables have been included in "Impairment losses on financial assets, net" in profit or loss (Note 11). Amounts charged to the allowance account are generally written off when there is no expectation of recovering.

31. Financial assets at fair value through profit or loss

	2024 **RMB million**	2023 RMB million
Listed equity investment, at fair value:		
Shanghai Pudong Development Bank Co., Ltd.	**101**	65

The above equity investment was classified as a financial asset at fair value through profit or loss as it was held for trading.

	2024 **RMB million**	2023 RMB million
Fair value losses on equity investments at FVPL charged to profit or loss	36	(7)

32. Prepayments and other receivables

	2024 **RMB million**	2023 RMB million
Value added tax recoverable	**7,120**	6,357
Subsidy receivable	**2,173**	1,625
Prepaid corporate income tax	**84**	37
Advance to suppliers	**207**	311
Rebate receivables on aircraft acquisitions	**325**	289
Amounts due from related parties (Note 46(c)(i))	**691**	578
Other deposits	**166**	172
Others	**795**	712
	11,559	10,081
Provision for impairment of other receivables	**(377)**	(354)
	11,184	9,727

Set out below are the movements of loss allowances measured at 12-month and lifetime expected credit losses for the financial assets included in other receivables.

	12-month ECLs	**Lifetime ECLs**		
	Stage 1	**Stage 2**	**Stage 3**	**Total**
As at 1 January 2024	**15**	**116**	**223**	**354**
Transferred — to stage 3	**–**	**(22)**	**22**	**–**
Transferred — to stage 2	**(2)**	**2**	**–**	**–**
Accrual	**14**	**25**	**43**	**82**
Net impairment losses reversed	**–**	**–**	**(59)**	**(59)**
As at 31 December 2024	**27**	**121**	**229**	**377**

32. Prepayments and other receivables *(continued)*

	12-month ECLs	Lifetime ECLs		
	Stage 1	Stage 2	Stage 3	Total
As at 1 January 2023	13	95	209	317
Transferred — to stage 3	–	(14)	14	–
Transferred — to stage 2	(1)	1	–	–
Accrual	3	34	1	38
Write off	–	–	(1)	(1)
As at 31 December 2023	15	116	223	354

33. Cash and cash equivalents and restricted cash

	2024 RMB million	2023 RMB million
Cash at bank and on hand	**4,133**	12,177
Less: restricted cash (a)	**(61)**	(319)
Cash and cash equivalents (b)	**4,072**	11,858

(a) Details of restricted cash are as follows:

	2024 RMB million	2023 RMB million
Restricted bank deposits	**61**	319

(b) Cash and cash equivalents earns interest at floating rates based on daily bank deposit rates. The bank balances are deposited with creditworthy banks and financial institutions with no recent history of default.

34. Trade and bills payable

The ageing analysis of the accounts payable, based on the transaction date, as at the end of the reporting period was as follows:

	2024 RMB million	2023 RMB million
Within 90 days	**3,388**	4,096
91 to 180 days	**10,838**	193
181 to 365 days	**33**	76
1-2 years	**46**	62
Over 2 years	**210**	174
	14,515	4,601

Balances with related parties included in trade and bills payables are summarised in Note 46(c)(ii).

As at 31 December 2024, notes payable of the Group amounted to RMB12,802 million (2023: RMB2,508 million).

35. Contract liabilities

The Group has recognised the following liabilities related to contracts with customers:

	2024 RMB million	2023 RMB million
Sales in advance of carriage	**8,839**	5,995
Frequent flyer programme (Note 5)	**1,518**	1,280
Advances from customers	**953**	733
	11,310	8,008
Analysed into:		
Current portion	**10,678**	7,422
Non-current portion	**632**	586

As at 1 January 2024, contract liabilities amounted to RMB8,008 million.

36. Other payables and accruals

	2024 RMB million	2023 RMB million
Salaries, wages and benefits	**3,184**	2,457
Take-off and landing charges	**2,810**	3,251
Expenses related to aircraft overhaul conducted	**2,305**	1,654
Duties and levies payable	**2,014**	1,803
Other accrued operating expenses	**1,888**	913
Fuel cost	**1,882**	2,064
Payable for system services	**1,199**	981
Food and beverages	**854**	602
Payable for purchase of property, plant and equipment	**533**	1,413
Other deposit	**557**	678
Pending output value added tax	**402**	326
Current portion of other long-term liabilities (Note 40)	**341**	429
Deposits received from ticket sales agents	**290**	235
Lease rentals	**212**	702
Amounts due to related parties (Note 46(c)(ii))	**157**	149
Current portion of post-retirement benefit obligations (Note 39(b))	**151**	154
Others	**1,448**	2,773
Total	**20,227**	20,584

37. Borrowings

	2024 **RMB million**	2023 RMB million
Non-current:		
Long-term bank borrowings		
– secured (note (a))	**16,740**	12,692
– unsecured	**29,702**	34,648
Guaranteed bonds (note (b))	**4,156**	4,183
Unsecured bonds (note (b))	**3,000**	6,499
	53,598	58,022
Current:		
Current portion of non-current borrowings		
– secured (note (a))	**1,781**	1,941
– unsecured	**8,365**	2,028
Current portion of guaranteed bonds (note (b))	**34**	34
Current portion of unsecured bonds (note (b))	**3,668**	9,385
Short-term bank borrowings		
– unsecured	**35,728**	39,618
	49,576	53,006
	103,174	111,028

The borrowings are repayable as follows:

	2024 **RMB million**	2023 RMB million
Within one year	**49,576**	53,006
In the second year	**29,537**	13,753
Between third and fifth years, inclusive	**13,338**	35,596
After the fifth year	**10,723**	8,673
	103,174	111,028

37. Borrowings *(continued)*

Notes:

(a) As at 31 December 2024, the secured bank borrowings of the Group were secured by the related aircrafts with a net carrying amount of RMB23,483 million (2023: RMB18,948 million) (Note 17).

(b) Detailed bonds are listed below:

	Issue date	Principal	Notes	Interest rate
Ten-year corporate bonds	2016/10/24	RMB1,500 million	(i)	3.30%
Five-year corporate bonds	2019/08/19	RMB3,000 million	(ii)	3.60%
Ten-year corporate bonds	2021/03/11	RMB3,000 million	(iii)	3.95%
Six-year corporate bonds	2021/03/11	RMB6,000 million	(iv)	3.68%
Five-year credit enhanced bonds	2021/07/15	SGD500 million	(v)	2.00%
Three-year medium-term bonds	2022/04/13	RMB2,000 million	(vi)	2.92%
Three-year medium-term bonds	2022/04/19	RMB1,500 million	(vii)	2.92%

(i) On 24 October 2016, the Company issued ten-year corporate bonds with a total principal amount of RMB1.5 billion. The bonds bear interest at the rate of 3.30% per annum. Which is payable annually. The principal of the bonds will mature and become repayable on 24 October 2026. CEA Holding has unconditionally and irrevocably guaranteed the due payment and performance of the above bonds (Note 46(d)).

(ii) On 19 August 2019, the Company issued five-year corporate bonds with a total principal amount of RMB3 billion. The bonds bear interest at the rate of 3.60% per annum, which is payable annually. The principal of the bonds has been paid on 20 August 2024, which is the maturity date (Note 46(d)).

(iii) On 11 March 2021, the Company issued ten-year corporate bonds with a principal amount of RMB3 billion. The bonds bear interest at the rate of 3.95% per annum which is payable annually. The principal of the bonds will mature and become repayable on 12 March 2031 (callable 2026).

(iv) On 11 March 2021, the Company issued six-year corporate bonds with a principal amount of RMB6 billion. The bonds bear interest at the rate of 3.68% per annum which is payable annually. The principal of the bonds has been redeemed on 12 March 2024.

(v) On 15 July 2021, Eastern Air Overseas issued five-year credit enhanced bonds with a principal amount of SGD0.5 billion. The bonds bear interest at the rate of 2.00% per annum which is payable semi-annually. The principle of the bonds will mature and become repayable on 15 July 2026. The bonds are secured by a standby letter of credit issued by Industrial and Commercial Bank of China Limited Shanghai Municipal Branch.

(vi) On 13 April 2022, the Company issued three-year medium-term bonds with a principal amount of RMB2 billion, at an issue price equal to the face value of the bonds. The bonds bear interest at the rate of 2.92% per annum, which is payable annually. The principal of the bonds will mature and become repayable on 13 April 2025.

(vii) On 19 April 2022, the Company issued three-year medium-term bonds with a principal amount of RMB1.5 billion, at an issue price equal to the face value of the bonds. The bonds bear interest at the rate of 2.92% per annum, which is payable annually. The principal of the bonds will mature and become repayable on 19 April 2025.

37. Borrowings *(continued)*

The terms of the long-term borrowings and bonds were summarised as follows:

	Interest rate and final maturities	**2024** **RMB million**	2023 RMB million
Long-term bank borrowings			
RMB denominated	Interest rates ranging from 1.87% to 2.85% with final maturities through 2045 (2023: 2.00% to 3.45%)	**56,588**	50,137
EUR denominated	Interest rates at 3-month EURIBOR +0.5% all have been paid during 2024 (2023: 3-month EURIBOR +0.5%)	**–**	1,172
Guaranteed bonds			
RMB denominated	Interest rates ranging from 3.03% to 3.30% with final maturities through 2026 (2023: 3.03% to 3.30%)	**1,510**	1,510
SGD denominated	Interest rate at 2.00% with final maturities through 2026 (2023: 2.00%)	**2,680**	2,707
Unsecured bonds			
RMB denominated	Interest rates ranging from 2.92% to 3.95% with final maturities through 2031 (2023: from 2.92% to 3.95%)	**6,668**	15,884
		67,446	71,410

Short-term borrowings of the Group are repayable within one year. As at 31 December 2024, the interest rates relating to such borrowings were 0.90% to 3.15% (2023: 0.80% to 2.60%).

