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中國國際航空股份有限公司  
AIR CHINA LIMITED

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

**ANNOUNCEMENT ON THE PROGRESS OF EQUITY FINANCING OF  
SHENZHEN AIRLINES AND CAPITAL CONTRIBUTION TO SHENZHEN  
AIRLINES**

Reference is made to the announcement of the Company dated 28 August 2025 (the “**Announcement**”) regarding the proposed equity financing of Shenzhen Airlines. Unless otherwise specified herein, capitalized terms used in this announcement shall have the same meanings as those defined in the Announcement.

**PROGRESS OF THE FINANCING**

As disclosed in the Announcement, Shenzhen Airlines proposed to carry out an equity financing with a total financing amount of RMB16 billion, among which, the Company intends to participate in the Financing by making capital contribution proportionate to its current 51% equity interests in Shenzhen Airlines. The total capital contribution to be made by the Company in the Financing will not exceed RMB8.16 billion. The Financing will be conducted in stages. For the Initial Financing, it is proposed that one investor will be solicited through the Shenzhen United Property and Equity Exchange (the “**SUPEE**”) to invest RMB2 billion in cash. Concurrently, the Company will make a cash capital contribution by way of a non-public agreement in the amount of RMB2.082 billion.

Shenzhen Airlines commenced a public solicitation of investors through a listing announcement on the SUPEE since 5 September 2025. Until the expiry of the listing period on 5 November 2025, a total of one intending Investor had paid the transaction security deposits (the “**Security Deposits**”) into the designated account of the SUPEE. On 6 November 2025, Shenzhen Airlines received the Letter of Confirming Eligibility for Intending Investor issued by the SUPEE, having identified one eligible intending Investor, namely Shenzhen Kunhang Investment Partnership (Limited Partnership) (“**Kunhang Investment**”).

As at the date of this announcement, Kunhang Investment is a limited partnership established in the PRC, which is primarily engaged in investment activities with its proprietary funds. Kunhang Investment is an enterprise controlled by the State-owned Assets Supervision and Administration Commission of Shenzhen Municipal People's Government. To the best of the directors' knowledge, information and belief, having made all reasonable enquiries, Kunhang Investment and its ultimate beneficial owners are third parties independent of the Company and connected persons (as defined under the Listing Rules) of the Company.

## PRINCIPAL TERMS OF THE TRANSACTION DOCUMENTS

On 18 December 2025, the Company, Shenzhen International Logistics, Kunhang Investment and Shenzhen Airlines jointly entered into the Capital Increase Agreement Concerning Shenzhen Airlines Company Limited (the “**Capital Increase Agreement**”) and the Investment Contract Concerning Shenzhen Airlines Company Limited (the “**Investment Contract**”, together with the Capital Increase Agreement, collectively referred to as the “**Transaction Documents**”).

### (I) The Initial Financing and Pricing

As at the date of this announcement, Shenzhen Airlines is a non-wholly owned subsidiary of the Company, which is held as to 51% and 49% by the Company and Shenzhen International Logistics, respectively. Shenzhen Airlines is principally engaged in domestic scheduled and non-scheduled air transportation services for passengers, cargo, mail and baggage.

Pursuant to the Valuation Report issued by China Enterprise Appraisals Co., Ltd., with 30 September 2024 as the valuation reference date, the appraised value of the entire shareholders' equity of Shenzhen Airlines is RMB5,481,608,749.06. The Initial Financing made reference to the valuation result to determine the transaction price for the capital contribution to Shenzhen Airlines.

### (II) Initial Financing Channel

1. Kunhang Investment shall make a capital contribution of RMB2,000,000,000.00 to Shenzhen Airlines, in subscription of an additional registered capital of Shenzhen Airlines amounting to RMB1,955,630,270.28. Upon completion of the aforementioned capital contribution, Kunhang Investment will hold 20.9134% equity interests in Shenzhen Airlines after the capital increase. Kunhang Investment will make the capital contribution in a one-time lump-sum payment in cash.
2. The Company will participate in the Initial Financing by way of non-public agreement concurrently, the price of which shall be aligned with that of Kunhang Investment. The Company agreed to make a capital contribution of RMB2,081,632,653.06 to Shenzhen Airlines, in subscription of an additional registered capital of Shenzhen Airlines amounting to RMB2,035,451,913.96. Upon completion of the aforementioned capital contribution, the Company will hold 51% equity interests in Shenzhen Airlines after the Initial Financing. The Company will make the capital contribution in a one-time lump-sum payment in cash.

