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中國東方航空股份有限公司 CHINA EASTERN AIRLINES CORPORATION LIMITED

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

(Stock code: 00670)

2023 FIRST QUARTERLY REPORT

This announcement is made pursuant to the disclosure requirements under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.09 and Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The financial report of the Company for the first quarter of 2023 was not audited, and was prepared in accordance with the China Accounting Standards for Business Enterprises.

IMPORTANT NOTICE

This announcement is made by China Eastern Airlines Corporation Limited (the “**Company**”) pursuant to the disclosure requirement under Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) (which requires any issuer listed on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) whose securities are also listed on other stock exchange(s) to simultaneously inform the Hong Kong Stock Exchange of any information released to any of such other exchange(s) and to ensure that such information is released to the market in Hong Kong at the same time as it is released to the other market(s)). At the request of the Shanghai Stock Exchange, a similar announcement of the even date is being made simultaneously by the Company in Shanghai pursuant to the relevant provisions of the Shanghai listing rules and regulations.

This quarterly report was prepared in accordance with the regulations as prescribed by the China Securities Regulatory Commission in relation to disclosure of information in quarterly reports for listed companies, and is published simultaneously in Shanghai and Hong Kong. The financial report of the Company for the first quarter of 2023 was not audited, and was prepared in accordance with the China Accounting Standards for Business Enterprises.

The board of directors (the “**Board**”) and the supervisory committee of the Company, and the directors, supervisors and senior management hereby undertake that the information set out in this quarterly report is true, accurate and complete and does not contain false information, misleading statement or material omission, and accept joint and several legal responsibility for the contents herein.

The person-in-charge of the Company, the officer-in-charge of accounting of the Company, and the officer-in-charge of the accounting department (accounting officer) of the Company, hereby undertake that the financial statements forming part of the quarterly report are true, accurate and complete.

The financial statements in this first quarterly report of the Company are unaudited.

1. KEY FINANCIAL DATA

(1) Key accounting data and financial indicators

Item	<i>Unit: million Currency: RMB</i>		Increase/decrease for the reporting period compared with the same period last year (%)
	For the reporting period		
Revenue		22,261	75.77
Net profit attributable to shareholders of the listed company		-3,803	N/A
Net profit attributable to shareholders of the listed company after deducting non-recurring profit or loss		-3,944	N/A
Net cash flow from operating activities		6,665	N/A
Basic earnings per share (RMB/share)		-0.1706	N/A
Diluted earnings per share (RMB/share)		-0.1706	N/A
Weighted average return on net assets (%)		-13.99	Increased by 2.34 pt
	As at the end of the reporting period	As at the end of last year	Increase/decrease as at the end of the reporting period compared with the end of last year (%)
Total assets	288,507	285,742	0.97
Owners' equity attributable to shareholders of the listed company	25,213	29,080	-13.30

(2) Non-recurring profit or loss items and relevant amounts

Unit: million Currency: RMB

Item	Amount for the reporting period
Profit or loss from disposal of non-current assets	3
Other non-operating income and expenses other than above items	8
Other profit or loss items meeting the definition of non-recurring profit or loss	178
Less: Effect on income tax	47
Effect on minority interests (after tax)	<u>1</u>
Total	<u><u>141</u></u>

Description of the circumstances in which the non-recurring profit or loss items listed in the “Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public — Non-recurring Profit or Loss” (《公開發行證券的公司信息披露解釋性公告第 1 號 — 非經常性損益》) are defined as recurring profit or loss items

Applicable Not Applicable

(3) Details and reasons for changes in key accounting data and financial indicators

✓ Applicable □ Not Applicable

Item	Change (%)	Major reasons
Revenue	75.77	Mainly attributable to the seizing of the opportunity of the recovery in the air passenger transportation market by the Company and the increase in passenger traffic volume and passenger revenue.
Net profit attributable to shareholders of the listed company	N/A	Mainly attributable to the seizing of the opportunity of the recovery in the air passenger transportation market and striving to increase operating results by the Company.
Net profit attributable to shareholders of the listed company after deducting non-recurring profit or loss	N/A	
Net cash flow from operating activities	N/A	Mainly attributable to the seizing of the opportunity of the recovery in the air passenger transportation market by the Company and the increase in passenger traffic volume and passenger revenue.
Basic earnings per share (RMB/share)	N/A	Mainly attributable to the increase in operating results during the reporting period.
Diluted earnings per share (RMB/share)	N/A	

