

CHINA EASTERN AIRLINES CORP LTD
Form 6-K
October 31, 2012

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 October 2012

Commission File Number: 001-14550

China Eastern Airlines Corporation Limited

(Translation of Registrant's name into English)

Board Secretariat's Office

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Kong Gang San Lu, Number 88

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 October 31, 2012 By: /s/ Wang Jian
Name: Wang Jian
Title: Joint 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.

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

(Stock code: 00670)

THIRD QUARTERLY REPORT 2012

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

The financial statements of the Company for the third quarter of 2012 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 third quarter of 2012 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 responsibility for the truthfulness, accuracy and completeness of the contents of this report.

All directors of the Company attended the meeting of the Board.

This third quarterly report of the Company is unaudited.

| | |
|---|--------------|
| Name of the person-in-charge of the Company | Liu Shaoyong |
| Name of the officer-in-charge of accounting | Ma Xulun |
| Name of the officer-in-charge of the accounting department (accounting officer) | Wu Yongliang |

Liu Shaoyong, the person-in-charge of the Company, Ma Xulun, the officer-in-charge of accounting of the Company, and Wu Yongliang, the officer-in-charge of the accounting department (accounting officer) of the Company hereby confirm 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

Currency: RMB

| | 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 (<i>RMB'000</i>) | 120,350,695 | 112,215,152 | 7.25 |
| Owners' equity (or shareholders' equity) (<i>RMB'000</i>) | 24,029,354 | 20,437,377 | 17.58 |
| Net assets per share attributable to the shareholders of listed company (<i>RMB per share</i>) | 2.1309 | 1.8124 | 17.57 |

| | |
|---|--|
| From the beginning of the year to the end of the reporting | Increase/ decrease compared with the same period last |
|---|--|

| | period (from January to September) | year(%) |
|--|---|---------|
| Net cash flow generated from operating activities (<i>RMB'000</i>) | 11,631,280 | -3.45 |
| Net cash flow generated from operating activities per share (<i>RMB per share</i>) | 1.0315 | -3.45 |

| | Reporting period (from July to September) | From the beginning of the year to the end of the reporting period (from January to September) | Increase/ decrease for the reporting period compared with the same period last year(%) |
|---|---|--|---|
| Net profit attributable to shareholders of listed company (RMB'000) | 2,634,649 | 3,629,755 | -20.36 |
| Basic earnings per share (RMB per share) | 0.2336 | 0.3219 | -20.36 |
| Basic earnings per share after deducting non-recurring profit and loss (RMB per share) | 0.2245 | 0.3072 | -22.75 |
| Diluted earnings per share (RMB per share) | 0.2336 | 0.3219 | -20.36 |
| Weighted average return on equity (%) | 16.31 | 12.11 | Decrease by 0.52 percentage points |
| Weighted average return on equity after deducting non-recurring profit and loss (%) | 15.57 | 11.64 | Decrease by 1.11 percentage points |

Under the relevant requirements of the Ministry of Finance and the State Administration of Taxation of the People's Republic of China ("PRC"), the Company is subject to value-added tax instead of business tax with effect from 1 January 2012 with respect to its transportation and other aviation operations in the Shanghai region. The entities involved include the Shanghai headquarters of the Company, Shanghai Airlines Co., Ltd. and China Cargo Airlines Co., Ltd. The implementation of such tax policy of Description: "changing from business tax to value-added tax" had the following influence on the financial data of the Company for the third quarter of 2012: a decrease of revenue of RMB1.163 billion, a decrease of operating costs of RMB783 million, a decrease of business tax expenses of RMB342 million, a decrease of selling and general and administrative expenses of RMB12 million and a decrease of total profit of approximately RMB25 million as a whole. Therefore, investors are cautioned that the aforesaid financial indicators are not comparable to the data for the same period in 2011.

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

Unit: '000

Currency: RMB

| Item | Amount from the beginning of the year to the end of the reporting period (from January to September) |
|---|--|
| Gains or losses from disposal of non-current assets | 2,940 |
| Non-operating incomes and expenses other than the above | 109,834 |
| Effect on income tax | -1,534 |
| Effect on minority interests (net of tax) | -7,949 |
| Total | 103,291 |

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

The total number of the Company's shareholders as at the end of the reporting period 259,851

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

Name of shareholders (in full)

China Eastern Air Holding Company (“**CEA Holding**”)

HKSCC Nominees Limited (including CES Global Holdings (Hong Kong) Limited (“**CES Global**”))

Shanghai Alliance Investment Limited

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China National Aviation Fuel Holding Co.

()

Jin Jiang International Holdings Company Limited

()

Aerospace Capital Holding Co. Ltd.

