

CHINA EASTERN AIRLINES CORP LTD
Form 6-K
April 19, 2010

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 6-K

Report of Foreign Private Issuer
Pursuant to Rule 13a-16 or 15d-16
under the Securities Exchange Act of 1934

For the month of April 2010

Commission File Number: 001-14550

China Eastern Airlines Corporation Limited

(Translation of Registrant's name into English)

2550 Hongqiao Road
Hongqiao Airport
Shanghai, China 200335

(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F: Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934: Yes No

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): n/a

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

China Eastern Airlines Corporation Limited
(Registrant)

Date April 19, 2010

By

/s/ Luo Zhuping

Name: Luo Zhuping

Title: Director and Company Secretary

Certain statements contained in this announcement may be regarded as "forward-looking statements" within the meaning of the U.S. Securities Exchange Act of 1934, as amended. Such forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual performance, financial condition or results of operations of the Company to be materially different from any future performance, financial condition or results of operations implied by such forward-looking statements. Further information regarding these risks, uncertainties and other factors is included in the Company's filings with the U.S. Securities and Exchange Commission. The forward-looking statements included in this announcement represent the Company's views as of the date of this announcement. While the Company anticipates that subsequent events and developments may cause the Company's views to change, the Company specifically disclaims any obligation to update these forward-looking statements, unless required by applicable laws. These forward-looking statements should not be relied upon as representing the Company's views as of any date subsequent to the date of this announcement.

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(A joint stock limited company incorporated in the People's Republic of China with limited liability)
(Stock code: 00670)

FIRST QUARTERLY REPORT 2010

This announcement is made by the Company pursuant to the disclosure requirement under Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The financial statements of the Company for the first quarter of 2010 were not audited, and were prepared in accordance with the PRC Accounting Regulations.

1. IMPORTANT NOTICE

This announcement is made by China Eastern Airlines Corporation Limited (the "Company") pursuant to the disclosure requirement under Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (which requires any issuer listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") whose securities are also listed on other stock exchange(s) to simultaneously inform the 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 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 (the "CSRC") in relation to disclosure of information in quarterly reports for listed companies, and is published simultaneously in Shanghai and Hong Kong. The financial statements of the Company for the first quarter of 2010 were not audited, and were prepared in accordance with the PRC Accounting Regulations.

The board of directors (the "Board") and the supervisory committee of the Company, and its directors, supervisors and senior management hereby confirm that the information set out in this report does not contain any false information, misleading statement or material omission, and accept joint and several responsibilities for the truthfulness, accuracy and completeness of the contents of this report.

Directors who failed to attend the Board meeting are set out as follows:

| Name of the absent Director | Position held by the absent Director | Reason given by the absent Director | Name of proxy |
|-----------------------------|--------------------------------------|---|------------------|
| Xie Rong | Independent Director | Failed to attend the meeting as he was on a business trip | Wu Xiaogen |
| Ji Weidong | Independent Director | Failed to attend the meeting as he was on a business trip | Sandy Ke-Yaw Liu |

| | |
|---|---|
| Name of person-in-charge of the Company | Mr. Liu Shaoyong, Chairman |
| Name of officer-in-charge of accounting | Mr. Ma Xulun, President |
| Name of officer-in-charge of the accounting department (accounting officer) | Mr. Wu Yongliang, Chief Financial Officer |

Mr. Liu Shaoyong, the Chairman and the person-in-charge of the Company, Mr. Ma Xulun, the President and the officer-in-charge of accounting of the Company, and Mr. Wu Yongliang, the chief financial officer and the officer-in-charge of the accounting department (accounting officer) of the Company, hereby declare that the financial statements forming part of this quarterly report are true and complete.

2. BASIC PARTICULARS OF THE COMPANY

2.1 Main accounting data and financial indicators

| | As at the end of the reporting period | As at the end of last year | Currency: RMB Increase/ decrease as at the end of the reporting period compared with the end of last year (%) |
|---|---------------------------------------|----------------------------|--|
| Total assets (RMB'000) | 91,751,468.00 | 72,018,681.00 | 27.40 |
| Owners' equity (or shareholders' equity) (RMB'000) | 2,185,215.00 | 3,103,585.00 | -29.59 |
| Net assets per share attributable to the shareholders of listed company (RMB per share) | 0.19 | 0.32 | -40.63 |