### (III) The Shareholding Structure of Shenzhen Airlines after the Initial Financing

The capital contribution amount of RMB2,035,451,913.96 made by the Company shall be credited to the registered capital of Shenzhen Airlines, and the remaining RMB46,180,739.10 shall be credited to the capital reserve of Shenzhen Airlines. The capital contribution amount of RMB1,955,630,270.28 made by Kunhang Investment shall be credited to the registered capital of Shenzhen Airlines, and the remaining RMB44,369,729.72 shall be credited to the capital reserve of Shenzhen Airlines.

Upon completion of the Initial Financing, the registered capital of Shenzhen Airlines will be changed to RMB9,351,082,184.24. The Company will continue to hold 51.0000% equity interests in Shenzhen Airlines, Shenzhen International Logistics will hold 28.0866% equity interests in Shenzhen Airlines, and the Investor (i.e., Kunhang Investment) will hold 20.9134% equity interests in Shenzhen Airlines.

Following the Initial Financing, all owner's equity of Shenzhen Airlines shall be jointly enjoyed by all shareholders of Shenzhen Airlines upon completion of the Initial Financing, in proportion to their paid-in capital contributions made to Shenzhen Airlines at that time.

#### **(IV) Payment of the Initial Financing Amount and Procedures**

Within 10 business days from the effective date of the Capital Increase Agreement, the Company shall pay the full capital increase amount in a lump sum to the designated account of Shenzhen Airlines; Kunhang Investment shall pay the remaining capital increase amount, excluding the Security Deposits, in a lump sum to the designated settlement account of the SUPEE, which shall then transfer the full amount (including the Security Deposits) to the designated account of Shenzhen Airlines without accruing interest within one business day of receipt.

Within five business days of receiving the full capital increase amount by Shenzhen Airlines, Shenzhen Airlines shall issue the capital contribution certificates to the Company and Kunhang Investment and update the register of members.

Within 10 business days of receiving the full capital increase amount by Shenzhen Airlines, the Company, Shenzhen International Logistics and Kunhang Investment shall convene a shareholders' meeting of Shenzhen Airlines and pass a resolution to amend the articles of association of Shenzhen Airlines. All shareholders of Shenzhen Airlines shall, within 30 days after the aforementioned resolution is made at the shareholders' meeting, jointly assist Shenzhen Airlines in applying to the competent market supervision and administration authority for completing the industrial and commercial change registration procedures related to the Initial Financing.

#### **(V) Corporate Governance of Shenzhen Airlines**

All shareholders of Shenzhen Airlines shall be entitled to the rights and assume the obligations in proportion to their capital contributions under the provisions of the Company Laws of the People's Republic of China and other laws, regulations and departmental rules.

The shareholders' meeting of Shenzhen Airlines shall be the company's highest organ of authority. The composition of the board of directors shall remain unchanged, and the governance structure of the Company in Shenzhen Airlines, including the board seat allocation, number of seats and decision-making mechanisms, shall remain consistent with that prior to the Initial Financing.

The Initial Financing will not result in a change of control over Shenzhen Airlines. Upon completion of the Initial Financing, the Company's equity interests in Shenzhen Airlines will remain unchanged at 51%, and Shenzhen Airlines will remain a subsidiary of the Company.

#### **(VI) Subsequent Arrangements for The Financing**

The relevant parties will sign written agreement(s) for the Subsequent Financing in due course. Upon completion of the Subsequent Financing, the Company's equity interests in Shenzhen Airlines shall remain at 51.00%.

The Company will, in accordance with the progress of the Financing, comply with all applicable provisions of the Listing Rules in a timely manner and fulfill its corresponding information disclosure obligations in due course.

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

Beijing, the PRC, 18 December 2025

*As at the date of this announcement, the directors of the Company are Mr. Liu Tiexiang, Mr. Wang Mingyuan, Mr. Cui Xiaofeng, Mr. Patrick Healy, Mr. Xiao Peng, Mr. Xu Niansha\*, Mr. He Yun\*, Ms. Winnie Tam Wan-chi\* and Mr. Gao Chunlei\*.*

*\* Independent non-executive director of the Company*