()

Sinotrans Air Transportation Development Co. Ltd. ()

Bank of China – Harvest Steady and Open-ended Securities Investment Fund

()

Bank of Communications – Hua’an Strategy Selection Stock Securities Investment Fund

()

China Minsheng Banking Corp., Ltd.– Orient Selected Mixed Open-ended Securities Investment Fund

()

3.IMPORTANT MATTERS

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

x Applicable " Not applicable

| Item | Change | Reasons for change (%) |
|---|--------|--|
| Business taxes and surcharges | -60.7 | Primarily due to the fact that the Company is subject to value-added tax instead of business tax with effect from 1 January 2012 with respect to its transportation and other aviation operations in the Shanghai region. |
| Finance Expenses | 289.3 | Primarily due to the impacts of depreciation of Renminbi during the reporting period. The net exchange loss of the Company amounted to RMB143 million, as compared to the gain of RMB685 million in the same period last year. |
| Gain arising from changes in fair value | 154.1 | Primarily due to the impacts of interest rate swaps. |
| Investment gain/(loss) | 121.9 | Primarily due to the improvement in results of operation of invested companies during the third quarter of 2012 as compared to the same period last year. |
| Income tax expenses | 77.9 | Primarily due to the increase in profits of subsidiaries during the third quarter of 2012. |

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

" Applicable x Not applicable

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

S Applicable £ Not applicable

| Background of undertaking | Type of undertaking | Undertaking party | Content of undertaking | Is there any implementation period (Yes/No) | Whether the undertaking has been strictly implemented in a timely manner (Yes/No) | Progress made during the reporting period |
|---|---------------------------------|--------------------------|---|--|--|---|
| Undertaking in relation to material asset restructuring | To resolve business competition | CEA Holding | Pursuant to the “Report relating to share exchange and absorption of Shanghai Airlines Co., Ltd (draft)” published by the Company on 11 August 2009, CEA Holding undertook that: within 3 years after completion of the absorption, it shall duly resolve the problem of business competition between CEA Holding and the Company by means of entrusting the competing business of CEA Holding to the Company, injecting or selling the competing business of CEA Holding to the Company, or CEA Holding acquiring the competing business from the Company. The specific resolutions are subject to the specific conditions at the time of the resolutions and the characteristics of | Yes | Yes | In the progress of resolving problems of business competition in respect of tourism and ticketing operations. |

| Background of undertaking | Type of undertaking | Undertaking party | Content of undertaking | Is there any implementation period (Yes/No) | Whether the undertaking has been strictly implemented in a timely manner (Yes/No) | Progress made during the reporting period |
|--|--------------------------|-------------------|---|---|---|---|
| Undertaking in relation to refinancing | Share selling moratorium | CEA Holding | different ancillary operation segments. Pursuant to the “Report on non-public issuance of shares to specific placees” published by the Company on 3 July 2009, the Company issued on a nonpublic basis 1,437,375,000 A shares to CEA Holding and issued on a non-public basis 1,437,375,000 additional H shares to CES Global, a wholly owned subsidiary of CEA Holding, in June 2009. CEA Holding undertook that: within 3 years after completion of the aforesaid non-public issuance, it shall not transfer its interests in the shares of the Company obtained pursuant to such issue. | Yes | Yes | Implementation completed |

| Background of undertaking | Type of undertaking | Undertaking party | Content of undertaking | Is there any implementation period (Yes/No) | Whether the undertaking has been strictly implemented in a timely manner (Yes/No) | Progress made during the reporting period |
|---|---------------------|---|------------------------|---|--|---|
| To resolve defects in land and other property ownership | CEA Holding | Due to historical problems, some of the land and property injected by CEA Holding into the Company had not yet been transferred to the name of the Company. In this regard, CEA Holding undertook that it shall, on a best-effort basis, enable the Company to obtain the relevant land use rights certificates and property ownership certificates in relation to its capital contribution to the Company, and complete relevant legal procedures in relation to the transfer of property rights; and CEA Holding shall bear all obligations in relation to the losses caused to the Company as a result of the failure of CEA Holding in completing the | No | Yes | Three issues in respect of the defects in property ownership of the Company during the third quarter of 2012 (i.e. from 1 July to 30 September) were resolved. | |

| Background of undertaking | Type of undertaking | Undertaking party | Content of undertaking | Is there any implementation period (Yes/No) | Whether the undertaking has been strictly implemented in a timely manner (Yes/No) | Progress made during the reporting period |
|---------------------------|--------------------------|-------------------|---|---|---|---|
| | | | relevant procedures for transferring the relevant property rights in a timely manner, and shall indemnify all the losses suffered by the Company in this regard. | | | |
| | Share selling moratorium | CEA Holding | Pursuant to the "Report on non-public issuance of A shares" published by the Company on 24 December 2009, the Company issued on a non-public basis 1,350,000,000 A shares in December 2009 (among which 490,000,000 A shares were issued on a non-public basis to CEA Holding). CEA Holding undertook that: it shall not transfer the 490,000,000 A shares issued to CEA Holding under the aforesaid issuance within 36 months from the date of completion thereof. | Yes | Yes | Implementation in progress |