| | | | Increase/ decrease compared with the same period last year (%) |
|--|---|--|--|
| | From the beginning of the year to the end of the reporting period | | |
| Net cash flow generated from operating activities (RMB'000) | 3,285,868.00 | | 471.82 |
| Net cash flow generated from operating activities per share (RMB per share) | 0.31 | | 158.33 |
| | Reporting period | From the beginning of the year to the end of the reporting period | Increase/ decrease for the reporting period compared with the same period last year (%) |
| Net profit attributable to shareholders of listed company (RMB'000) | 769,909.00 | 769,909.00 | 1,819.83 |
| Basic earnings per share (RMB per share) | 0.0716 | 0.0716 | 795 |
| Basic earnings per share after non- recurring profit and loss(RMB per share) | 0.0702 | 0.0702 | N/A |
| Diluted earnings per share(RMB per share) | 0.0716 | 0.0716 | 795 |
| Weighted average return on equity (%) | 0.3255 | 0.3255 | N/A |
| Weighted average return on equity after deducting non-recurring profit and loss (%) | 0.3189 | 0.3189 | N/A |

Note The earnings per share/cash flow generated from operating activities per share of the Company in the first quarter of 2010 were calculated based on the weighted average number of ordinary shares issued and outstanding of the parent company, namely 10,749,256,000 shares, the per-share financial data for the same period last year was calculated based on the then existing 4,866,950,000 shares. The net assets per share of the Company as at 31 March 2010 was calculated based on the number of ordinary shares of the parent company issued and outstanding as at 31 March 2010, namely 11,276,538,860 shares, and the per- share financial data during the same period in 2009 was calculated based on the then existing 4,866,950,000 shares.

After deducting non-recurring profit and loss and relevant amounts:

| Items | Unit: '000 Currency: RMB Amounts |
|---|--|
| Gains or losses from disposal of non-current assets | 7,018 |
| Net gain on disposal of fixed assets held for sale | 135 |
| Non-operating incomes | 12,443 |
| Non-operating expenses | -3,866 |
| Effect on income tax | -25 |
| Effect on minority interests (net of tax) | -55 |
| Total | 15,650 |

2.2 The total number of the Company's shareholders and the shareholdings of the 10 largest holders of shares not subject to selling moratorium as at the end of the reporting period

| | Unit: Shares |
|--|--------------|
| Total number of shareholders as at the end of the reporting period | 197,786 |

Shareholding of the 10 largest holders of circulating shares not subject to selling moratorium

Name of shareholders (in full)

HKSCC NOMINEES LIMITED

股票型證券 基金

華夏 證券 基金

優選股票型證券 基金

易方達策略 二號混 型證券 基金

易方達策略 混 型證券 基金

輕工 對外經濟技術 作

3. IMPORTANT MATTERS

3.1 The details of and reasons for the substantial changes in main items of financial statements and financial indicators of the Company

ü Applicable Not applicable

Changes in scope of consolidation had occurred during the reporting period: Yes; No; (Shanghai Airline Company Limited) was newly added.

3.2 Analysis of the progress of other significant events and their effects and proposed solutions

ü Applicable Not applicable

On 10 July 2009, the Company entered into the “Share Exchange and Absorption Agreement” with Yes; No; (Shanghai Airlines Co., Ltd) (“Shanghai Airlines”). The Company exchanged for a total of 1,303,722,200 shares of the total issued share capital of Shanghai Airlines by issue of A shares at the rate of 1.3 A shares of the Company in exchange of 1 share of Shanghai Airlines. On 30 December 2009, the Company received the “Reply Concerning Approval of Absorption of Shanghai Airlines Co., Ltd by China Eastern Airlines Corporation Limited” from CSRC in relation to the approval of the absorption of Shanghai Airlines by the Company.

On 28 January 2010, the Company completed the share exchange with Shanghai Airlines. During the share exchange, 1,694,838,860 shares were newly issued, in which 1,405,950,000 shares are listed shares without trading moratorium and 288,888,860 shares are listed shares with trading moratorium. Upon completion of the share exchange, the share capital of the Company increased to RMB11,276,538,860.

As the absorption of Shanghai Airlines was just completed on 28 January 2010, the Company is still in the process of determining the goodwill, the amount of which will be timely disclosed once the amount is confirmed.

3.3 The status of implementation of the matters undertaken by the Company, shareholders and the ultimate controller

ü Applicable Not applicable

For the related undertakings, please refer to the status of implementation of the matters undertaken by the Company in full text of the Company’s Annual Report 2009. There are no additional undertakings during the reporting period.