38. Provision for lease return costs for aircraft and engines

	2024 RMB million	2023 RMB million
At 1 January	**9,088**	8,468
Accrual	**1,137**	1,082
Utilisation	**(667)**	(462)
At 31 December	**9,558**	9,088
Less: current portion	**(1,939)**	(1,191)
Non-current portion	**7,619**	7,897

38.1 Accounting policies of provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The provision for lease return costs for aircraft and engines relates to the estimated cost of return agreed to be carried out for the Group's major customers. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

For the contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it, the present obligation under the contract is recognised and measured as a provision.

39. Post-retirement benefit obligations

(a) Pension — defined contribution

The group companies participate in defined contribution retirement schemes organised by municipal governments of various provinces in which the group companies operate. Substantially all of the Group's PRC employees are eligible to participate in these defined contribution retirement schemes. Therefore, the employees are entitled to a monthly pension based on certain formulas. The relevant government agencies are responsible for the pension liability to these retired employees. In addition, the group companies have implemented an additional defined contribution retirement pension scheme for eligible employees since 2014.

As at 31 December 2024 and 31 December 2023, the Group cannot use forfeited contributions to reduce its contributions to the pension schemes.

39. Post-retirement benefit obligations *(continued)*

(b) Post-retirement benefits

In addition to the above schemes, the Group provides eligible retirees with other post-retirement benefits, including retirement subsidies, transportation allowance as well as other welfare. The expected cost of providing these post-retirement benefits is actuarially determined and recognised by using the projected unit credit method, which involves a number of assumptions and estimates, including inflation rate, discount rate, annual increase rate of post-retirement medical expenses and mortality rate.

The plan is exposed to interest rate risk and the risk of changes in the life expectancy for pensioners.

The most recent actuarial valuation of the post-retirement benefit obligations was carried out at 31 December 2024 with assistance from a third-party consultant using the projected unit credit actuarial valuation method.

The post-retirement benefit obligations recognised in the consolidated statement of financial position are as follows:

	2024 **RMB million**	2023 RMB million
Post-retirement benefit obligations	**2,391**	2,360
Less: current portion include in other payables and accruals (Note 36)	**(151)**	(154)
Non-current portion	**2,240**	2,206

The principal actuarial assumptions utilised as at the end of the reporting period are as follows:

	2024	2023
Discount rates for post-retirement benefits	**1.75%**	2.60%
Mortality rate	**China Insurance Life Mortality Table (2010-2013). CL5 for Male and CL6 for Female**	China Insurance Life Mortality Table (2010-2013). CL5 for Male and CL6 for Female
Annual increase rate of post-retirement medical expenses	**6.50%**	6.50%
Inflation rate of pension benefits	**2.50%**	2.50%

39. Post-retirement benefit obligations *(continued)*

(b) Post-retirement benefits *(continued)*

A quantitative sensitivity analysis for significant assumptions at the end of the reporting period is shown below:

	Increase in rate %	Increase/ (decrease) in post-retirement benefit obligations RMB million	Decrease in rate %	Increase/ (decrease) in post-retirement benefit obligations RMB million
2024				
Discount rate for post-retirement benefits	**0.25**	**(62)**	**0.25**	**65**
Annual increase rate of pension benefits	**1.00**	**223**	**1.00**	**(193)**
Annual increase rate of medical expenses	**1.00**	**35**	**1.00**	**(29)**
2023				
Discount rate for post-retirement benefits	0.25	(59)	0.25	62
Annual increase rate of pension benefits	1.00	214	1.00	(185)
Annual increase rate of medical expenses	1.00	35	1.00	(30)

The sensitivity analyses above have been determined based on a method that extrapolates the impact on net post-retirement benefit obligations as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

Expected contributions to be made in the future years out of the post-retirement benefit obligations were as follows:

	2024 RMB million	2023 RMB million
Within the next 12 months	**151**	157
Between 2 and 5 years	**587**	610
Between 6 and 10 years	**678**	713
Over 10 years	**1,496**	1,683
Total expected payments	**2,912**	3,163

The average duration of the post-retirement benefit obligations at the end of 2024 was 11 years (2023: 11 years).

39. Post-retirement benefit obligations *(continued)*

(b) Post-retirement benefits *(continued)*

		Disposal of subsidiaries	Pension cost charged to profit or loss			Remeasurement losses in other comprehensive income				
	1 January 2024 RMB million	Actuarial changes arising from disposal of subsidiaries RMBmillion	Service cost RMB million	Net interest RMB million	Sub-total included in profit or loss RMB million	Actuarial changes arising from changes in financial assumptions RMB million	Actuarial changes arising from changes in demographic assumptions RMB million	Sub-total included in other comprehensive income RMB million	Benefit settled RMB million	31 December 2024 RMB million
Defined benefit obligations/ benefit liability	**2,360**	**-**	**-**	**59**	**59**	**152**	**-**	**152**	**(180)**	**2,391**

		Disposal of subsidiaries	Pension cost charged to profit or loss			Remeasurement losses in other comprehensive income				
	1 January 2023 RMB million	Actuarial changes arising from disposal of subsidiaries RMBmillion	Service cost RMB million	Net interest RMB million	Sub-total included in profit or loss RMB million	Actuarial changes arising from changes in financial assumptions RMB million	Actuarial changes arising from changes in demographic assumptions RMB million	Sub-total included in other comprehensive income RMB million	Benefit settled RMB million	31 December 2023 RMB million
Defined benefit obligations/ benefit liability	2,400	(3)	–	67	67	79	–	79	(183)	2,360

39. Post-retirement benefit obligations *(continued)*

39.1 Accounting Policies of retirement benefits

(i) Defined contribution plans

The Group participates in schemes regarding pension and medical benefits for employees organised by the municipal governments of the relevant provinces. Contributions to these schemes are expensed as incurred.

The Group also implements an additional defined contribution pension benefit scheme (annuity) for voluntary eligible employees. Contributions are made based on a percentage of the employees' total salaries and are charged to profit or loss as incurred.

(ii) Defined benefit plan

The Group provides eligible retirees with certain post-retirement benefits including retirement subsidies, transportation allowance as well as other welfare. The defined post-retirement benefits are unfunded. The cost of providing benefits under the post-retirement benefit plan is determined using the projected unit credit actuarial valuation method.

Remeasurements arising from the post-retirement benefit plan, comprising actuarial gains and losses, the effect of the asset ceiling (excluding net interest) and the return on plan assets (excluding net interest), are recognised immediately in the consolidated statement of financial position with a corresponding debit or credit to equity through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss at the earlier of:

- the date of the plan amendment or curtailment; and
- the date that the Group recognises restructuring-related costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation under "Wages, salaries and benefits" and "Finance costs" in profit or loss:

- service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements
- net interest expense

40. Other long-term liabilities

	2024 **RMB million**	2023 RMB million
Long-term duties and levies payable relating to finance leases	**432**	635
Deferred income relating to government grants	**46**	54
Provision for early retirement benefit obligations and other benefit obligations	**326**	309
Other long-term payables	**783**	941
	1,587	1,939
Less: current portion included in other payables and accruals (Note 36)	**(341)**	(429)
Non-current portion	**1,246**	1,510

41. Share capital

	2024 **RMB million**	2023 RMB million
Registered, issued and fully paid of RMB1.00 each		
A shares listed on the Shanghai Stock Exchange ("A Shares")	**17,114**	17,114
– Tradable shares with trading moratorium	**–**	3,634
– Tradable shares without trading moratorium	**17,114**	13,480
H shares listed on the Stock Exchange of Hong Kong Limited ("H Shares")	**5,177**	5,177
– Tradable shares with trading moratorium	**–**	–
– Tradable shares without trading moratorium	**5,177**	5,177
Total	**22,291**	22,291

Pursuant to articles 50 and 51 of the Company's articles of association, both the listed A shares and listed H shares are registered ordinary shares and carry equal rights.

42. Perpetual Bond

On 25 November 2024, the Company issued perpetual bonds that are redeemable solely at the Company's discretion, with principal amounts of RMB5 billion respectively, the Company may elect to defer interest payments and are not subject to any limit as to the number of times of deferral of interest payments.

As the perpetual bond only impose contractual obligations on the Company to repay principals or to pay any distribution under certain circumstances, which were at the Company's discretion, they had in substance offered the Company an unconditional right to avoid delivering cash or other financial asset to settle contractual obligations. Therefore the net proceeds of the perpetual bonds were presented in the equity of the Group.