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

Applicable Not applicable

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3.5 Implementation of cash dividend policy during the reporting period

1. *The Company's cash dividend policy during the reporting period is as follows: The Company*

The Company may distribute its dividend by way of cash or shares. Such distribution shall emphasize the reasonable investment return to its investors, and the distribution policy shall be stable and consistent. The Company shall conduct its cash distribution on a reasonable basis taking into account its own operational results and financial position and in compliance with laws and regulations as well as the requirements of securities regulatory authorities. Where the Board does not propose any cash distribution plan, reasons shall be stated in its periodic reports.

2. *The Company shall not distribute cash dividend as it had a negative accumulated distributable profit during the reporting period.*

By order of the Board

東方 份

CHINA EASTERN AIRLINES CORPORATION LIMITED

Liu Shaoyong

Chairman

The Directors as at the date of this announcement are:

| | |
|------------------|---|
| Liu Shaoyong | <i>(Chairman)</i> |
| Ma Xulun | <i>(Vice Chairman, President)</i> |
| Xu Zhao | <i>(Director)</i> |
| Gu Jiadan | <i>(Director)</i> |
| Li Yangmin | <i>(Director, Vice President)</i> |
| Tang Bing | <i>(Director, Vice President)</i> |
| Luo Zhuping | <i>(Director)</i> |
| Sandy Ke-Yaw Liu | <i>(Independent non-executive Director)</i> |
| Wu Xiaogen | <i>(Independent non-executive Director)</i> |
| Ji Weidong | <i>(Independent non-executive Director)</i> |
| Shao Ruiqing | <i>(Independent non-executive Director)</i> |

Shanghai, the PRC

30 October 2012

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4. APPENDICES**4.1****Consolidated Balance Sheet****30 September 2012***Prepared by: China Eastern Airlines Corporation Limited**Amounts expressed in RMB'000**Unaudited*

| Item | Balance at the end of the reporting period | Balance at the beginning of the year |
|--|---|---|
| Current assets: | | |
| Monetary capital | 8,456,343 | 6,755,260 |
| Settlement reserves fund | - | - |
| Deposits with banks and other financial institutions | - | - |
| Derivative financial assets | 5,408 | 4,365 |
| Notes receivable | - | - |
| Trade receivables | 2,304,064 | 2,197,493 |
| Prepayments | 899,170 | 973,451 |
| Premiums receivable | - | - |
| Receivables from reinsurers | - | - |
| Reinsurance deposits receivable | - | - |
| Interest receivable | 12,152 | 21,333 |
| Dividends receivable | 128 | - |
| Other receivables | 2,207,427 | 1,722,644 |
| Buying back the sale of financial assets | - | - |
| Inventory | 1,916,043 | 1,555,544 |
| Non-current assets due within one year | - | - |
| Other current assets | 423,325 | 482,313 |
| Total current assets | 16,224,060 | 13,712,403 |

4.1

Consolidated Balance Sheet (Cont'd)**30 September 2012***Prepared by: China Eastern Airlines Corporation Limited**Amounts expressed in RMB'000**Unaudited*

| Item | Balance at the end of the reporting period | Balance at the beginning of the year |
|-------------------------------------|---|---|
| Non-current assets: | | |
| Entrusted loans and advances | — | — |
| Financial assets available for sale | 2,344 | 2,344 |
| Held-to-maturity investments | — | — |
| Long-term receivables | — | — |
| Long-term equity investment | 1,568,360 | 1,498,881 |
| Properties held for investment | — | — |
| Fixed assets | 77,369,556 | 71,565,372 |
| Construction in progress | 12,752,313 | 13,085,908 |
| Construction materials | — | — |
| Disposal of fixed assets | — | — |
| Biological assets for production | — | — |
| Oil and gas assets | — | — |
| Intangible assets | 1,984,558 | 1,898,953 |
| Development expenses | — | — |
| Goodwill | 8,509,030 | 8,509,030 |
| Long-term deferred expenses | 1,206,396 | 1,180,254 |
| Deferred income tax assets | 12,427 | 12,427 |
| Other non-current assets | 721,651 | 749,580 |
| Total non-current assets | 104,126,635 | 98,502,749 |
| Total assets | 120,350,695 | 112,215,152 |