2. INFORMATION OF SHAREHOLDERS

(1) Total number of ordinary shareholders and number of preferred shareholders with restored voting rights and shareholding of the 10 largest shareholders

Total number of ordinary shareholders as at the end of the reporting period Unit: share
 Total number of preferred shareholders with restored voting rights as at the end
 of the reporting period (if any) 162,152
N/A

Shareholding of the 10 largest shareholders

Name of shareholder	Nature of shareholder	Number of shares held	Percentage of shares held (%)	Number of shares with trading moratorium held	Pledged, marked or locked-up Status	Number
China Eastern Air Holding Company Limited (中國東方航空集團有限公司)	State-owned legal person	8,706,805,967	39.06%	3,633,883,040	None	0
HKSCC NOMINEES LIMITED	Overseas legal person	4,702,664,885	21.10%	0	Unknown	Unknown
China National Aviation Fuel Holding Company Limited (中國航空油料集團有限公司)	State-owned legal person	730,389,827	3.28%	227,790,432	None	0
Shanghai Jidaohang Enterprise Management Company Limited (上海吉道航企業管理有限公司)	Domestic non-state-owned legal person	589,041,096	2.64%	0	None	0
DELTA AIR LINES INC	Overseas legal person	465,910,000	2.09%	0	None	0
Shanghai Licheng Information Technology Consulting Co., Ltd. (上海勵程信息技術諮詢有限公司)	Domestic non-state-owned legal person	465,838,509	2.09%	0	None	0
CES Finance Holding Co., Ltd. (東航金控有限責任公司)	State-owned legal person	457,317,073	2.05%	0	None	0
China Securities Finance Corporation Limited (中國證券金融股份有限公司)	State-owned legal person	429,673,382	1.93%	0	None	0
UBS AG	Overseas legal person	358,831,505	1.61%	358,314,350	None	0
China State-owned Enterprises Mixed Ownership Fund Co., Ltd. (中國國有企業混合所有制改革基金有限公司)	State-owned legal person	341,685,649	1.53%	341,685,649	None	0

Shareholding of the 10 largest holders of shares without trading moratorium

Name of shareholder	Number of listed shares without trading moratorium held	Class and number of shares	
		Class	Number
China Eastern Air Holding Company Limited (中國東方航空集團有限公司)	5,072,922,927	RMB ordinary shares	5,072,922,927
HKSCC NOMINEES LIMITED	4,702,664,885	Overseas listed foreign shares	4,702,664,885
China National Aviation Fuel Holding Company Limited (中國航空油料集團有限公司)	589,041,096	RMB ordinary shares	589,041,096
Shanghai Jidaohang Enterprise Management Company Limited (上海吉道航企業管理有限公司)	502,599,395	RMB ordinary shares	502,599,395
DELTA AIR LINES INC	465,910,000	Overseas listed foreign shares	465,910,000
Shanghai Licheng Information Technology Consulting Co., Ltd. (上海勵程信息技術諮詢有限公司)	465,838,509	RMB ordinary shares	465,838,509
CES Finance Holding Co., Ltd. (東航金控有限責任公司)	457,317,073	RMB ordinary shares	457,317,073
China Securities Finance Corporation Limited (中國證券金融股份有限公司)	429,673,382	RMB ordinary shares	429,673,382
China COSCO Shipping Corporation Limited (中國遠洋海運集團有限公司)	232,919,254	RMB ordinary shares	232,919,254
Juneyao Airlines Co., Ltd (上海吉祥航空股份有限公司)	219,400,137	RMB ordinary shares	219,400,137

Description of connected relationship or activities in concert among the above shareholders