43. Reserves

	Share premium RMB million	Capital reserve (note (a)) RMB million	Hedging reserve RMB million	Statutory reserve (note (b)) RMB million	Other reserves RMB million	Accumulated losses RMB million	Total RMB million
At 31 December 2022	56,304	(767)	60	782	(3,090)	(43,922)	9,367
Business combination under common control	73	–	–	–	(1)	50	122
Balance at 1 January 2023	56,377	(767)	60	782	(3,091)	(43,872)	9,489
Unrealised gains on cash flow hedges	–	–	(35)	–	–	–	(35)
Fair value movements in equity investments designated at fair value through other comprehensive income	–	–	–	–	(3)	–	(3)
Fair value changes of equity investments designated at fair value through other comprehensive income held by an associate	–	–	–	–	5	–	5
Actuarial gains on post-retirement benefit obligations	–	–	–	–	(77)	–	(77)
Loss for the year	–	–	–	–	–	(8,190)	(8,190)
Transactions with non-controlling interests	(30)	–	–	–	–	–	(30)
Distribution of perpetual bond	–	–	–	–	–	(57)	(57)
Dividend paid before business combination under common control	–	–	–	–	–	(66)	(66)
Business combination under common control	(430)	–	–	–	–	–	(430)
At 31 December 2023	55,917	(767)	25	782	(3,166)	(52,185)	606
Balance at 1 January 2024	**55,917**	**(767)**	**25**	**782**	**(3,166)**	**(52,185)**	**606**
Unrealised gains on cash flow hedges	**-**	**-**	**5**	**-**	**-**	**-**	**5**
Fair value movements in equity investments designated at fair value through other comprehensive income	**-**	**-**	**-**	**-**	**(75)**	**-**	**(75)**
Fair value changes of equity investments designated at fair value through other comprehensive income held by an associate	**-**	**-**	**-**	**-**	**2**	**-**	**2**
Actuarial gains on post-retirement benefit obligations	**-**	**-**	**-**	**-**	**(147)**	**-**	**(147)**
Loss for the year	**-**	**-**	**-**	**-**	**-**	**(4,226)**	**(4,226)**
Transaction with non-controlling interests	**(3)**	**-**	**-**	**-**	**-**	**-**	**(3)**
Distribution of perpetual bond	**-**	**-**	**-**	**-**	**-**	**(600)**	**(600)**
Business combination under common control	**(126)**	**-**	**-**	**-**	**-**	**-**	**(126)**
At 31 December 2024	**55,788**	**(767)**	**30**	**782**	**(3,386)**	**(57,011)**	**(4,564)**

Notes:

(a) Capital reserve

Capital reserve mainly represents the difference between the fair value of the net assets injected and the nominal amount of the Company's share capital issued in respect of the Group restructuring carried out in June 1996 for the purpose of the Company's listing.

(b) Statutory reserve

According to the PRC Company Law, the Company is required to transfer a portion of the profits to the statutory reserve. The transfer to this reserve must be made before distribution of dividends to shareholders and when there are retained profits at the end of the financial year.

44. Notes to the consolidated statement of cash flows

(a) Cash generated from operations

	2024 RMB million	2023 RMB million
Loss before income tax	**(3,904)**	(8,300)
Adjustments for:		
Depreciation of property, plant and equipment	**11,151**	9,632
Depreciation of right-of-use assets	**14,586**	14,454
Depreciation of investment properties	**17**	10
Amortisation of intangible assets	**166**	193
Amortisation of other non-current assets	**724**	752
Gain on disposal of property, plant and equipment and right-of-use assets	**(372)**	(34)
Dividend income from equity investments at fair value through other comprehensive income	**(32)**	(11)
Dividend income from a financial asset at fair value through profit or loss	**(3)**	(3)
Share of results of associates	**(225)**	(131)
Share of results of joint ventures	**(49)**	8
Net foreign exchange loss	**99**	625
Fair value changes of financial asset at fair value through profit or loss	**(36)**	7
Impairment charges	**44**	17
Impairment losses on financial assets, net	**38**	49
Interest expense	**5,148**	6,081
Operating profit before working capital changes	**27,352**	23,349
Changes in working capital		
Flight equipment spare parts	**(83)**	1
Trade and bills receivables	**305**	(1,367)
Prepayments and other receivables	**(1,616)**	(838)
Contract liabilities	**3,255**	4,044
Trade and bills payables	**8,820**	4,743
Other payables and accruals	**544**	(2,454)
Other long-term liabilities	**(166)**	(197)
Post-retirement benefit obligations	**31**	(181)
Provision for lease return costs for aircraft and engines	**(921)**	(454)
Cash generated from operations	**37,521**	26,646

44. Notes to the consolidated statement of cash flows *(continued)*

(b) Major non-cash transactions

	2024 **RMB million**	2023 RMB million
Additions to right-of-use assets and lease liabilities	**14,667**	6,417

(c) Reconciliation of liabilities arising from financing activities

	2024 **RMB million**	2023 RMB million
Lease liabilities	**72,849**	84,175
Borrowings	**103,174**	111,028

	Bank and other loans **RMB million**	Lease liabilities RMB million
At 1 January 2023	121,947	97,007
Changes from financing cash flows	(10,883)	(18,974)
Other (reduction)/addition	(224)	58
Foreign exchange movement	188	439
New leases	–	5,645
At 31 December 2023	111,028	84,175
At 1 January 2024	**111,028**	**84,175**
Changes from financing cash flows	**(7,613)**	**(25,777)**
Other (reduction)/addition	**(216)**	**46**
Foreign exchange movement	**(25)**	**134**
New leases	**–**	**14,271**
At 31 December 2024	**103,174**	**72,849**

44. Notes to the consolidated statement of cash flows *(continued)*

(d) Total cash outflow for leases

The total cash outflow for leases included in the statement of cash flows is as follows:

	2024 RMB million	2023 RMB million
Within operating activities	**(26)**	(400)
Within investing activities	**(3,212)**	(3,129)
Within financing activities	**(28,137)**	(21,883)

45. Commitments

(a) The Group had the following capital expenditure in respect of the acquisition of property, plant and equipment and investments but not provided in the consolidated financial statements:

	2024 RMB million	2023 RMB million
Contracted for:		
– Aircraft, engines and flight equipment (note i)	**81,464**	91,065
– Other property, plant and equipment	**5,252**	5,720
– Investments	**174**	463
	86,890	97,248

Note:

(i) Contracted expenditures for the above aircraft, engines and flight equipment, including deposits prior to delivery, subject to future inflation increase built into the contracts were expected to be paid as follows:

	2024 RMB million	2023 RMB million
Within one year	**27,736**	21,202
In the second year	**21,518**	22,347
In the third year	**15,191**	19,666
Over three years	**17,019**	27,850
	81,464	91,065

The above capital commitments represent the future outflows of cash or other resources.

(b) The Group has various lease contracts that have not yet commenced as at 31 December 2024. The future lease payments for these non-cancellable lease contracts are RMB74 million (2023: RMB279 million) due within one year, RMB296 million (2023: RMB530 million) due in the second to fifth years and RMB365 million due over five years (2023: RMB332 million).

(c) As at 31 December 2024, lease commitments for short-term leases amounted to RMB38 million (2023: RMB227 million).

46. Related party transactions

The Group is controlled by CEA Holding, which directly owns 39.74% of the Company's shares as at 31 December 2024 (31 December, 2023: 39.57%). In addition, through CES Global Holdings (Hong Kong) Limited and CES Finance Holding Co., Limited, two wholly owned subsidiaries of CEA Holding, CEA Holding indirectly owns additional shares of the Company of approximately 12.46% and 2.05% respectively as at 31 December 2024 (31 December 2023: 12.19% and 2.05%).

The Company is a state-owned enterprise established in the PRC and is controlled by the PRC government, which also owns a significant portion of the productive assets in the PRC. In accordance with IAS 24 "Related Party Disclosures", government-related entities and their subsidiaries, directly or indirectly controlled, jointly controlled or significantly influenced by the PRC government are defined as related parties of the Group. On that basis, related parties include CEA Holding and its subsidiaries (other than the Group), other government-related entities and their subsidiaries ("Other State-owned Enterprises"), other entities and corporations over which the Company is able to control or exercise significant influence and key management personnel of the Company as well as their close family members.

For the purpose of the related party transaction disclosures, the directors of the Company believe that meaningful information in respect of related party transactions has been adequately disclosed.

(a) Nature of related parties that do not control or controlled by the Group:

Name of related party	Relationship with the Group
Eastern Air Group Finance Co., Ltd. ("Eastern Air Finance Company")	Associate of the Company
Shanghai Pratt & Whitney Aircraft Engine Maintenance Co., Ltd. ("Shanghai P&W")	Associate of the Company
Shanghai Collins Aviation Maintenance Service Co., Ltd. ("Collins Aviation")	Associate of the Company
Shanghai Airlines Tours International (Group) Co., Ltd. and its subsidiaries ("Shanghai Airlines Tours")	Associate of the Company
China Eastern Air Catering Investment Co., Limited and its subsidiaries ("Eastern Air Catering")	Associate of the Company
Xi'an Civil Aviation Kaiya Technology Co., Ltd. ("Xian Kaiya")	Associate of the Company
CAE Melbourne Flight Training Pty Limited ("CAE Melbourne")	Joint venture of the Company
Shanghai Technologies Aerospace Co., Ltd. ("Technologies Aerospace")	Joint venture of the Company
Eastern China Kaiya System Integration Co., Ltd. ("China Kaiya")	Joint venture of the Company
Xi An Cea Safran Landing Systems Services Co., Ltd. ("XIESA")	Joint venture of the Company
Eastern Air Logistics Co., Ltd. and its subsidiaries ("Eastern Logistics")	Controlled by the same parent company
Shanghai Eastern Airlines Investment Co., Ltd. and its subsidiaries ("Eastern Investment")	Controlled by the same parent company
CES International Financial Leasing Corporation Limited and its subsidiaries ("CES Lease Company")	Controlled by the same parent company
CES Finance Holding Co., Ltd. ("CES finance")	Controlled by the same parent company
China Eastern Airlines (Hangzhou) Flight Training Co., Ltd. ("CES Hangzhou Training")	Controlled by the same parent company
TravelSky Technology Limited ("TravelSky")	A key management personnel of the Company is a director of Travelsky
Sichuan Airlines Co., Ltd. ("Sichuan Air")	A key management personnel of the Company is a director of Sichuan Air
Air France-KLM Group ("AFK")	A key management personnel of the Company is a director of AFK
Juneyao Airlines Co., Ltd and its subsidiaries ("Juneyao Air")	Shareholder who hold more than 5% of the company's voting shares