4.1

Consolidated Balance Sheet (Cont'd)**30 September 2012***Prepared by: China Eastern Airlines Corporation Limited**Amounts expressed in RMB'000**Unaudited*

| Item | Balance at the end of the reporting period | Balance at the beginning of the year |
|--|--|---|
| Current liabilities: | | |
| Short-term borrowings | 10,622,220 | 11,453,880 |
| Borrowing from Central Bank | — | — |
| Deposits from customers and other banks | — | — |
| Advances from banks and other financial institutions | — | — |
| Derivative financial liabilities | 359,948 | 332,984 |
| Notes payable | 700,000 | 47,746 |
| Trade payables | 11,659,885 | 10,267,531 |
| Account collected in advance | 4,303,346 | 3,664,673 |
| Financial assets sold under agreements to repurchase | — | — |
| Handling charges and commissions payable | — | — |
| Staff remuneration payable | 2,180,848 | 3,047,095 |
| Tax payable | 1,699,379 | 2,002,101 |
| Interest payable | 173,693 | 179,792 |
| Dividends payable | 5,540 | 740 |
| Other payables | 3,326,279 | 2,717,410 |
| Amounts due to reinsurers | — | — |
| Insurance deposits payable | — | — |
| Securities trading agency fees | — | — |
| Securities underwriting fees | — | — |
| Non-current liabilities due within one year | 10,159,017 | 9,950,619 |
| Other current liabilities | 4,000,000 | — |
| Total current liabilities | 49,190,155 | 43,664,571 |

4.1

Consolidated Balance Sheet (Cont'd)**30 September 2012***Prepared by: China Eastern Airlines Corporation Limited**Amounts expressed in RMB'000**Unaudited*

| Item | Balance at the end of the reporting period | Balance at the beginning of the year |
|---|---|---|
| Non-current liabilities: | | |
| Long-term borrowings | 19,843,797 | 21,103,463 |
| Bonds payable | 2,500,000 | 2,500,000 |
| Long-term payables | 21,574,669 | 21,551,521 |
| Special items payable | 116,786 | 112,685 |
| Expected liabilities | - | - |
| Deferred income tax liabilities | 29,365 | 29,326 |
| Other non-current liabilities | 1,228,082 | 1,108,173 |
| Total non-current liabilities | 45,292,699 | 46,405,168 |
| Total liabilities | 94,482,854 | 90,069,739 |
| Owners' equity (or shareholders' equity): | | |
| Paid-up capital (or share capital) | 11,276,539 | 11,276,539 |
| Capital reserves | 15,588,808 | 15,626,586 |
| Less: Treasury shares | - | - |
| Special reserves | - | - |
| Surplus reserves | - | - |
| Provision for ordinary risks | - | - |
| Undistributed profits | -2,835,993 | -6,465,748 |
| Exchange difference in foreign currency statements | - | - |
| Total equity attributable to equity holders of parent company | 24,029,354 | 20,437,377 |
| Minority interests | 1,838,487 | 1,708,036 |
| Total owners' equity | 25,867,841 | 22,145,413 |

| | | |
|--------------------------------------|-------------|-------------|
| Total liabilities and owners' equity | 120,350,695 | 112,215,152 |
|--------------------------------------|-------------|-------------|

Legal representative of the Company: Liu Shaoyong

Officer-in-charge of accounting: Ma Xulun

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

4.1 Balance Sheet of Parent Company

30 September 2012

Prepared by: China Eastern Airlines Corporation Limited

Amounts expressed in RMB'000

Unaudited

| Item | Balance at the end of the reporting period | Balance at the beginning of the year |
|--|--|---|
| Current assets: | | |
| Monetary capital | 2,122,513 | 1,212,180 |
| Derivative financial assets | 5,408 | 4,365 |
| Notes receivable | – | – |
| Trade receivables | 4,099,252 | 2,256,601 |
| Prepayments | 421,045 | 422,879 |
| Interest receivable | – | 5,912 |
| Dividends receivable | 79,223 | – |
| Other receivables | 5,384,763 | 3,464,920 |
| Inventory | 1,603,087 | 1,270,586 |
| Non-current assets due within one year | – | – |
| Other current assets | 390,696 | 482,313 |
| Total current assets | 14,105,987 | 9,119,756 |
| Non-current assets: | | |
| Financial assets available for sale | – | – |
| Held-to-maturity investments | – | – |
| Long-term receivables | – | – |
| Long-term equity investment | 10,244,749 | 8,993,368 |
| Properties held for investment | – | – |
| Fixed assets | 52,445,405 | 49,186,730 |
| Construction in progress | 11,555,973 | 11,184,681 |
| Construction materials | – | – |
| Disposal of fixed assets | – | – |
| Biological assets for production | – | – |
| Oil and gas assets | – | – |