- China Eastern Air Holding Company Limited (“**CEA Holding**”) owns 100% equity interest in CES Finance Holding Co., Ltd. Among the 4,702,664,885 shares held by HKSCC NOMINEES LIMITED, 2,626,240,000 shares are held by CES Global Holdings (Hong Kong) Limited (“**CES Global**”) in the capacity of beneficial owner, and CEA Holding owns 100% equity interest in CES Global.
- Among the 4,702,664,885 shares held by HKSCC NOMINEES LIMITED, 547,889,777 shares are held by Shanghai Juneyao Airline Hong Kong Limited (“**Juneyao Hong Kong**”) in the capacity of beneficial owner, and Juneyao Airlines owns 100% equity interest in Juneyao Hong Kong.
- The Company is not aware of any other connected relationship or activities in concert among the 10 largest holders of shares without trading moratorium.

Description of the 10 largest shareholders and the 10 largest holders of shares without trading moratorium engaging in margin financing and securities lending as well as margin and securities refinancing business (if any)

N/A

As at the end of the reporting period, CES Global has pledged in aggregate 1,670,000,000 H shares of the Company.

3. OTHER REMINDERS

Other important information on the operating condition of the Company during the reporting period that investors need to be reminded of

Applicable Not Applicable

- (1) On 12 January 2023, the procedures for registration, custody and lock-up of 3,416,856,492 A shares non-publicly issued by the Company with the China Securities Depository and Clearing Corporation Limited, Shanghai Branch were completed. For details, please refer to the announcement of the Company published on the websites of the Shanghai Stock Exchange and the Hong Kong Stock Exchange on 13 January 2023.
- (2) On 13 January 2023, the Company has notified the New York Stock Exchange of its proposed application for voluntary delisting of its American depositary shares (ADR) from the New York Stock Exchange. For details, please refer to the announcement of the Company published on the websites of the Shanghai Stock Exchange and the Hong Kong Stock Exchange on 13 January 2023.
- (3) On 21 April 2023, Mr. Xi Sheng resigned from the position of vice president of the Company due to work arrangement. For details, please refer to the announcement of the Company published on the websites of the Shanghai Stock Exchange and the Hong Kong Stock Exchange on 21 April 2023.

4. QUARTERLY FINANCIAL STATEMENTS

(1) Type of audit opinion

Applicable Not Applicable

(2) Financial statements

Consolidated Statement of Financial Position 31 March 2023

Prepared by: China Eastern Airlines Corporation Limited

Unit: million Currency: RMB Type of audit: Unaudited

Item	31 March 2023	31 December 2022
Current assets:		
Monetary capital	19,887	17,553
Held-for-trading financial assets	71	72
Hedge instruments	1	1
Trade receivables	1,649	754
Prepayments	248	311
Other receivables	2,463	2,269
Inventory	1,698	1,626
Held-for-sale assets	0	0
Non-current assets due within one year	235	235
Other current assets	5,841	4,592
Total current assets	32,093	27,413
Non-current assets:		
Long-term equity investment	2,696	2,716
Other equity instrument investments	405	452
Hedge instruments	75	94
Investment properties	217	243
Fixed assets	86,580	85,470
Construction in progress	17,992	17,727
Right-of-use assets	122,999	126,031
Intangible assets	2,567	2,530
Goodwill	9,028	9,028
Long-term deferred expenses	1,969	2,161
Deferred income tax assets	9,858	9,858
Other non-current assets	2,028	2,019
Total non-current assets	256,414	258,329
Total assets	288,507	285,742

(2) Financial statements (Cont'd)

Consolidated Statement of Financial Position (Cont'd)
31 March 2023

Prepared by: China Eastern Airlines Corporation Limited

Unit: million Currency: RMB Type of audit: Unaudited

Item	31 March 2023	31 December 2022
Current liabilities:		
Short-term borrowings	36,866	49,229
Hedge instruments	0	0
Notes payables	1,966	752
Trade payables	15,325	10,818
Account collected in advance	48	14
Contract liabilities	4,611	3,166
Staff remuneration payable	2,552	2,566
Tax payable	1,820	1,344
Other payables	3,739	3,970
Non-current liabilities due within one year	29,171	34,372
Other current liabilities	10,182	215
Total current liabilities	106,280	106,446
Non-current liabilities:		
Long-term borrowings	50,881	38,359
Bonds payable	19,578	19,580
Hedge instruments	0	0
Lease liabilities	72,998	78,387
Long-term payables	987	1,074
Long-term staff remuneration payable	2,427	2,477
Estimated liabilities	8,147	8,008
Deferred income	61	65
Deferred income tax liabilities	0	0
Other non-current liabilities	1,110	1,245
Total non-current liabilities	156,189	149,195
Total liabilities	262,469	255,641