46. Related party transactions *(continued)*

(b) Related party transactions

Nature of transaction	Related party	Pricing policy and decision process	2024 RMB million	2023 RMB million
Purchase of goods and services				
Payments on food and beverages	Eastern Air Catering	(i)	**3,161**	2,395
Repairs and maintenance expense for aircraft and engines	Shanghai P&W	(i)	**4,187**	2,666
	Technologies Aerospace	(i)	**228**	209
	XIESA	(i)	**230**	160
Payments on conference and training services	CES Hangzhou Training	(i)	**3**	–
Payments on system services	China Kaiya	(i)	**13**	1
	Xian Kaiya	(i)	**1**	–
Equipment maintenance fee	Collins Aviation	(i)	**27**	38
Automobile maintenance service, aircraft maintenance, providing transportation automobile and other products	Eastern Investment	(i)	**90**	67
Property management and green maintenance expenses	Eastern Investment	(i)	**403**	255
Payments on hotel accommodation service	Eastern Investment	(i)	**268**	173
	Shanghai Airlines Tours	(i)	**95**	44
Payments on construction and management agent	Eastern Investment	(i)	**6**	7
Civil aviation information network services*	TravelSky	(i)	**773**	623

46. Related party transactions *(continued)*

(b) Related party transactions *(continued)*

Nature of transaction	Related party	Pricing policy and decision process	2024 RMB million	2023 RMB million
Purchase of goods and services *(continued)*				
Payments on aviation transportation cooperation and support services*	AFK	(i)	**5**	9
Financial services fees	Eastern Air Finance Company	(i)	**12**	11
Flight equipment spare parts maintenance and support services	AFK	(i)	**5**	69
Payments on hosting services	CES Lease Company		**1**	–
Aviation Internet services	Air Ground Internet	(i)	**74**	61
Cargo terminal business support services	Eastern Logistics	(i)	**426**	349
Bellyhold container management	Eastern Logistics	(i)	**15**	15
Payments on logistics services	Eastern Logistics	(i)	**134**	124
Sale of goods and provision of services				
Exclusive operation transportation in relation to the passenger aircraft cargo business (note)	Eastern Logistics	(i)	**5,331**	3,634
Freight logistics support services	Eastern Logistics	(i)	**330**	340
Software system and support services	Eastern Logistics	(i)	**13**	18
Transfer of pilots	Eastern Logistics	(i)	**142**	47
	Juneyao Air	(i)	**22**	–
Aviation transportation cooperation and support services*	AFK	(i)	**63**	8
Aviation transportation cooperation services	Juneyao Air	(i)	**23**	22
Flight equipment spare parts maintenance and support services	Juneyao Air	(i)	**36**	42

46. Related party transactions *(continued)*

(b) Related party transactions *(continued)*

Nature of transaction	Related party	Pricing policy and decision process	2024 RMB million	2023 RMB million
Sale of goods and provision of services *(continued)*				
Aviation transportation cooperation services	Sichuan Air	(i)	**23**	18
Sale of Goods	Eastern Air Catering	(i)	**75**	56
Provision of services	Eastern Investment	(i)	**33**	23
	Eastern Air Catering	(i)	**8**	4
	CEA Holding	(i)	**2**	–
	Technologies Aerospace	(i)	**10**	–
Provision of aviation material import services	XIESA	(i)	**23**	–
Sale of Goods	Air Ground Internet	(i)	**14**	–
	Shanghai Airlines Tours	(i)	**2**	–
Rental income				
Rental income for land and buildings under short-term leases	Eastern Air Catering	(ii)	**31**	33
	Sichuan Air	(ii)	**19**	19
	Juneyao Air	(ii)	**3**	1
	CEA Holding	(ii)	**6**	4
Rental income for Intangible assets	Eastern Logistics	(ii)	**5**	5
Rental income for cargo terminal	Eastern Logistics	(ii)	**93**	95
Lease Payments				
Lease Payments for land and buildings	Eastern Investment	(ii)	**148**	114
	Eastern Air Catering	(ii)	**8**	3
	CEA Holding	(ii)	**30**	35
	Eastern Logistics	(ii)	**2**	–
Lease payments for special vehicle and equipment	Eastern Investment	(ii)	**258**	161
Settlements of lease liabilities on aircraft and engines	CES Lease Company	(ii)	**13,010**	6,034
Addition in right-of-use assets on new leases				
Aircraft and engines	CES Lease Company	(ii)	**6,681**	–
Ground assets	Eastern Investment	(ii)	**271**	896
	CEA Holding		**7**	–
Land and buildings	Eastern Air Catering	(ii)	**8**	–
	Eastern Investment	(ii)	**–**	78

46. Related party transactions *(continued)*

(b) Related party transactions *(continued)*

Nature of transaction	Related party	Pricing policy and decision process	2024 RMB million	2023 RMB million
Interest on lease liabilities				
Aircraft and engines	CES Lease Company	(ii)	**952**	1,090
Ground assets	Eastern Investment	(ii)	**15**	12
Land and buildings	Eastern Investment	(ii)	**7**	11
	Eastern Air Catering	(ii)	**3**	–
Interest expense				
Interest expense on loans	CEA Holding	(iii)	**154**	190
	Eastern Air Finance Company	(iii)	**27**	34
	Eastern Investment	(iii)	**–**	15
Interest income				
Interest income on deposits	Eastern Air Finance Company	(iii)	**62**	24
Perpetual bond				
Interest expense on perpetual bond	CEA Holding	(iii)	**600**	57
Issue of perpetual bond – Principal	CEA Holding	(iii)	**5,000**	20,000
interest payment of perpetual bond	CEA Holding	(iii)	**590**	–

Notes:

(i) The Group's pricing policies on goods and services purchased from and provided to related parties are mutually agreed between contract parties.

To address the business competition between the passenger aircraft cargo business of the Company and the all-cargo aircraft business of China Cargo Airlines Co., Limited ("China Cargo Airlines"), a subsidiary of Eastern Logistics, the Company gave China Cargo Airlines a long term contractual operation to operate and manage the passenger aircraft bellyhold space cargo business with independence and autonomy. Pursuant to which China Cargo Airlines will have exclusive operation to independently operate and manage the Group's passenger aircraft cargo business. The exclusive operation agreement was entered into by both parties on 29 September 2020 which was deemed to have become effective on 1 January 2020.

(ii) The Group's pricing policies on related party lease payments are mutually agreed between contract parties.

(iii) The Group's pricing policies on related party interest rates are mutually agreed based on benchmark interest rates.

* This related party transaction constitutes a continuing connected transaction pursuant to the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange.

During the year ended 31 December 2024 and 2023, the Group's significant transactions with entities that are controlled, jointly controlled or significantly influenced by the PRC government mainly include most of its bank deposits/borrowings and the corresponding interest income/expense and part of sales and purchases of goods and services. The price and other terms of such transactions are set out in the agreements governing these transactions or as mutually agreed.

46. Related party transactions *(continued)*

(c) Balances with related parties

(i) Amounts due from related parties

	2024 RMB million	2023 RMB million
Trade and bills receivables		
Eastern Logistics	**682**	1,071
Eastern Air Catering	**33**	17
Juneyao Air	**7**	6
Others	**26**	21
	748	1,115

	2024 RMB million	2023 RMB million
Prepayments and other receivables		
Eastern Air Finance Company	**379**	318
TravelSky	**230**	117
Eastern Air Catering	**–**	98
CEA Holding	**30**	24
Technologies Aerospace	**20**	–
Juneyao Air	**8**	3
Others	**24**	18
	691	578
Other Non-crrent Asset		
XIESA	**4**	8
TravelSky	**–**	87
	4	95

46. Related party transactions *(continued)*

(c) Balances with related parties *(continued)*

(ii) Amounts due to related parties

	2024 **RMB million**	2023 RMB million
Trade payables and bills payables, Other payables and accruals		
TravelSky	**985**	87
Shanghai P&W	**642**	514
Eastern Air Catering	**405**	593
Air Ground Internet	**114**	–
Technologies Aerospace	**82**	7
CEA Holding	**57**	160
XIESA	**55**	–
Eastern Investment	**50**	60
China Kaiya	**1**	–
Junyao Air	**4**	3
Collins Aviation	**5**	3
Others	**23**	27
	2,423	1,454

	2024 **RMB million**	2023 RMB million
Lease liabilities		
CES Lease Company	**29,882**	34,776
Eastern Investment	**567**	1,086
CEA Holding	**36**	–
Eastern Logistics	**2**	–
Eastern Air Catering	**3**	4
	30,490	35,866

46. Related party transactions *(continued)*

(c) Balances with related parties *(continued)*

(ii) Amounts due to related parties *(continued)*

	2024 RMB million	2023 RMB million
Perpetual bond		
CEA Holding	**25,067**	20,057

	2024 RMB million	2023 RMB million
Other long-term liabilities		
Eastern Air Catering	**63**	64

	2024 RMB million	2023 RMB million
Contact liabilities		
Eastern Air Catering	**13**	–
Juneyao Air	**1**	–
	14	–

Except for the amounts due to CES Lease Company, which are related to the aircraft under leases, all other amounts due to related parties are unsecured, interest-free and payable within normal credit terms given by trade creditors.