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| | | |
|-----------------------------|------------|------------|
| Intangible assets | 958,892 | 861,469 |
| Development expenses | — | — |
| Goodwill | 8,509,030 | 8,509,030 |
| Long-term deferred expenses | 736,144 | 718,014 |
| Deferred income tax assets | — | — |
| Other non-current assets | 253,360 | 262,420 |
| | | |
| Total non-current assets | 84,703,553 | 79,715,712 |
| | | |
| Total assets | 98,809,540 | 88,835,468 |

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4.1**Balance Sheet of Parent Company (Cont'd)****30 September 2012***Prepared by: China Eastern Airlines Corporation Limited**Amounts expressed in RMB'000**Unaudited*

| Item | Balance at the end of the reporting period | Balance at the beginning of the year |
|---|--|---|
| Current liabilities: | | |
| Short-term borrowings | 8,518,713 | 9,765,647 |
| Derivative financial liabilities | 359,948 | 332,984 |
| Notes payable | 400,000 | – |
| Trade payables | 12,170,709 | 7,652,110 |
| Account collected in advance | 3,714,371 | 2,925,710 |
| Staff remuneration payable | 1,409,725 | 1,853,809 |
| Tax payable | 483,961 | 1,109,730 |
| Interest payable | 118,881 | 110,108 |
| Dividends payable | – | – |
| Other payables | 3,066,481 | 3,067,806 |
| Non-current liabilities due within one year | 8,440,019 | 7,499,231 |
| Other current liabilities | 4,000,000 | – |
| Total current liabilities | 42,682,808 | 34,317,135 |
| Non-current liabilities: | | |
| Long-term borrowings | 14,273,618 | 15,184,868 |
| Bonds payable | – | – |
| Long-term payables | 16,335,047 | 16,276,221 |
| Special items payable | 92,054 | 91,649 |
| Expected liabilities | – | – |
| Deferred income tax liabilities | – | – |
| Other non-current liabilities | 725,400 | 634,069 |
| Total non-current liabilities | 31,426,119 | 32,186,807 |

| | | |
|-------------------|------------|------------|
| Total liabilities | 74,108,927 | 66,503,942 |
|-------------------|------------|------------|

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4.1**Balance Sheet of Parent Company (Cont'd)****30 September 2012***Prepared by: China Eastern Airlines Corporation Limited**Amounts expressed in RMB'000**Unaudited*

| Item | Balance at the end of the reporting period | Balance at the beginning of the year |
|---|--|---|
| Owners' equity (or shareholders' equity): | | |
| Paid-up capital (or share capital) | 11,276,539 | 11,276,539 |
| Capital reserves | 15,519,475 | 15,558,258 |
| Less: Treasury shares | - | - |
| Special reserves | - | - |
| Surplus reserves | - | - |
| Provision for ordinary risks | - | - |
| Undistributed profits | -2,095,401 | -4,503,271 |
| Total owners' equity (or shareholders' equity) | 24,700,613 | 22,331,526 |
| Total liabilities and owners' equity (or shareholders' equity) | 98,809,540 | 88,835,468 |

Legal representative of the Company: Liu Shaoyong

Officer-in-charge of accounting: Ma Xulun

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

4.2

Consolidated Income Statement*Prepared by: China Eastern Airlines Corporation Limited**Amounts expressed in RMB'000**Unaudited*

| Item | Amount for the reporting period (from July to September) | Amount for the corresponding period of last year (from July to September) | Amount from the beginning of the year to the end of the reporting period (from January to September) | Amount from the beginning of last year to the end of the reporting period (from January to September) |
|---|---|---|--|---|
| 1. Total revenue | 25,125,993 | 24,451,190 | 65,528,773 | 63,233,344 |
| Of which: Revenue | 25,125,993 | 24,451,190 | 65,528,773 | 63,233,344 |
| Interest income | — | — | — | — |
| Premiums earned | — | — | — | — |
| Handling charges and commission income | — | — | — | — |
| 2. Total operating costs | 22,661,247 | 21,270,200 | 63,159,264 | 58,072,148 |
| Of which: Operating costs | 19,633,297 | 18,907,235 | 55,149,960 | 51,301,043 |
| Interest expenses | — | — | — | — |
| Handling charges and commission expenses | — | — | — | — |
| Payments on surrenders | — | — | — | — |
| Net compensation expenses | — | — | — | — |
| Net provision for insurance contract | — | — | — | — |
| Insurance policy dividend expenses | — | — | — | — |
| Reinsurance expenses | — | — | — | — |
| Business taxes and surcharges | 217,968 | 554,063 | 557,395 | 1,330,403 |
| Selling expenses | 1,532,240 | 1,498,882 | 4,003,998 | 4,045,580 |
| General and administrative expenses | 691,812 | 614,972 | 1,861,622 | 1,740,259 |
| Finance expenses | 586,049 | -309,658 | 1,607,427 | -385,063 |
| Assets impairment loss | -119 | 4,706 | -21,138 | 39,926 |
| Add: Gains arising from changes in fair value (loss indicated by “-”) | 7,729 | -14,278 | 17,576 | 71,218 |
| Investment gains (loss indicated by “-”) | 73,171 | 32,972 | 138,717 | 96,444 |
| Of which: Investment gains on associated companies and joint ventures | — | — | — | — |

| | | | | |
|--|---|---|---|---|
| Exchange gains (loss indicated by “-”) | — | — | — | — |
|--|---|---|---|---|