3.4 Warning of and reasons for any expected accumulated losses from the beginning of the year to the end of the following reporting period or substantial changes in profitability compared to the same period last year

o Applicable ü Not applicable

3.5 Implementation of cash dividend policy during the reporting period

No

By order of the Board
China Eastern Airlines Corporation Limited
Liu Shaoyong
Chairman

The directors of the Company as at the date of this announcement are:

| | |
|------------------|--------------------------------------|
| Liu Shaoyong | (Chairman) |
| Li Jun | (Vice Chairman) |
| Ma Xulun | (Director, President) |
| Luo Chaogeng | (Director) |
| Luo Zhuping | (Director, Company Secretary) |
| Wu Baiwang | (Independent non-executive Director) |
| Xie Rong | (Independent non-executive Director) |
| Sandy Ke-Yaw Liu | (Independent non-executive Director) |
| Wu Xiaogen | (Independent non-executive Director) |
| Ji Weidong | (Independent non-executive Director) |

Shanghai, the People's Republic of China
19 April 2010

APPENDICES

China Eastern Airlines Corporation Limited

Consolidated and Company's Balance Sheet as at 31 March 2010

(Unaudited and unless otherwise stated, amounts expressed in RMB'000)

| | 31 March 2010 Consolidated | 31 December 2009 Consolidated | 31 March 2010 Company | 31 December 2009 Company |
|-------------------------------------|----------------------------------|-------------------------------------|-----------------------------|--------------------------------|
| Assets | | | | |
| Current assets | | | | |
| Cash and cash equivalents | 6,435,432 | 2,191,698 | 4,171,097 | 1,561,100 |
| Tradable financial assets | 0 | 3,490 | 0 | 3,490 |
| Trade receivables | 2,437,065 | 1,370,871 | 1,968,464 | 1,617,660 |
| Prepayments | 885,546 | 377,399 | 371,871 | 324,272 |
| Dividends receivable | 6,633 | 7,356 | 6,633 | 6,633 |
| Other receivables | 2,607,939 | 1,530,172 | 3,214,627 | 2,580,267 |
| Flight equipment spare parts | 1,290,866 | 932,260 | 766,995 | 752,047 |
| Other current assets | 398,797 | 450,693 | 366,934 | 450,693 |
| Total current assets | 14,062,278 | 6,863,939 | 10,866,621 | 7,296,162 |
| Non-current assets | | | | |
| Available-for-sale financial assets | 6,895 | 563 | 203 | 203 |
| Long-term equity investments | 1,414,327 | 1,152,521 | 3,646,488 | 3,645,157 |
| Fixed assets | 65,004,819 | 55,753,355 | 46,836,338 | 47,096,454 |
| Construction in progress | 7,592,609 | 5,824,907 | 6,433,828 | 5,705,298 |
| Intangible assets | 1,933,868 | 1,401,083 | 753,589 | 783,950 |
| Long-term deferred expenses | 996,235 | 590,639 | 544,280 | 542,633 |
| Deferred tax assets | 57,986 | 57,441 | 0 | 0 |
| Other non-current assets | 682,451 | 374,233 | 278,843 | 278,623 |
| Total non-current assets | 77,689,190 | 65,154,742 | 58,493,569 | 58,052,318 |
| Total assets | 91,751,468 | 72,018,681 | 69,360,190 | 65,348,480 |

Person-in-charge of the Company: Liu Shaoyong

Officer-in-charge of accounting: Ma Xulun

Officer-in-charge of the accounting department: Wu Yongliang

China Eastern Airlines Corporation Limited
Consolidated and Company's Balance Sheet as at 31 March 2010 (Cont'd)
(Unaudited and unless otherwise stated, amounts expressed in RMB'000)

