



中國國際航空股份有限公司  
**AIR CHINA LIMITED**  
(於中華人民共和國註冊成立的股份有限公司)  
(股份代號：00753)

**Air China Announces 2020 Annual Results**  
**Shouldering Anti-Epidemic Task and Taking Multiple Measures**  
**Tackle Key Issues With Efficiency**

(Hong Kong, 30 March 2021) Air China Limited (“Air China” or the “Company”, with its subsidiaries, the “Group”) (Stock Code: Hong Kong: 00753; London: AIRC; Shanghai: 601111; America: ADR OTC: AIRYY) is pleased to announce the annual results for the year ended 31 December 2020 (the “Reporting Period”).

**Financial highlights**

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| <ul style="list-style-type: none"><li>➤ Operating revenue totaled RMB69,504 million</li><li>➤ Operating cost recorded RMB85,030 million</li><li>➤ Loss attributable to shareholders stood at RMB14,403 million</li><li>➤ Yield Per RPK stood at RMB0.51</li></ul> |
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**Financial highlights**

During the Reporting Period, the Group’s revenue was RMB69,504 million, representing 48.96% as compared with last year. Among which, air traffic revenue was RMB64,280 million, passenger revenue was RMB55,727 million, cargo revenue was RMB8,553 million, and more than 13,120 passenger and cargo shifts were implemented.

Operating expenses were RMB 85,030 million, representing a year-on-year decrease of 32.3%. Net exchange income during the period was RMB3,604 million.

The loss attributable to shareholders was RMB14,403 million.

**Operation overview**

During the period, total transportation capacity input (ATK) of the Group was 23,686 million tons of kilometers available, and total transportation turnover (RTK) of 13,285 million tons km was completed.

In 2020, the group transported 68.67 million passengers. Capacity of passenger transport (ASK) was 156,061 million, down 45.77% year on year, of which Domestic, international and regional routes dropped 19.15%, 82.95% and 82.7% respectively. The passenger turnover (RPK) was 109,830 million, a 52.9% drop year on year, of which domestic, international and regional routes dropped 29.72%, 86.43% and 88.54% respectively. Passenger load factor was 70.38%, down 10.65 percentage points year on year. Yield Per RPK was 0.51, down 4.98% year on year.

During the year of 2020, the Group introduced a total of 14 aircraft, including two A350, eight A320NEO, one A321NEO and three ARJ21-700 aircraft, among which one was bought with our own funds, 11 were introduced under finance leases and two were introduced under operating leases. On the other hand, the Group phased out six aircraft, including two B737-800, one B737-300, one A320 and two A319. As at the end of 2020, the Group had a total of 707 passenger aircraft including business jets, with an average age of 7.74 years.

**Carrying out the risky and challenging mission of fighting the pandemic.** Facing the sudden outbreak of the COVID-19 pandemic, the Group immediately activated the emergency mechanism and fulfilled the joint responsibilities of prevention and control. The Group strictly implemented the pandemic prevention and control policies, made every effort to ensure no flight cancellation for key international routes, made every effort to transport medical teams, personnel and materials and facilitated the resumption of work, production and schools. The Group has set up a three-dimensional ground to-air prevention and control network which allowed international direct flights being resumed from Beijing. We ensured employees' health and safety by pursuing the joint virus prevention in respect of ground and aviation as well as individuals and properties. Since the outbreak of the pandemic, 216 anti-epidemic transport service charter flights have been operated, sending personnel in 31,000 missions, and 154 customized flights carrying passengers for 18,000 times for the resumption of work, production and schools. A number of teams and individuals of the Group have been awarded anti-pandemic honorary titles at the national level, and been publicly honored outstanding anti-epidemic titles by the SASAC or within the transportation industry.

**Laying a solid foundation for high quality development.** By giving top priority to safety as the lifeline of company, the Group strengthened the organizational leadership, specified the safety-oriented responsibilities and strictly implemented the responsibilities in safety supervision. The Group paid close attention to prevent and control safety and risk, strengthened the management and control of safety procedures, and ensured normal operation of flights. The Group enhanced the safety infrastructures, organized and launched a specific program of "revamp corporate culture, strengthen basic level development, business foundation and fundamental capabilities, and safeguard the bottom line of safety", thereby solidifying the demand for developing systematic and standard practices to maintain the stable position of the Group. In 2020, amidst the complicated operation conditions, the Group achieved a total of 1.553 million safe flight hours ensuring the safety of all kinds of major transportation missions.