46. Related party transactions *(continued)*

(c) Balances with related parties *(continued)*

(iii) Short-term deposits, loan and borrowings with related parties

	Average interest rate for the year ended 31 December		**31 December**	31 December
	2024	2023	**2024**	2023
			RMB million	RMB million
Short-term deposits (included in cash and cash equivalents)				
Eastern Air Finance Company	**0.20%**	0.20%	**2,774**	9,414
Short-term borrowings (included in borrowings)				
Eastern Air Finance Company	**2.30%**	2.60%	**1,600**	2,000
CES Finance	**3.15%**	–	**7**	–
CEA Holding	**2.00%**	2.00%	**1,701**	7,500
Eastern Investment	**2.00%**	–	**1,000**	–
Long-term borrowings (included in borrowings)				
CEA Holding	**2.00%**	2.00%	**1,001**	1,000

(d) Guarantees by the holding company

As at 31 December 2024, bonds of the Group guaranteed by CEA Holding amounted to RMB1,510 million (31 December 2023: RMB1,510 million).

(e) Key management compensation

The compensation paid or payable to key management for employee services mainly comprising salaries and other short-term employee benefits were analysed as follows:

	2024	2023
	RMB million	RMB million
Other payables and accruals		
Directors and supervisors	**2**	2
Senior management	**1**	1
	3	3

47. Financial instruments by category

The Group holds the following financial instruments:

Financial assets	Note	2024 RMB million	2023 RMB million
Financial assets at amortised cost			
Trade and bills receivables	30	**1,949**	2,191
Prepayments and other receivables	32	**4,019**	3,059
Cash and cash equivalents	33	**4,072**	11,858
Restricted bank deposits	33	**61**	319
Financial assets included in other non-current assets		**251**	177
Equity investments designed at fair value through other comprehensive income	25	**1,417**	1,057
Financial assets at fair value through profit or loss	31	**101**	65
Derivative financial instruments	26	**56**	49
		11,926	18,775

Financial liabilities	Note	2024 RMB million	2023 RMB million
Liabilities at amortised cost			
Trade and bills payables	34	**14,515**	4,601
Financial liabilities included in other payables and accruals	36	**14,488**	13,232
Borrowings	37	**103,174**	111,028
		132,177	128,861

48. Fair value and fair value hierarchy of financial instruments

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, were as follows:

	2024		2023	
	Carrying amount RMB million	**Fair value amount RMB million**	Carrying amount RMB million	Fair value amount RMB million
Financial liabilities				
Long-term borrowings	**53,598**	**53,682**	58,022	56,920
Total	**53,598**	**53,682**	58,022	56,920

The Group has assessed that the fair values of cash and cash equivalents, restricted bank deposits, Trade and bills receivables, trade and bills payables, financial assets included in prepayments and other receivables, financial liabilities included in other payables and accruals, short-term bank borrowings and short-term debentures approximate to their carrying amounts largely due to the short-term maturities of these instruments.

The fair values of the deposits relating to aircraft held under leases included in other non-current assets and long-term borrowings have been measured using significant observable inputs and calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities.

The Group enters into derivative financial instruments, including forward currency contracts and interest rate swaps with various counterparties, principally financial institutions with high credit ratings.

48. Fair value and fair value hierarchy of financial instruments *(continued)*

Derivative financial instruments are measured using valuation techniques similar to forward pricing and swap models, using present value calculations. The models incorporate various market observable inputs including the foreign exchange spot and forward rates and interest rate curves. The carrying amounts of forward currency contracts, fuel hedging contracts and interest rate swaps are the same as their fair values.

As at 31 December 2024, the marked to market value of the derivative asset position is net of a credit valuation adjustment attributable to derivative counterparty default risk. The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationship and other financial instruments recognised at fair value.

The fair values of listed equity investments are based on quoted market prices. The fair values of unlisted equity investments designated at fair value through other comprehensive income have been estimated using a market-based valuation technique based on assumptions that are not supported by observable market prices or rates. The valuation requires the directors to determine comparable public companies (peers) based on industry, size, leverage and strategy, and calculates an appropriate price multiple, such as enterprise value to earnings before interest, taxes, depreciation and amortisation ("EV/EBITDA") multiple and price to earnings ("P/E") multiple, for each comparable company identified. The multiple is calculated by dividing the enterprise value of the comparable company by an earnings measure. The trading multiple is then discounted for considerations such as illiquidity and size differences between the comparable companies based on company-specific facts and circumstances. The discounted multiple is applied to the corresponding earnings measure of the unlisted equity investments to measure the fair value. The directors believe that the estimated fair values resulting from the valuation technique, which are recorded in the consolidated statement of financial position, and the related changes in fair values, which are recorded in other comprehensive income, are reasonable, and that they were the most appropriate values at the end of the reporting period.

Set out below is a summary of significant unobservable inputs to the valuation of financial instruments together with a quantitative sensitivity analysis as at 31 December 2024 and 2023:

	Valuation technique	Significant unobservable input	Range	Sensitivity of fair value to the input
Unlisted equity investments	Valuation multiples	Discount for lack of marketability	28% (31 December 2023: 28%)	1% (31 December 2023: 1%) increase/decrease in multiple would result in increase/decrease in fair value by RMB3 million (31 December 2023: RMB8 million)

The discount for lack of marketability represents the amounts of premiums and discounts determined by the Group that market participants would take into account when pricing the investments.

48. Fair value and fair value hierarchy of financial instruments *(continued)*

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets and liabilities measured at fair value:

As at 31 December 2024

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB million	**Significant observable inputs (Level 2) RMB million**	**Significant unobservable inputs (Level 3) RMB million**	**Total RMB million**
Assets				
Equity investments designated at fair value through other comprehensive income	**204**	**–**	**1,213**	**1,417**
Derivative financial liabilities				
– Interest rate swaps	**–**	**7**	**–**	**7**
– Foreign exchange swaps	**–**	**49**	**–**	**49**
Financial assets at fair value through profit or loss	**101**	**–**	**–**	**101**
Total	**305**	**56**	**1,213**	**1,574**

As at 31 December 2023

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB million	Significant observable inputs (Level 2) RMB million	Significant unobservable inputs (Level 3) RMB million	Total RMB million
Assets				
Equity investments designated at fair value through other comprehensive income	260	–	797	1,057
Derivative financial liabilities				
– Interest rate swaps	–	49	–	49
Financial assets at fair value through profit or loss	65	–	–	65
Total	325	49	797	1,171

48. Fair value and fair value hierarchy of financial instruments *(continued)*

Fair value hierarchy *(continued)*

Assets and liabilities measured at fair value: *(continued)*

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 (2023: Nil) and no transfers into or out of Level 3 for both financial assets and financial liabilities during the year of 2024.

The following table presents the changes in level 3 items for the year ended 31 December 2024:

	Equity investments designated at fair value through other comprehensive income RMB million
Opening balance as at 1 January 2024	**797**
Addition	**468**
Loss recognised in other comprehensive income	**(52)**
Closing balance as at 31 December 2024	**1,213**

Assets and liabilities for which fair values are disclosed:

As at 31 December 2024

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB million	Significant observable inputs (Level 2) RMB million	Significant unobservable inputs (Level 3) RMB million	Total RMB million
Assets				
Deposits relating to aircraft held under leases included in other non-current assets	–	80	–	80
Liabilities				
Long-term borrowings	–	53,682	–	53,682
	–	53,762	–	53,762

48. Fair value and fair value hierarchy of financial instruments *(continued)*

Fair value hierarchy *(continued)*

Assets and liabilities measured at fair value: *(continued)*

As at 31 December 2023

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB million	Significant observable inputs (Level 2) RMB million	Significant unobservable inputs (Level 3) RMB million	Total RMB million
Assets				
Deposits relating to aircraft held under leases included in other non-current assets	–	78	–	78
Liabilities				
Long-term borrowings	–	56,920	–	56,920
	–	56,998	–	56,998

48.1 Accounting policies of fair value measurement

The Group measures its derivative financial instruments and equity investments at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

48. Fair value and fair value hierarchy of financial instruments *(continued)*

48.1 Accounting policies of fair value measurement *(continued)*

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

49. Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, interest rate risk, fuel price risk and equity price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to manage risk exposures whenever management considers necessary.

Risk management is carried out by a central treasury department (the "Group Treasury") under policies approved by the Board. The Group Treasury identifies, evaluates and hedges financial risks in close cooperation with the Group's operating units. The overall risk management strategies, as well as written policies covering specific areas such as foreign currency risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, were approved by the Board.

49.1 Financial risk factors

(a) Market risk

(i) Foreign exchange risk

The Group generates its revenue in different currencies, and the amount of its foreign currency liabilities at the end of the period is much higher than that of its foreign currency assets. The Group's major liability items (mainly resulting from purchases of aircraft) are mainly priced and settled in foreign currencies, primarily USD. The Group is exposed to currency risks from fluctuations in various foreign currency exchange rates against RMB.

In addition, fluctuations in foreign currency exchange rates will affect the Group's future costs for purchases of aircraft, flight equipment and aviation fuel, and take-off and landing charges in foreign airports.