4.2

Consolidated Income Statement (Cont'd)

Prepared by: China Eastern Airlines Corporation Limited

Amounts expressed in RMB'000

Unaudited

| Item | Amount for the reporting period (from July to September) | Amount for the corresponding period of last year (from July to September) | Amount from the beginning of the year to the end of the reporting period (from January to September) | Amount from the beginning of last year to the end of the reporting period (from January to September) |
|---|--|---|---|--|
| 3. Operating profit (loss indicated by “-”) | 2,545,646 | 3,199,684 | 2,525,802 | 5,328,858 |
| Add: Non-operating income | 312,467 | 259,327 | 1,411,942 | 785,468 |
| Less: Non-operating expenses | 3,222 | 3,438 | 15,292 | 15,919 |
| Of which: Loss on disposal of non-current assets | — | — | — | — |
| 4. Total profits (total losses indicated by “-”) | 2,854,891 | 3,455,573 | 3,922,452 | 6,098,407 |
| Less: Income tax expenses | 112,480 | 63,213 | 291,313 | 185,286 |
| 5. Net profit (net loss indicated by “-”) | 2,742,411 | 3,392,360 | 3,631,139 | 5,913,121 |
| Net profit attributable to equity holders of parent company | 2,634,649 | 3,308,042 | 3,629,755 | 5,759,772 |
| Minority interests | 107,762 | 84,318 | 1,384 | 153,349 |
| 6. Earnings per share: | | | | |
| (1) Basic earnings per share | 0.2336 | 0.2934 | 0.3219 | 0.5108 |
| (2) Diluted earnings per share | 0.2336 | 0.2934 | 0.3219 | 0.5108 |
| 7. Other comprehensive income | — | — | — | — |
| 8. Total comprehensive income | | | | |

| | | | | |
|---|---|---|---|---|
| Total comprehensive income attributable to equity holders of parent company | — | — | — | — |
| Total comprehensive income attributable to minority interests | — | — | — | — |

Legal representative of the Company: Liu Shaoyong

Officer-in-charge of accounting: Ma Xulun

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

4.2**Income Statement of Parent Company***Prepared by: China Eastern Airlines Corporation Limited**Amounts expressed in RMB'000**Unaudited*

| Item | Amount for the reporting period (from July to September) | Amount for the corresponding period of last year (from July to September) | Amount from the beginning of the year to the end of the reporting period (from January to September) | Amount from the beginning of last year to the end of the reporting period (from January to September) |
|---|---|---|--|---|
| 1. Revenue | 13,387,605 | 13,930,494 | 35,016,763 | 38,363,130 |
| Less: Operating costs | 10,291,398 | 10,179,425 | 29,193,321 | 30,457,133 |
| Business taxes and surcharges | 19,272 | 320,532 | 54,977 | 779,964 |
| Selling expenses | 940,959 | 1,030,233 | 2,533,916 | 2,732,601 |
| General and administrative expenses | 382,409 | 325,211 | 1,035,217 | 980,435 |
| Finance expenses | 468,799 | -301,192 | 1,300,104 | -358,082 |
| Assets impairment loss | | 4,422 | -21,000 | 39,614 |
| Add: Gains from changes in fair value (loss indicated by “-”) | 7,729 | -14,278 | 17,576 | 71,218 |
| Investment gains (loss indicated by “-”) | 71,941 | 23,188 | 229,975 | 450,926 |
| Of which: Investment gains on associated companies and joint ventures | — | — | — | — |
| 2. Operating profit (loss indicated by “-”) | 1,364,438 | 2,380,773 | 1,167,779 | 4,253,609 |
| Add: Non-operating income | 299,587 | 557,244 | 1,246,326 | 993,167 |
| Less: Non-operating expenses | 2,198 | 2,411 | 6,235 | 13,178 |
| Of which: Loss on disposal of non-current assets | — | — | — | — |
| 3. Total profits (total losses indicated by “-”) | 1,661,827 | 2,935,606 | 2,407,870 | 5,233,598 |
| Less: Income tax expenses | — | — | — | — |
| 4. Net profit (net loss indicated by “-”) | 1,661,827 | 2,935,606 | 2,407,870 | 5,233,598 |
| 5. Earnings per share: | | | | |
| (1) Basic earnings per share | — | — | — | — |

| | | | | |
|--------------------------------|---|---|---|---|
| (2) Diluted earnings per share | — | — | — | — |
| 6. Other comprehensive income | — | — | — | — |
| 7. Total comprehensive income | — | — | — | — |