(2) Financial statements (Cont'd)

Consolidated Statement of Financial Position (Cont'd)
31 March 2023

Prepared by: China Eastern Airlines Corporation Limited

Unit: million Currency: RMB Type of audit: Unaudited

Item	31 March 2023	31 December 2022
Owners' equity (or shareholders' equity):		
Paid-up capital (or share capital)	22,291	22,291
Capital reserves	53,488	53,488
Other comprehensive income	-3,018	-2,954
Surplus reserves	782	782
Undistributed profits	-48,330	-44,527
	<hr/>	<hr/>
Total owners' equity (or shareholders' equity) attributable to owners of the parent company	25,213	29,080
	<hr/>	<hr/>
Minority interests	825	1,021
	<hr/>	<hr/>
Total owners' equity (or shareholders' equity)	26,038	30,101
	<hr/>	<hr/>
Total liabilities and owners' equity (or shareholders' equity)	288,507	285,742
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Person-in-charge
of the Company:
Li Yangmin

Officer-in-charge
of accounting:
Zhou Qimin

Officer-in-charge
of the accounting department:
Yu Yahong

(2) Financial statements (Cont'd)

Consolidated Statement of Profit or Loss and Other Comprehensive Income
January – March 2023

Prepared by: China Eastern Airlines Corporation Limited

Unit: million Currency: RMB Type of audit: Unaudited

Item	First quarter of 2023	First quarter of 2022
I. Total revenue	22,261	12,665
Of which: Revenue	22,261	12,665
II. Total operating costs	27,205	21,821
Of which: Operating costs	24,183	19,195
Taxes and surcharges	59	27
Selling expenses	867	554
Administrative expenses	785	804
Research and development expenses	87	75
Finance costs	1,224	1,166
Of which: Interest expenses	1,786	1,462
Interest income	138	91
Add: Other gains	945	869
Investment gains (“-” indicating losses)	-8	-27
Of which: Gains from investments in associates and joint ventures	13	-27
Gains arising from changes in fair value (“-” indicating losses)	-1	-5
Credit impairment losses (“-” indicating losses)	0	0
Asset impairment losses (“-” indicating losses)	0	0
Gains from disposal of assets (“-” indicating losses)	5	12
III. Operating profit (“-” indicating loss)	-4,003	-8,307
Add: Non-operating income	20	58
Less: Non-operating expenses	3	4
IV. Total profits (“-” indicating total losses)	-3,986	-8,253
Less: Income tax expenses	13	16
V. Net profit (“-” indicating net loss)	-3,999	-8,269
(I) Classified by continuation of business		
1. Net profit from continuing activities (“-” indicating net loss)	-3,999	-8,269
2. Net profit from discontinued activities (“-” indicating net loss)	0	0
(II) Classified by ownership		
1. Net profit attributable to shareholders of the parent company (“-” indicating net loss)	-3,803	-7,760
2. Minority interests (“-” indicating net loss)	-196	-509

(2) Financial statements (Cont'd)

Consolidated Statement of Profit or Loss and Other Comprehensive Income (Cont'd)
January – March 2023

