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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 REGARDING PROVISION FOR ASSET
IMPAIRMENT FOR 2024**

Air China Limited (the "**Company**") held the second meeting of the seventh session of the board of directors (the "**Board**") on 27 March 2025, at which the Board considered and approved the "Resolution on Provision for Asset Impairment for the Year 2024", agreeing to make appropriate provisions for asset impairment by the Company based on its actual situation.

1. OVERVIEW OF THE PROVISION FOR IMPAIRMENT

In accordance with the Accounting Standards for Business Enterprises and the Company's relevant accounting policies and accounting estimates, and in order to present an objective and fair view of the Company's financial position and operating results for 2024, the Company conducted an assessment of expected credit losses for the relevant assets and performed impairment tests on assets that may have indications of impairment. Based on the test results, the Company recognised a provision for impairment of various assets totalling RMB198 million for 2024, with the specific details as follows:

Item	Provision made for 2024
Impairment provision for fixed assets	143,240
Provision for inventory write-down	13,075
Impairment provision for other receivables	23,392
Impairment provision for accounts receivable	12,866
Impairment provision for other current assets	2,918
Impairment provision for interbank deposits	2,141
Impairment provision for other debt investments	394
Total	198,026

Unit: RMB'000

2. SPECIFIC DETAILS OF THE PROVISIONS FOR IMPAIRMENT

A. Provision for Asset Impairment

I. Fixed assets

In accordance with *Accounting Standards for Business Enterprises No. 8 - Asset Impairment*, the Company conducted impairment tests on certain aircraft approaching retirement and recognised a provision for fixed asset impairment of RMB143 million for the shortfall between the recoverable amounts and their carrying amounts.

II Inventories

In accordance with *Accounting Standards for Business Enterprises No. 1 - Inventories*, the Company measured inventories at the lower of cost or net realisable value and recognised a provision for inventory write-down of RMB13 million for the shortfall between net realisable value and cost.

B. Provision for Credit Impairment

In accordance with *Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments*, the Company has recognised credit impairment provisions totaling RMB42 million for accounts receivable, other receivables, other debt investments, other current assets and interbank deposits, based on expected credit losses.

3. IMPACT OF THE PROVISION FOR IMPAIRMENT ON THE COMPANY'S FINANCIAL POSITION

For 2024, the Company recognised an aggregate provision for impairment of various assets of RMB198 million in its consolidated financial statements. After considering the comprehensive impact of reversals and other factors, these provisions resulted in a RMB146 million increase in losses before taxation in the Company's consolidated financial statements. The provisions for impairment comply with the Accounting Standards for Business Enterprises and the Company's relevant accounting policies and estimates, providing a true and objective reflection of the Company's financial position and operating results for 2024 and accurately represent the actual condition of the Company's assets.

By Order of the Board

Air China Limited

Xiao Feng Huen Ho Yin

Joint Company Secretaries

Beijing, the PRC, 27 March 2025

As at the date of this announcement, the directors of the Company are Mr. Ma Chongxian, 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*

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