49. Financial risk management *(continued)*

49.1 Financial risk factors *(continued)*

(a) Market risk *(continued)*

(i) Foreign exchange risk (continued)

The following tables detail the Group's exposure to major currency risk at the reporting date:

	2024			
	USD	**EUR**	**SGD**	**JPY**
	RMB million	**RMB million**	**RMB million**	**RMB million**
Trade and bills receivables	**47**	**44**	**–**	**50**
Cash and cash equivalents	**687**	**115**	**37**	**11**
Other receivables	**62**	**9**	**–**	**10**
Other non-current assets	**1,079**	**–**	**–**	**–**
Trade and other payables	**(345)**	**(2)**	**(4)**	**(2)**
Lease liabilities	**(25,059)**	**(11)**	**(3)**	**(2)**
Borrowings	**–**	**–**	**(2,680)**	**–**
Other long-term liabilities	**(93)**	**–**	**–**	**–**

	2023			
	USD	EUR	SGD	JPY
	RMB million	RMB million	RMB million	RMB million
Trade and bills receivables	29	46	6	30
Cash and cash equivalents	754	63	42	10
Other receivables	20	5	1	12
Other non-current assets	1,020	–	–	–
Trade and other payables	(335)	(2)	–	(2)
Lease liabilities	(30,992)	(9)	(4)	(30)
Borrowings	–	(1,172)	(2,707)	–
Other long-term liabilities	(218)	–	–	–

49. Financial risk management *(continued)*

49.1 Financial risk factors *(continued)*

(a) Market risk *(continued)*

(i) Foreign exchange risk *(continued)*

The following tables indicate the approximate change in the Group's consolidated statement of profit or loss and other comprehensive income in response to a 1% appreciation or depreciation of the RMB against the following major currencies at the reporting date:

	2024		2023	
	Effect on profit or loss RMB million	**Effect on other comprehensive income RMB million**	Effect on profit or loss RMB million	Effect on other comprehensive income RMB million
If RMB (weakens)/strengthens against USD	**(237)/237**	**–**	(297)/297	–
If RMB (weakens)/strengthens Against EUR	**1/(1)**	**–**	(11)/11	–
If RMB (weakens)/strengthens against SGD	**(27)/27**	**–**	(27)/27	–

(ii) Interest rate risk

The Group's interest rate risk primarily arises from borrowings and lease liabilities. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings and finance leases issued at fixed rates expose the Group to fair value interest rate risk. The Group determines the proportion of borrowings and finance leases issued at variable rates and fixed rates based on the market environment.

The Group's finance department has been monitoring the level of interest rates. The increase in the interest rates will increase the interest costs of borrowings and finance leases issued at variable rates, which will further impact the performance of the Group. To hedge against the variability in the cash flows arising from a change in market interest rates, the Group has entered into certain interest rate swaps to swap variable rates into fixed rates. The interest rates and terms of repayment of borrowings made to the Group and interest rate swaps are disclosed in Notes 37 and 26 to the consolidated financial statements.

49. Financial risk management *(continued)*

49.1 Financial risk factors *(continued)*

(a) Market risk *(continued)*

(ii) Interest rate risk *(continued)*

The following tables detail the interest rate profiles of the Group's interest-bearing financial instruments at the reporting date:

	2024 **RMB million**	2023 RMB million
Floating rate instruments		
Cash and cash equivalents	**4,072**	11,858
Restricted bank deposits	**14**	16
Borrowings	**(48,586)**	(45,262)
Lease liabilities	**(46,402)**	(47,015)
Interest rate swaps at notional amount	**378**	1,339
Foreign exchange swaps at notional amount	**1,553**	–

	2024 **RMB million**	2023 RMB million
Fixed rate instruments		
Restricted bank deposits	**47**	303
Borrowings	**(54,588)**	(65,279)
Lease liabilities	**(26,447)**	(36,617)

The following table indicates the approximate change in the Group's profit or loss and other comprehensive income, taking the interest rate swap into consideration, if interest rate had been 25 basis points higher with all other variables held constant:

	2024		2023	
	Effect on profit or loss **RMB million**	**Effect on other comprehensive income** **RMB million**	Effect on profit or loss RMB million	Effect on other comprehensive income RMB million
Floating rate instruments	**(170)**	**5**	(153)	4

49. Financial risk management *(continued)*

49.1 Financial risk factors *(continued)*

(a) Market risk *(continued)*

(iii) Fuel price risk

Jet fuel is a major component of the Group's operating expenses and the Group's results are significantly affected by the volatility in the price of jet fuel. For the year ended 31 December 2024, if fuel price had been 5% lower/higher with all other variables held constant, the Group's fuel cost would have been RMB2,275 million lower/higher (2023: RMB2,055 million lower/higher).

(iv) Equity price risk

The Group is exposed to equity price risk arising from individual equity investments included in financial asset at fair value through profit or loss (Note 31) and equity investments designated at fair value through other comprehensive income (Note 25) as at 31 December 2024. The Group's listed investments are listed on the Hong Kong and Shanghai stock exchanges and are valued at quoted market prices at the end of the reporting period.

The market equity indices for the following stock exchanges, at the close of business of the nearest trading day in the year to the end of the reporting period, and their respective highest and lowest points during the year were as follows:

	31 December 2024	**High/Low 2024**	31 December 2023	High/Low 2023
Hong Kong – Hang Seng Index	**20,060**	**23,242/14,794**	17,047	22,701/15,972
Shanghai – A Share Index	**3,352**	**3,674/2,635**	2,974	3,419/2,882

The following table demonstrates the sensitivity to every 20% change in the fair values of the equity investments, with all other variables held constant, based on their carrying amounts at the end of the reporting period. For the purpose of this analysis, for the equity investments at fair value through other comprehensive income, the impact is deemed to be on the fair value reserve as at 31 December 2024.

2024	**Carrying amount of equity investment RMB million**	**Increase/ (decrease) in profit or loss RMB million**	**Increase/ (decrease) in comprehensive income RMB million**
Investments listed in:			
Hong Kong — Equity investment designated at fair value through other comprehensive income	**204**	**–**	**30/(30)**
Shanghai — Financial asset at fair value through profit or loss	**101**	**8/(8)**	**–**
Unlisted investments at fair value: — Equity investment designated at fair value through other comprehensive income	**1,213**	**–**	**92/(92)**

49. Financial risk management *(continued)*

49.1 Financial risk factors *(continued)*

(a) Market risk *(continued)*

(iv) Equity price risk (continued)

2023	Carrying amount of equity investment RMB million	Increase/ (decrease) in profit or loss RMB million	Increase/ (decrease) in comprehensive income RMB million
Investments listed in:			
Hong Kong — Equity investment designated at fair value through other comprehensive income	260	–	20/(20)
Shanghai — Financial asset at fair value through profit or loss	65	5/(5)	–
Unlisted investments at fair value: — Equity investment designated at fair value through other comprehensive income	797	–	60/(60)

(b) Credit risk

The Group's credit risk is primarily attributable to cash and cash equivalents, deposits and derivative financial instruments with banks and financial institutions, as well as credit exposures to sales agents.

Credit risk concentration

A significant portion of the Group's air tickets is sold by sales agents participating in the Billing and Settlements Plan ("BSP"), a clearing system between airlines and sales agents organised by the International Air Transportation Association. The balance due from BSP agents amounted to approximately RMB789 million as at 31 December, 2024 (2023: approximately RMB709 million). The credit risk exposure to BSP agents and the remaining trade receivables are maintained by the Group on an on-going basis and the allowance for impairment of doubtful debts is within management's expectations.

Other receivables

For other receivables, the management makes periodic individual assessment on the recoverability of other receivables based on historical settlement records, past experience, and also quantitative and qualitative in formation that is reasonable and supportive forward-looking information. The management believes that there are no significant increase in credit risk of these amounts since initial recognition and the Group provided impairment based on 12m ECL. For the years ended 31 December 2024 and 2023, the Group assessed the ECL for other receivables are insignificant and recognised loss allowance.

Cash and cash equivalents

The Group's cash management policy is to deposit cash and cash equivalents mainly in state-owned banks and other reputable banks and financial institutions. The Group also deposits cash and cash equivalents in an associate financial institution owned by its holding company (Note 46(c)(iii)). Management does not expect any loss to arise from non-performance by these banks and the financial institution.

49. Financial risk management *(continued)*

49.1 Financial risk factors *(continued)*

(b) Credit risk *(continued)*

Derivative financial instruments

Transactions in relation to derivative financial instruments are only carried out with reputable banks and financial institutions. The Group has policies that limit the amount of credit exposure to any bank and financial institution. Management does not expect any losses from non-performance by these banks and financial institutions.

Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral. Concentrations of credit risk are managed by customer, by geographical region and by industry sector. There are no significant concentrations of credit risk within the Group as the customer bases of the Group's trade receivables are widely dispersed in different sectors and industries.

49. Financial risk management *(continued)*

49.1 Financial risk factors *(continued)*

(b) Credit risk *(continued)*

Maximum exposure and year-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December.

The amounts presented are gross carrying amounts for financial assets and the exposure to credit risk.

As at 31 December 2024	**12-month ECLs**	**Lifetime ECLs**			
	Stage 1 RMB million	**Stage 2 RMB million**	**Stage 3 RMB million**	**Simplified approach RMB million**	**Total RMB million**
Trade receivable*	**–**	**–**	**42**	**1,946**	**1,988**
Financial assets included in prepayments and other receivables					
– Normal**	**2,558**	**455**	**291**	**–**	**3,304**
Restricted bank deposits					
– Not yet past due	**61**	**–**	**–**	**–**	**61**
Cash and cash equivalents					
– Not yet past due	**4,072**	**–**	**–**	**–**	**4,072**

As at 31 December 2023	12-month ECLs	Lifetime ECLs			
	Stage 1 RMB million	Stage 2 RMB million	Stage 3 RMB million	Simplified approach RMB million	Total RMB million
Trade receivable*	–	–	46	2,239	2,285
Financial assets included in prepayments and other receivables					
– Normal**	1,871	499	274	–	2,644
Restricted bank deposits					
– Not yet past due	319	–	–	–	319
Cash and cash equivalents	–				–
– Not yet past due	11,858	–	–	–	11,858

* For trade receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in notes 30 to the financial statements, respectively.