Legal representative of the Company: Liu Shaoyong

Officer-in-charge of accounting: Ma Xulun

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

4.3

Consolidated cash flow statement**From January to September 2012***Prepared by: China Eastern Airlines Corporation Limited**Amounts expressed in RMB'000**Unaudited*

| Item | Amount from the beginning of the year to the end of the reporting period (from January to September) | Amount from the beginning of last year to the end of the reporting period (from January to September) |
|--|--|--|
| 1. Cash flow from operating activities: | | |
| Cash received from sales of goods and provision of labour services | 66,409,838 | 64,520,118 |
| Net increase in customer deposits and deposits with banks | — | — |
| Net increase in loans from Central Bank | — | — |
| Net increase in advances from other financial institutions | — | — |
| Cash received from original insurance policy premium | — | — |
| Net cash received from reinsurance operations | — | — |
| Net increase in policyholders' deposits and investment | — | — |
| Net increase in disposal of derivative financial assets | — | — |
| Interests, handling charges and commissions received by cash | — | — |
| Net increase in advances from banks and other financial institutions | — | — |
| Net increase in repurchase of business funds | — | — |
| Refund of taxes received | — | — |
| Other cash received from operating activities | 1,294,227 | 730,653 |
| Sub-total of operating cash inflow | 67,704,065 | 65,250,771 |
| Cash paid for purchase of goods and receiving of labour services | 42,170,361 | 41,562,268 |
| Net increase in customers deposits and advances | — | — |
| Net increase in deposits with Central Bank and banks | — | — |

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| | | |
|---|-------------------|-------------------|
| Compensation paid pursuant to original insurance contract and settled in cash | – | – |
| Interest, handling charges and commission paid by cash | – | – |
| Insurance policy dividend paid by cash | – | – |
| Cash paid to and for employees | 10,156,469 | 8,184,478 |
| Taxes paid | 2,647,767 | 2,634,233 |
| Other cash paid for operating activities | 1,098,188 | 822,586 |
| Sub-total of cash outflow from operating activities | 56,072,785 | 53,203,565 |
| Net cash flows from operating activities | 11,631,280 | 12,047,206 |

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4.3**Consolidated cash flow statement (Cont'd)****From January to September 2012***Prepared by: China Eastern Airlines Corporation Limited**Amounts expressed in RMB'000**Unaudited*

| Item | Amount from the beginning of the year to the end of the reporting period (from January to September) | Amount from the beginning of last year to the end of the reporting period (from January to September) |
|--|--|---|
| 2. Cash flow from investment activities: | | |
| Cash received from disposal of investment | 4,804 | 56,298 |
| Investment income in cash | 40,668 | 17,206 |
| Net cash recovered from disposals of fixed assets, intangible assets and other long-term assets | 236,606 | 132,543 |
| Net cash received from disposal of subsidiaries and other operating units | — | — |
| Other cash received from investing activities | 1,846,722 | 476,558 |
| Sub-total of cash inflow from investing activities | 2,128,800 | 682,605 |
| Amount paid in cash in relation to purchases of fixed assets, intangible assets and other long-term assets | 8,302,280 | 9,245,718 |
| Investments paid in cash | — | 1,277,376 |
| Net increase in pledged loans | — | — |
| Net cash received from subsidiaries and other business units | — | — |
| Other cash paid for investing activities | 870,420 | 266,496 |
| Sub-total of cash outflow from investment activities | 9,172,700 | 10,789,590 |

| | | |
|--|------------|-------------|
| Net cash flow from investment activities | -7,043,900 | -10,106,985 |
|--|------------|-------------|

4.3**Consolidated cash flow statement (Cont'd)****From January to September 2012***Prepared by: China Eastern Airlines Corporation Limited**Amounts expressed in RMB'000**Unaudited*

| Item | Amount from the beginning of the year to the end of the reporting period (from January to September) | Amount from the beginning of last year to the end of the reporting period (from January to September) |
|--|--|---|
| 3. Cash flow from fund raising activities: | | |
| Proceeds received in cash from investments | 153,850 | 1,004,500 |
| Of which: Cash received by subsidiaries from investment by minority shareholders | – | – |
| Cash received from borrowings | 28,303,603 | 20,462,131 |
| Proceeds received in cash from bonds issuance | – | – |
| Other proceeds in cash from fund raising activities | 236,475 | 1,015,051 |
| Sub-total of cash inflow from fund raising activities | 28,693,928 | 22,481,682 |
| Cash paid for repayment of indebtedness | 26,045,464 | 17,357,969 |
| Cash payments for distribution of dividends, profits or payments of interest expense | 1,451,906 | 1,433,606 |
| Of which: Dividend and profit paid by subsidiaries to minority shareholders | 23,042 | 154,398 |
| Other cash paid for fund raising activities | 4,152,103 | 1,980,001 |
| Sub-total of cash outflow from fund raising activities | 31,649,473 | 20,771,576 |
| Net cash flow from fund raising activities | –2,955,545 | 1,710,106 |
| 4. Effect of changes in exchange rate on cash and cash equivalents | 14,389 | –20,903 |
| 5. Net increase in cash and cash equivalents | 1,646,224 | 3,629,424 |
| Add: Balance of cash and cash equivalents at the beginning of the period | 3,860,973 | 3,078,228 |