| | 31 March 2010 Consolidated | 31 December 2009 Consolidated | 31 March 2010 Company | 31 December 2009 Company |
|---|----------------------------------|-------------------------------------|-----------------------------|--------------------------------|
| Liabilities and shareholder's equity | | | | |
| Current liabilities | | | | |
| Short-term borrowings | 16,905,806 | 8,406,606 | 10,197,902 | 6,866,606 |
| Tradable financial liabilities | 677,649 | 1,129,631 | 671,375 | 1,129,631 |
| Notes payable | 7,433,138 | 4,970,274 | 6,462,787 | 4,936,372 |
| Trade payables | 10,660,533 | 8,475,878 | 6,666,914 | 7,160,192 |
| Amounts received in advance | 1,973,592 | 1,505,791 | 1,431,695 | 1,497,000 |
| Staff remuneration payable | 1,755,781 | 1,882,586 | 1,402,284 | 1,593,580 |
| Tax payable | 1,208,878 | 859,965 | 758,342 | 681,668 |
| Interests payable | 141,925 | 133,966 | 101,288 | 119,923 |
| Other payables | 1,922,241 | 1,446,826 | 1,794,371 | 1,446,487 |
| Non-current liabilities due within 1 year | 7,907,454 | 6,851,518 | 4,929,969 | 5,637,650 |
| Total current liabilities | 50,586,997 | 35,663,041 | 34,416,927 | 31,069,109 |
| Non-current liabilities | | | | |
| Long-term borrowings | 16,993,489 | 13,004,874 | 11,876,488 | 10,901,784 |
| Long-term amount payable | 20,641,092 | 19,143,468 | 16,139,919 | 17,069,835 |
| Project amount payable | 109,360 | 91,870 | 87,524 | 87,524 |
| Deferred income tax liabilities | 52,788 | 51,539 | 0 | 0 |
| Deferred revenue | 605,064 | 450,761 | 450,761 | 450,761 |
| Total non-current liabilities | 38,401,793 | 32,742,512 | 28,554,692 | 28,509,904 |
| Total liabilities | 88,988,790 | 68,405,553 | 62,971,619 | 59,579,013 |
| Shareholder's equity | | | | |
| Share capital | 11,276,539 | 9,581,700 | 11,276,539 | 9,581,700 |
| Capital reserve | 7,133,599 | 10,516,717 | 8,700,485 | 10,448,034 |
| Accumulated losses | (16,224,923) | (16,994,832) | (13,588,453) | (14,260,267) |
| Total parent company shareholder's equity | 2,185,215 | 3,103,585 | 6,388,571 | 5,769,467 |
| Minority interests | 577,463 | 509,543 | 0 | 0 |
| Total shareholder's equity | 2,762,678 | 3,613,128 | 6,388,571 | 5,769,467 |
| Total liabilities and shareholder's equity | 91,751,468 | 72,018,681 | 69,360,190 | 65,348,480 |

Person-in-charge of the Company: Liu Shaoyong
Officer-in-charge of accounting: Ma Xulun
Officer-in-charge of the accounting department: Wu Yongliang

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China Eastern Airlines Corporation Limited

Consolidated and Company's Income Statement for the three months period ended 31 March 2010

(Unaudited and unless otherwise stated, amounts expressed in RMB'000)

| | Jan to Mar 2010 Consolidated | Jan to Mar 2009 Consolidated | Jan to Mar 2010 Company | Jan to Mar 2009 Company |
|--|------------------------------------|------------------------------------|-------------------------------|-------------------------------|
| 1. Revenue | 15,568,925 | 8,946,146 | 9,308,433 | 7,315,523 |
| Less: Operating cost | (12,962,167) | (8,423,481) | (7,768,207) | (6,851,964) |
| Taxes and levies | (376,707) | (219,091) | (213,822) | (171,584) |
| Marketing expenses | (1,073,718) | (595,092) | (649,081) | (508,182) |
| General and administrative expenses | (470,922) | (305,333) | (257,063) | (241,628) |
| Finance expenses, net | (388,635) | (684,458) | (236,766) | (605,234) |
| Impairment loss | (8,516) | (4,887) | (8,259) | (4,667) |
| Add: Gain arising from change in fair value | 463,498 | 421,959 | 451,768 | 421,959 |
| Investment gain | 1,443 | 13,881 | 2,857 | 14,470 |
| 2. Operating profit | 753,201 | (850,356) | 629,860 | (631,307) |
| Add: Non-operating income | 62,925 | 877,208 | 45,612 | 750,133 |
| Less: Non-operating expenses | (4,226) | (2,942) | (3,658) | (2,851) |
| 3. Total profit | 811,900 | 23,910 | 671,814 | 115,975 |
| Less: Income tax | (24,613) | (12,510) | 0 | – |
| 4. Net profit | 787,287 | 11,400 | 671,814 | 115,975 |
| – Attributable to equity holders of the parent company | 769,909 | 40,103 | 671,814 | 115,975 |
| – Minority interests | 17,378 | (28,703) | | |
| 5. Earnings per share | | | | |
| Basic earning per share | 0.07 | 0.01 | | |
| Diluted earning per share | 0.07 | 0.01 | | |