Further quantitative data in respect of the Group's exposure to credit risk arising from trade receivables are disclosed in note 30 to the financial statements.

** The credit quality of the financial assets included in prepayments and other receivables is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be "doubtful".

49. Financial risk management *(continued)*

49.1 Financial risk factors *(continued)*

(c) Liquidity risk

The Group's primary cash requirements are for day-to-day operations, additions of and upgrades to aircraft, engines and flight equipment and repayments of related borrowings. The Group finances its working capital requirements through a combination of funds generated from operations and borrowings including bank loans, debentures and bonds (both short-term and long-term). The Group generally finances the acquisition of aircraft through leases or bank loans.

The table below analyses the Group's financial liabilities that will be settled into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

At 31 December 2024	**Less than 1 year RMB million**	**1 to 2 years RMB million**	**2 to 5 years RMB million**	**Over 5 years RMB million**	**Total RMB million**
Borrowings	**50,845**	**30,694**	**14,673**	**12,039**	**108,251**
Lease liabilities	**17,413**	**14,153**	**35,205**	**15,584**	**82,355**
Trade, bills and other payables	**29,037**	**–**	**–**	**–**	**29,037**
Long-term payables	**304**	**175**	**171**	**–**	**650**
Total	**97,599**	**45,022**	**50,049**	**27,623**	**220,293**

At 31 December 2023	Less than 1 year RMB million	1 to 2 years RMB million	2 to 5 years RMB million	Over 5 years RMB million	Total RMB million
Borrowings	54,460	15,251	37,500	10,431	117,642
Lease liabilities	20,809	16,177	38,684	17,389	93,059
Trade, bills and other payables	20,315	–	–	–	20,315
Long-term payables	393	281	310	24	1,008
Total	95,977	31,709	76,494	27,844	232,024

49. Financial risk management *(continued)*

49.2 Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2024 and 31 December 2023.

The Group monitors capital on the basis of the debt ratio, which is calculated as total liabilities divided by total assets. The debt ratios as at the end of the reporting periods were as follows:

	31 December 2024 RMB million	31 December 2023 RMB million
Total liabilities	**235,191**	241,251
Total assets	**278,842**	284,816
Debt ratio	**84%**	85%

50. Summary of other accounting policies

50.1 Principles of consolidation

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity where the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and the statement of financial position respectively.

50. Summary of other accounting policies *(continued)*

50.1 Principles of consolidation *(continued)*

(ii) Associates

Associates are all entities over which the Group has significant influence but not control or joint control.

Investments in associates are accounted for using the equity method (see (iv) below), after initially being recognised at cost.

(iii) Joint ventures

Interests in joint ventures are accounted for using the equity method (see (iv) below), after initially being recognised at cost in the consolidated statement of financial position.

(iv) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

Where the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in note 17.2.

50. Summary of other accounting policies *(continued)*

50.1 Principles of consolidation *(continued)*

(v) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of the Company.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

50.2 Business combinations

(i) Business combinations under common control

The historical financial information incorporate the financial information of the combining entities in which the common control combination occurs as if they had been combined from the date when the combining entities first came under the control of the controlling party.

The net assets of the combining entities are combined using the existing book values from the controlling parties' perspective. No amount is recognised in consideration for goodwill or excess of acquirers' interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination, to the extent of the continuation of the controlling party's interests.

The consolidated income statement include the results of each of the combining entities from the earliest date presented or since the date when the combining entities first came under the common control, where there is a shorter period, regardless of the date of the common control combination.

The comparative amounts in the historical financial information are presented as if the entities had been combined at the previous year end date or when they first came under common control, whichever is shorter.

A uniform set of accounting policies is adopted by those entities. All intra-group transactions, balances and unrealised gains on transactions between combining entities are eliminated on consolidation.

Transaction costs, including professional fees, registration fees, costs of furnishing information to owners, costs or losses incurred in combining operations of the previously separate businesses, etc., incurred in relation to the common control combination that is to be accounted for by using merger accounting, are recognised as expenses in the period in which it is incurred.

50. Summary of other accounting policies *(continued)*

50.2 Business combinations *(continued)*

(ii) Business combinations not under common control

The acquisition method of accounting is used to account for all business combinations (except for business combination under common control), regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the Group
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the consideration transferred, amount of any non-controlling interest in the acquired entity, and acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value, with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

50. Summary of other accounting policies *(continued)*

50.3 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

50.4 Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in"RMB", which is the functional and presentation currency of the Company and the Group's entities.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates, are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges.

Foreign exchange gains and losses that relate to borrowings, cash and cash equivalents and lease liabilities are presented in profit or loss within "finance income" or "finance costs".

50.5 Government grants

Government grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

50. Summary of other accounting policies *(continued)*

50.6 Maintenance and overhaul costs

Overhaul costs that meet specific recognition criteria are capitalised as a component of property, plant and equipment or right-of-use assets and are depreciated over the appropriate maintenance cycles.

Certain lease arrangements contain provisions for the Group's obligations to fulfil certain return conditions at the end of lease term. The Group estimated lease return costs for aircraft and engines and recognised such costs as part of the right-of-use asset and are depreciated over their respective lease term.

All other repairs and maintenance costs are charged to profit or loss as and when incurred.

50.7 Interest income

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

50.8 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Other borrowing costs are expensed in the period in which they are incurred.

50.9 Intangible assets

(i) Goodwill

Goodwill is measured as described in note 20. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments.

(ii) Computer software costs

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised using the straight-line method over their estimated useful lives of 3-5 years. Costs associated with developing or maintaining computer software programs are recognised as expenses when incurred.

50.10 Deferred pilot recruitment costs

Deferred pilot recruitment costs represent the costs borne by the Group in connection with securing a certain minimum period of employment of pilots and are amortised on a straight-line basis over the anticipated beneficial period of 5 years, starting from the date the pilot joins the Group.

50. Summary of other accounting policies *(continued)*

50.11 Advanced payments on acquisition of aircraft

Advanced payments on acquisition of aircraft represent payments to aircraft manufacturers to secure deliveries of aircraft in future years, including attributable borrowing costs, and are included in non-current assets. The balance is transferred to property, plant and equipment upon delivery of the aircraft.

50.12 Flight equipment spare parts

Flight equipment spare parts are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. The cost of flight equipment spare parts comprises the purchase price (net of discounts), freight charges, duty and other miscellaneous charges. Net realisable value is the estimated selling price of the flight equipment spare parts in the ordinary course of business, less applicable selling expenses.

50.13 Investments and other financial assets

(i) Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 in accordance with the policies set out for "Revenue recognition".

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

50. Summary of other accounting policies *(continued)*

50.13 Investments and other financial assets *(continued)*

(ii) Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the statement of profit or loss when the asset is derecognised, modified or impaired.

Financial assets designated at fair value through other comprehensive income (equity investments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity investments designated at fair value through other comprehensive income when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to the statement of profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case such gains are recorded in other comprehensive income. Equity investments designated at fair value through other comprehensive income are not subject to impairment assessment.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes derivative instruments and equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on equity investments classified as financial assets at fair value through profit or loss are also recognised as other income in the statement of profit or loss when the right of payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

50. Summary of other accounting policies *(continued)*

50.13 Investments and other financial assets *(continued)*

(ii) Subsequent measurement *(continued)*

Financial assets at fair value through profit or loss *(continued)*

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in the statement of profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

(iii) Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

(i) the rights to receive cash flows from the asset have expired; or

(ii) the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

50. Summary of other accounting policies *(continued)*

50.13 Investments and other financial assets *(continued)*

(iv) Impairment

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

Lifetime ECL for certain trade receivables and contract assets are considered on a collective basis taking into consideration past due information and relevant credit information such as forward looking macroeconomic information. For collective assessment, the Group takes into consideration the following characteristics when formulating the grouping:

- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forwardlooking information.

The Group considers a financial asset in default when contractual payments are past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Debt investments at fair value through other comprehensive income and financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and which apply the simplified approach as detailed below.

Stage 1 — Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs

Stage 2 — Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs

Stage 3 — Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

50. Summary of other accounting policies *(continued)*

50.13 Investments and other financial assets *(continued)*

(iv) Impairment *(continued)*

Simplified approach

For trade receivables that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

50.14 Financial liabilities

(i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, lease liabilities, interest-bearing bank and other borrowings.

(ii) Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the statement of profit or loss.

(iii) Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the statement of profit or loss.

50. Summary of other accounting policies *(continued)*

50.15 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

50.16 Derivatives and hedging activities

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as forward currency contracts, interest rate swaps and fuel forward contracts, to hedge its foreign currency risk, interest rate risk and fuel price risk, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

The fair value of commodity purchase contracts that meet the definition of a derivative as defined by IFRS 9 is recognised in the statement of profit or loss as cost of sales. Commodity contracts that are entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the Group's expected purchase, sale or usage requirements are held at cost.

Any gains or losses arising from changes in fair value of derivatives are taken directly to the statement of profit or loss, except for the effective portion of cash flow hedges, which is recognised in other comprehensive income and later reclassified to profit or loss when the hedged item affects profit or loss.