**Putting every effort in maximizing operating performance.** The pandemic has brought unprecedented challenges to the aviation transportation industry. Facing the severe environment, the Group has strengthened market research and production organization, and focused on improving the service quality and cost-effectiveness and had taken various measures to promote operation, strengthen the performance and prevent risks. Through timely application of performance

emergency response mechanism, the Group has increased revenue and cost-effectiveness in full swing so as to reverse the downward trend. The Group seized market opportunities and coordinated the allocation of production resources by taking abreast of the market changes precisely. The Group took the lead in implementing the operation model of “operating air cargo services by using the passenger aircraft” by grasping the trend in cargo freight supply and demand and flexibly making adjustments between passengers and cargoes, resulted in more than 13,120 air-cargo flights operated by using the passenger aircraft. In addition, the Group implemented stringent cost control to ensure a safe and steady fund flow.

**Precise control of cost.** In 2020, facing impact of epidemic, the Group adheres to "optimizing operation of the whole" and thought of "improving efficiency, promoting structure and managing major projects", focusing on improving resource efficiency, optimizing resource allocation and improving cost efficiency. With multi department linkage and collaboration of multiple parts and whole process of precise control of variable costs, Air China should further establish the awareness of living a "tight life" and strengthen precise, quota and benchmarking management of fixed costs and controllable expenses. Based on safety of capital flow ensured by unified deployment , the Group gradually reduces the amount of capital stock, improves efficiency of capital utility and reduces financial costs.

**Steadily enhancing the service quality.** The Group adhered to customer orientation, grasped the changes in passengers’ demands and adjusted the service procedures so as to continuously enhance passengers’ sense of security and achievement. We considered the health of our passengers as the top priority that we strictly implemented the epidemic prevention and control requirements in the whole service process and ensured our passengers’ safety. We have developed a sound product management and service system and a full-process product management system by product categorization and classification. On one hand, we accelerated the establishment of the global ground support platform to improve our ability in fast response and flexible decision making under irregular operation. On the other hand, we sped up the formulation of hub-based strategic products and the development of new transit centers, promoted the creation of innovative products for convenient travel and actively promoted the domestic facial recognition-based self-boarding travel services in Beijing, thereby expanding the self-service and intelligent application. In addition, we prepared for the provision of services to the Winter Olympic Games and the Winter Paralympic Games in an orderly manner and fulfilling the mission of various safeguarding services successfully, which demonstrated the image of the Company as the official partner of both the Summer Olympic Games and the Winter Olympic Games.

### **Outlook**

The year of 2021 is the inception year of the 14th Five-year Plan. Meanwhile, it is also a critical era for the Group to deepen its reform and establish itself as a top-tier global aviation transportation group at the new stage of national development. the Group is committed to the underlying principle of pursuing progress while ensuring stability. The Group will continue to enhance the quality of development, consolidate the success in containing the pandemic, strengthen the operation safety and development. Taking a large stride towards the development into a global leading enterprise.

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**About Air China Limited**

Air China Limited is the national flag carrier of China and a leading provider of passenger, air cargo and airline-related services and products in China. Its operational headquarters is in Beijing, a major domestic and international hub in China. It also provides airline-related services, including aircraft maintenance, ground handling services in Beijing, Chengdu, and other locations. Air China was listed on Hong Kong Stock Exchange and London Stock Exchange on 15 December 2004 under codes 00753 and AIRC respectively. On 30 June 2006, Level I Sponsored ADR Program of Air China had been set up under the code of AIRYY. On August 18, 2006, Air China was listed on Shanghai Stock Exchange under code 601111. For further details, please visit Air China's website: [www.airchina.com.cn](http://www.airchina.com.cn).

**Forward-Looking Statement**

This press release contains projections and forward-looking statements that reflect the company's current views with respect to future events and financial performance. These views are based on current assumptions which are subject to various risks and which may change over time. No assurance can be given that future events will occur that projections will be achieved, or that the company's assumptions are correct. Actual results may differ materially from those projected.

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