Prepared by: China Eastern Airlines Corporation Limited

Unit: million Currency: RMB Type of audit: Unaudited

Item	First quarter of 2023	First quarter of 2022
VI. Other comprehensive income, net of tax	-64	28
(I) Other comprehensive income, net of tax, attributable to owners of the parent company	-64	28
1. Other comprehensive income that cannot be reclassified into profit or loss	-46	-39
(1) Changes in the remeasurement of defined benefit plans	0	0
(2) Other comprehensive income that cannot be transferred to profit or loss under the equity method	0	0
(3) Changes in fair value of other equity instrument investments	-46	-39
2. Other comprehensive income that will be reclassified into profit or loss	-18	67
(1) Cash flow hedge reserve	-18	67
(II) Other comprehensive income, net of tax, attributable to minority interests	0	0
VII. Total comprehensive income	-4,063	-8,241
(I) Total comprehensive income attributable to owners of the parent company	-3,867	-7,732
(II) Total comprehensive income attributable to minority interests	-196	-509
VIII. Earnings per share:		
(I) Basic earnings per share (RMB/share)	-0.17	-0.41
(II) Diluted earnings per share (RMB/share)	-0.17	-0.41

Person-in-charge
of the Company:
Li Yangmin

Officer-in-charge
of accounting:
Zhou Qimin

Officer-in-charge
of the accounting department:
Yu Yahong

(2) Financial statements (Cont'd)

Consolidated Statement of Cash Flows
January – March 2023

Prepared by: China Eastern Airlines Corporation Limited

Unit: million Currency: RMB Type of audit: Unaudited

Item	First quarter of 2023	First quarter of 2022
1. Cash flow from operating activities:		
Cash received from sales of goods and provision of labour services	23,589	12,369
Refund of taxes	674	0
Other cash received from operating activities	1,725	1,867
Sub-total of cash inflow from operating activities	25,988	14,236
Cash paid for purchase of goods and receiving of labour services	12,154	10,319
Cash paid to and for employees	5,477	6,274
Taxes paid	433	314
Other cash paid for operating activities	1,259	1,396
Sub-total of cash outflow from operating activities	19,323	18,303
Net cash flow from operating activities	6,665	-4,067
2. Cash flow from investing activities:		
Cash received from disposal of investment	0	0
Investment income in cash	20	0
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	0	0
Other cash received from investing activities	908	474
Sub-total of cash inflow from investing activities	928	474
Amount paid in cash in relation to purchases of fixed assets, intangible assets and other long-term assets	2,638	1,258
Investments paid in cash	0	0
Other cash paid for investing activities	0	0
Sub-total of cash outflow from investing activities	2,638	1,258
Net cash flow from investing activities	-1,710	-784

(2) Financial statements (Cont'd)

Consolidated Statement of Cash Flows (Cont'd)
January – March 2023

Prepared by: China Eastern Airlines Corporation Limited

Unit: million Currency: RMB Type of audit: Unaudited

Item	First quarter of 2023	First quarter of 2022
3. Cash flow from financing activities:		
Cash received from acquisition of investment	0	0
Cash received from borrowings	29,000	42,000
Other cash received from financing activities	0	0
Sub-total of cash inflow from financing activities	29,000	42,000
Cash paid for repayment of indebtedness	23,598	31,551
Cash payments for distribution of dividends, profits expense or payment of interest	1,580	1,457
Other cash paid for financing activities	6,444	4,137
Sub-total of cash outflow from financing activities	31,622	37,145
Net cash flow from financing activities	-2,622	4,855
4. Effect of changes in exchange rate on cash and cash equivalents	-1	-1
5. Net increase in cash and cash equivalents	2,332	3
Add: Balance of cash and cash equivalents at the beginning of the period	17,541	12,950
6. Balance of cash and cash equivalents at the end of the period	19,873	12,953

Person-in-charge
of the Company:
Li Yangmin

Officer-in-charge
of accounting:
Zhou Qimin

Officer-in-charge
of the accounting department:
Yu Yahong

(3) Adjustment to financial statements at the beginning of the year upon adoption of the new accounting standards or interpretation for the first time starting from 2023

Applicable Not Applicable

The Board of
CHINA EASTERN AIRLINES CORPORATION LIMITED
28 April 2023

As at the date of this announcement, the directors of the Company include Li Yangmin (Vice Chairman, President), Tang Bing (Director), Lin Wanli (Director), Cai Hongping (Independent non-executive Director), Dong Xuebo (Independent non-executive Director), Sun Zheng (Independent non-executive Director), Lu Xiongwen (Independent non-executive Director) and Jiang Jiang (Employee Representative Director).