For the purpose of hedge accounting, hedges are classified as:

- fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment; or

- cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction, or a foreign currency risk in an unrecognised firm commitment; or

- hedges of a net investment in a foreign operation.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting, the risk management objective and its strategy for undertaking the hedge.

50. Summary of other accounting policies *(continued)*

50.16 Derivatives and hedging activities *(continued)*

Initial recognition and subsequent measurement *(continued)*

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is "an economic relationship" between the hedged item and the hedging instrument.
- The effect of credit risk does not "dominate the value changes" that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

Hedges which meet all the qualifying criteria for hedge accounting are accounted for as follows:

(i) Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised directly in other comprehensive income in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit or loss. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The amounts accumulated in other comprehensive income are accounted for, depending on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the amount accumulated in equity is removed from the separate component of equity and included in the initial cost or other carrying amount of the hedged asset or liability. This is not a reclassification adjustment and will not be recognised in other comprehensive income for the period. This also applies where the hedged forecast transaction of a non-financial asset or non-financial liability subsequently becomes a firm commitment to which fair value hedge accounting is applied.

For any other cash flow hedges, the amount accumulated in other comprehensive income is reclassified to the statement of profit or loss as a reclassification adjustment in the same period or periods during which the hedged cash flows affect the statement of profit or loss.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in other comprehensive income must remain in accumulated other comprehensive income if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to the statement of profit or loss as a reclassification adjustment. After the discontinuation, once the hedged cash flow occurs, any amount remaining in accumulated other comprehensive income is accounted for depending on the nature of the underlying transaction as described above.

50. Summary of other accounting policies *(continued)*

50.16 Derivatives and hedging activities *(continued)*

Initial recognition and subsequent measurement *(continued)*

(ii) Fair value hedges

The change in the fair value of a hedging instrument is recognised in the statement of profit or loss as other expenses. The change in the fair value of the hedged item attributable to the risk hedged is recorded as a part of the carrying amount of the hedged item and is also recognised in the statement of profit or loss as other expenses.

For fair value hedges relating to items carried at amortised cost, the adjustment to carrying value is amortised through the statement of profit or loss over the remaining term of the hedge using the effective interest rate method. Effective interest rate amortisation may begin as soon as an adjustment exists and shall begin no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged. If the hedged item is derecognised, the unamortised fair value is recognised immediately in the statement of profit or loss.

When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in the statement of profit or loss. The changes in the fair value of the hedging instrument are also recognised in the statement of profit or loss.

Current versus non-current classification

Derivative instruments that are not designated as effective hedging instruments are classified as current or non-current or separated into current and non-current portions based on an assessment of the facts and circumstances (i.e., the underlying contracted cash flows).

- Where the Group expects to hold a derivative as an economic hedge (and does not apply hedge accounting) for a period beyond 12 months after the end of the reporting period, the derivative is classified as non-current (or separated into current and non-current portions) consistently with the classification of the underlying item.

- Embedded derivatives that are not closely related to the host contract are classified consistently with the cash flows of the host contract.

- Derivative instruments that are designated as, and are effective hedging instruments, are classified consistently with the classification of the underlying hedged item. The derivative instruments are separated into current portions and non-current portions only if a reliable allocation can be made.

50. Summary of other accounting policies *(continued)*

50.17 Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and therefore all classified as current.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. See note 30 for further information about the Group's accounting for trade receivables and note 49.1 for a description of the Group's impairment policies.

50.18 Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the consolidated statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including assets similar in nature to cash, which are not restricted as to use.

50.19 Borrowings

Borrowings are measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

50. Summary of other accounting policies *(continued)*

50.20 Research and development

Research expenditures are recognised as expenses as incurred. Costs incurred on development projects are capitalised as intangible assets when recognition criteria are met, including:

- it is technically feasible to complete the software so that it will be available for use
- management intends to complete the software and use or sell it
- there is an ability to use or sell the software
- it can be demonstrated how the software will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- the expenditure attributable to the software during its development can be reliably measured.

Other development costs that do not meet those criteria are expensed as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

51. Statement of financial position of the Company

(a) Information about the statement of financial position of the Company at the end of the reporting period is as follows:

	31 December 2024 RMB million	31 December 2023 RMB million
Non-current assets		
Property, plant and equipment	**74,676**	66,757
Investment properties	**60**	222
Right-of-use assets	**75,028**	80,858
Intangible assets	**11,560**	11,556
Advanced payments on acquisition of aircraft	**14,986**	15,183
Investments in subsidiaries	**25,887**	20,636
Investments in associates	**2,474**	2,474
Investments in joint ventures	**428**	428
Financial assets at fair value through other comprehensive income	**1,359**	979
Derivative financial instruments	**–**	33
Deferred tax assets	**5,589**	5,626
Other non-current assets	**6,789**	5,568
	218,836	210,320
Current assets		
Flight equipment spare parts	**17**	10
Trade receivables	**1,463**	1,751
Prepayments and other receivables	**56,355**	51,646
Financial assets at fair value through profit or loss	**101**	65
Derivative financial instruments	**56**	16
Restricted bank deposits	**12**	312
Cash and cash equivalents	**1,023**	10,416
	59,027	64,216
Total assets	**277,863**	274,536
Current liabilities		
Trade and bills payables	**16,416**	9,393
Other payables and accruals	**31,312**	22,866
Contract liabilities	**9,806**	6,767
Current portion of borrowings	**52,681**	54,563
Current portion of Lease liabilities	**11,989**	12,734
Derivative financial instruments	**–**	–
	122,204	106,323
Net current liabilities	**(63,177)**	(42,107)
Total assets less current liabilities	**155,659**	168,213

51. Statement of financial position of the Company *(continued)*

(a) Information about the statement of financial position of the Company at the end of the reporting period is as follows: *(continued)*

		31 December 2024 RMB million	31 December 2023 RMB million
Non-current liabilities			
Borrowings		**50,943**	55,341
Lease liabilities		**40,965**	47,920
Provision for lease return costs for aircraft and engines		**3,649**	4,132
Contract liabilities		**418**	399
Derivative financial instruments		**–**	–
Post-retirement benefit obligations		**1,732**	1,717
Other long-term liabilities		**595**	696
		98,302	110,205
Net assets		**57,357**	58,008
Equity			
Capital and reserves			
– Share capital		**22,291**	22,291
– Perpetual Bond		**25,067**	20,057
– Treasury Shares		**(20)**	–
– Reserves	(b)	**10,019**	15,660
Total equity		**57,357**	58,008

51. Statement of financial position of the Company *(continued)*

(b) A summary of the Company's reserves is as follows:

	Share premium RMB million	Capital reserve RMB million	Hedging reserve RMB million	Statutory reserve RMB million	Other reserves RMB million	Accumulated losses) RMB million	Total RMB million
Balance at 1 January 2023	57,475	(720)	60	752	(2,447)	(34,410)	20,710
Unrealised gains on cash flow hedges	–	–	(34)	–	–	–	(34)
Fair value movements in equity investments designated at fair value through other comprehensive income	–	–	–	–	(17)	–	(17)
Actuarial gains on post-retirement benefit obligations	–	–	–	–	(66)	–	(66)
Loss for the year	–	–	–	–	–	(4,876)	(4,876)
Distribution to holders of perpetual bond	–	–	–	–	–	(57)	(57)
At 31 December 2023	57,475	(720)	26	752	(2,530)	(39,343)	15,660
Balance at 1 January 2024	**57,475**	**(720)**	**26**	**752**	**(2,530)**	**(39,343)**	**15,660**
Unrealised gains on cash flow hedges	**-**	**-**	**5**	**-**	**-**	**-**	**5**
Fair value movements in equity investments designated at fair value through other comprehensive income	**-**	**-**	**-**	**-**	**(66)**	**-**	**(66)**
Actuarial gains on post-retirement benefit obligations	**-**	**-**	**-**	**-**	**(107)**	**-**	**(107)**
Loss for the year	**-**	**-**	**-**	**-**	**-**	**(4,873)**	**(4,873)**
Distribution to holders of perpetual bond	**-**	**-**	**-**	**-**	**-**	**(600)**	**(600)**
At 31 December 2024	**57,475**	**(720)**	**31**	**752**	**(2,703)**	**(44,816)**	**10,019**

Supplementary Financial Information

Year ended 31 December 2024

The following consolidated financial information is extracted from the consolidated financial statements of the Group, prepared under the PRC Accounting Standards.

Significant Differences Between IFRSs and PRC Accounting Standards

The Group's accounting policies adopted in the financial statements prepared by management in accordance with IFRSs differ in certain aspects from those adopted in the financial statements prepared by management in accordance with the PRC Accounting Standards. The aforesaid differences which have a significant effect on the consolidated profit attributable to equity holders of the Company and consolidated net assets attributable to equity holders of the Company are summarised as follows:

	2024 RMB million	2023 RMB million
Consolidated loss attributable to equity holders of the Company		
As stated in accordance with PRC Accounting Standards	**(4,226)**	(8,190)
As stated in accordance with IFRSs	**(4,226)**	(8,190)

	2024 RMB million	2023 RMB million
Consolidated net assets attributable to equity holders of the Company		
As stated in accordance with the PRC Accounting Standards	**40,532**	40,712
Impact of IFRSs and other adjustments:		
— Intangible assets (goodwill) (a)	**2,242**	2,242
As stated in accordance with IFRSs	**42,774**	42,954

(a) The recognition and measurement of the fair values of the acquisition costs and identifiable assets and liabilities of Shanghai Airlines acquired are different under IFRSs and the PRC Accounting Standards, which result in a difference in the intangibles/goodwill recognised arising from the acquisition.

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