Person-in-charge of the Company: Liu Shaoyong

Officer-in-charge of accounting: Ma Xulun

Officer-in-charge of the accounting department: Wu Yongliang

China Eastern Airlines Corporation Limited
Consolidated and Company's Cash Flow Statement for January to March 2010
(Unaudited and unless otherwise stated, amounts expressed in RMB'000)

| Items | Jan to Mar 2010 Consolidated | Jan to Mar 2009 Company | Jan to Mar 2010 Consolidated | Jan to Mar 2009 Company |
|---|------------------------------------|-------------------------------|------------------------------------|-------------------------------|
| 1. Cash flow generated from operating activities | | | | |
| Cash received from sales of goods and provision of labour services | 15,601,356 | 8,400,215 | 8,609,813 | 6,622,755 |
| Other cash received related to operating activities | 245,774 | 832,283 | 83,723 | 782,019 |
| Subtotal: Cash inflow from operating activities | 15,847,130 | 9,232,498 | 8,693,536 | 7,404,774 |
| Cash paid for purchases of goods and provision of labour services | (8,695,224) | (6,440,010) | (3,822,016) | (4,616,383) |
| Cash paid to and for staff | (2,160,636) | (1,451,950) | (1,456,646) | (1,085,563) |
| Taxes paid | (923,079) | (598,435) | (564,898) | (535,619) |
| Other cash paid related to operating activities | (782,323) | (167,469) | (1,225,111) | (156,374) |
| Subtotal: Cash outflow from operating activities | (12,561,262) | (8,657,864) | (7,068,671) | (6,393,939) |
| Net cash flow generated from operating activities | 3,285,868 | 574,634 | 1,624,865 | 1,010,835 |
| 2. Cash flow generated from investing activities | | | | |
| Cash received from investment gains | 591 | 2,280 | 976 | – |
| Cash recovered from disposal of fixed assets, intangible assets and other long-term assets, net | 13,961 | 2,079 | 8,087 | 2,079 |
| Other cash received related to investing activities | 18,321 | 12,744 | 10,688 | 9,598 |
| Subtotal: Cash inflow from investing activities | 32,873 | 17,103 | 19,751 | 11,677 |
| Cash paid for acquisition of fixed assets, intangible assets and other long-term assets | (3,179,332) | (1,162,722) | (2,076,573) | (1,070,135) |
| Other cash paid related to investing activities | (7,492) | – | (517) | – |
| Subtotal: Cash outflow from investing activities | (3,186,824) | (1,162,722) | (2,077,090) | (1,070,135) |

| | | | | |
|---|-------------|-------------|-------------|-------------|
| Net cash flow generated from investing activities | (3,153,951) | (1,145,619) | (2,057,339) | (1,058,458) |
|---|-------------|-------------|-------------|-------------|

China Eastern Airlines Corporation Limited
Consolidated and Company's Cash Flow Statement for January to March 2010 (Cont'd)
(Unaudited and unless otherwise stated, amounts expressed in RMB'000)

| Items | Jan to Mar 2010 Consolidated | Jan to Mar 2009 Company | Jan to Mar 2010 Consolidated | Jan to Mar 2009 Company |
|---|------------------------------------|-------------------------------|------------------------------------|-------------------------------|
| 3. Cash flow generated from fund raising activities | | | | |
| Cash received from borrowings | 10,587,663 | 8,086,018 | 6,791,180 | 6,436,169 |
| Other cash received related to fund raising activities | – | 202,884 | – | 195,265 |
| Subtotal: Cash inflow from fund raising activities | 10,587,663 | 8,288,902 | 6,791,180 | 6,631,434 |
| Cash paid for debt repayment | (6,715,036) | (7,211,850) | (2,925,662) | (5,285,524) |
| Cash paid for distribution of dividends and profits or interest payment | (413,584) | (671,549) | (265,343) | (588,938) |
| In which: Dividends and profits paid to minority shareholders by subsidiaries | (3,378) | – | – | – |
| Other cash paid related to fund raising activities | (1,921,063) | (959,518) | (1,904,887) | (935,364) |
| Subtotal: Cash outflow from fund raising activities | (9,049,683) | (8,842,917) | (5,095,892) | (6,809,826) |
| Net cash flow generated from fund raising activities | 1,537,980 | (554,015) | 1,695,288 | (178,392) |
| 4. Effects of exchange rate changes on cash and cash equivalents | 1,835 | (11,206) | 1,790 | (7,923) |
| 5. Net increase/(decrease) in cash and cash equivalents | 1,671,732 | (1,136,206) | 1,264,604 | (233,938) |
| Add: Balance of cash and cash equivalents at the beginning of the year | 2,902,813 | 3,451,010 | 1,118,230 | 2,361,940 |
| 6. Balance of cash and cash equivalents at the end of the year | 4,574,545 | 2,314,804 | 2,382,834 | 2,128,002 |

Person-in-charge of the Company: Liu Shaoyong
Officer-in-charge of accounting: Ma Xulun
Officer-in-charge of the accounting department: Wu Yongliang