| | | |
|--|-----------|-----------|
| 6. Balance of cash and cash equivalents at the end of the period | 5,507,197 | 6,707,652 |
|--|-----------|-----------|

Legal representative 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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4.3**Cash flow statement of Parent Company****From January to September 2012***Prepared by: China Eastern Airlines Corporation Limited**Amounts expressed in RMB'000**Unaudited*

| Item | Amount from the beginning of the year to the end of the reporting period (from January to September) | Amount from the beginning of last year to the end of the reporting period (from January to September) |
|--|--|---|
| 1. Cash flow from operating activities: | | |
| Cash received from sales of goods and provision of labour services | 36,123,141 | 42,512,088 |
| Refund of taxes received | - | - |
| Other cash received relating to operating activities | 1,050,483 | 623,444 |
| Sub-total of operating cash inflow | 37,173,624 | 43,135,532 |
| Cash paid for purchase of goods and receiving labour services | 21,106,208 | 24,691,077 |
| Cash paid to and for employees | 5,810,053 | 5,161,178 |
| Taxes paid | 1,307,964 | 1,424,496 |
| Other cash paid for operating activities | 437,998 | 588,656 |
| Sub-total of cash outflow from operating activities | 28,662,223 | 31,865,407 |
| Net cash flows from operating activities | 8,511,401 | 11,270,125 |
| 2. Cash flow from investment activities: | | |
| Cash received from disposal of investment | | 12,165 |
| Investment income in cash | | 56,426 |
| | | 60,044 |
| | | 381,492 |
| | | 187,590 |
| | | 128,428 |

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| | | |
|--|-------------------|-------------------|
| Net cash recovered from disposals of fixed assets, intangible assets and other long-term assets | | |
| Net cash received from disposal of subsidiaries and other operating units | – | – |
| Other cash received from investing activities | 125,240 | 266,479 |
| Sub-total of cash inflow from investing activities | 385,039 | 832,825 |
| Amount paid in cash in relation to purchases of fixed assets, intangible assets and other long-term assets | 6,253,475 | 8,268,453 |
| Investments paid in cash | 316,840 | 2,171,500 |
| Net cash received from subsidiaries and other business units | – | – |
| Other cash paid for investing activities | – | – |
| Sub-total of cash outflow from investment activities | 6,570,315 | 10,439,953 |
| Net cash flow from investment activities | –6,185,276 | –9,607,128 |

4.3**Cash flow statement of Parent Company (Cont't)****From January to September 2012***Prepared by: China Eastern Airlines Corporation Limited**Amounts expressed in RMB'000**Unaudited*

| Item | Amount from the beginning of the year to the end of the reporting period (from January to September) | Amount from the beginning of last year to the end of the reporting period (from January to September) |
|--|--|---|
| 3. Cash flow from fund raising activities: | | |
| Proceeds received in cash from investments | – | – |
| Cash received from borrowings | 25,024,644 | 16,077,342 |
| Proceeds received in cash from bonds issuance | – | – |
| Other proceeds in cash from fund raising activities | 236,475 | 955,185 |
| Sub-total of cash inflow from fund raising activities | 25,261,119 | 17,032,527 |
| Cash paid for repayment of indebtedness | 22,467,664 | 15,177,401 |
| Cash payments for distribution of dividends, profits or payments of interest expense | 1,184,601 | 1,076,000 |
| Other cash paid for fund raising activities | 2,846,448 | 2,267,041 |
| Sub-total of cash outflow from fund raising activities | 26,498,713 | 18,520,442 |
| Net cash flow from fund raising activities | –1,237,594 | –1,487,915 |
| 4. Effect of changes in exchange rate on cash and cash equivalents | 14,072 | –17,335 |
| 5. Net increase in cash and cash equivalents | 1,102,603 | 157,747 |
| Add: Balance of cash and cash equivalents at the beginning of the period | 852,012 | 851,283 |
| 6. Balance of cash and cash equivalents at the end of the period | 1,954,615 | 1,009,030 |

Legal representative 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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