

CHINA EASTERN AIRLINES CORP LTD

Form 6-K

November 26, 2018

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 November 2018
Commission File Number: 001-14550

China Eastern Airlines Corporation Limited
(Translation of Registrant's name into English)

Board Secretariat's Office
5/F, Block A2, Northern District, CEA Building
36 Hongxiang 3rd Road, Minhang District

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 November 26, 2018

By /s/ Wang Jian
Name: Wang Jian
Title: 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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VOLUNTARY ANNOUNCEMENT

Announcement in Relation to Foreign Investment

By a Subsidiary of Controlling Shareholder

This is a voluntary announcement made by China Eastern Airlines Corporation Limited (the **Company**). Reference is made to the voluntary announcement (the **Voluntary Announcement**) dated 12 November 2018 of the Company. Unless otherwise indicated, terms used in this announcement shall have the same meanings as those defined in the Voluntary Announcement.

Recently, the Company received a notice from Eastern Investment, a wholly-owned subsidiary of the Company's controlling shareholder, CEA Holding, in respect of the proposed transfer of a total of 7% of shares in Juneyao Airlines from JuneYao Group and Shanghai Junyao Aviation Investment Co., Ltd. (**Junyao Aviation Investment**) to Eastern Investment. Details are as follows:

I. Basic information of the foreign investment

Each of JuneYao Group and Junyao Aviation Investment intended to transfer 113,429,120 and 12,361,823 shares, respectively in Juneyao Airlines which are not subject to lock-up, to Eastern Investment. The aggregate number of shares of Juneyao Airlines intended to be transferred is 125,790,943 shares, representing 7% of the current entire equity interest of Juneyao Airlines. Eastern Investment intended to acquire those shares from JuneYao Group and Junyao Aviation Investment (the **Share Transfer**), and entered into a relevant share transfer agreement with JuneYao Group and Junyao Aviation Investment on 23 November 2018. The shares of Eastern Investment under the Share Transfer shall not be listed or transferred within 36 months from the date such shares are registered under Eastern Investment's name.

The price of the Share Transfer shall be agreed by the parties to the Share Transfer, based on the requirements of relevant laws and regulations and guidance of regulatory departments. In principle, the price of the Share Transfer shall be calculated based on the average price for the 20 trading days preceding the date on which the share transfer agreement is entered into. In addition, according to relevant requirements of regulatory departments such as the Shanghai Stock Exchange, the price of the shares to be transferred under the Share Transfer shall not be lower than the minimum price range (being not lower than 90% of the closing price for the trading day preceding the date on which the share transfer agreement is entered into) of block trade of shares of the listed company on the date on which the share transfer agreement is entered into. Accordingly, the price of the Share Transfer shall be the average trading price (rounded up to the nearest two decimal places) of A shares of Juneyao Airlines for the 20 trading days preceding the date on which the share transfer agreement is entered into and 90% of the closing price of A shares of Juneyao Airlines for the trading day preceding the date on which the share transfer agreement is entered into, whichever is higher. Pursuant to the said pricing principles and share price of Juneyao Airlines, the final price of the Share Transfer

shall be the average trading price of A shares of Juneyao Airlines for the 20 trading days preceding the date on which the share transfer agreement is entered into, being RMB13.62 per share. The total amount of shares of Juneyao Airlines to be transferred shall be RMB1,713,272,643.66.

Apart from the Share Transfer, Eastern Investment is in the process of the Non-public Issuance of Shares (the Non-public Issuance of Shares and the Share Transfer hereinafter referred to as the **Investment**). Please refer to the Voluntary Announcement issued by the Company for the relevant matters of the Non-public Issuance of Shares.

II. Basic information of the investee company

Name of company: Juneyao Airlines Co., Ltd.

Legal representative: Wang Junjin

Registered capital: RMB1,797,013,477

Date of establishment: 23 March 2006

Scope of operations: Domestic (including Hong Kong, Macau and Taiwan) passenger and cargo transportation services; international passenger and cargo transportation services; catering supply; manufacturing of aircraft components; sales of commodities, metal and electronic products, textiles, electronic products, household electrical appliances, cultural products, art works, chemical raw materials (except dangerous goods), metal materials, apparatuses and instruments, mechanical equipment and vehicle accessories; engaging in import and export businesses of goods and technology (where projects are subject to approval according to laws, the operations shall be commenced subject to the approval of the relevant departments).

JuneYao Group is a controlling shareholder of Juneyao Airlines. As of the date of this announcement, JuneYao Group held 63.12% shares of Juneyao Airlines.

III. Connection upon investment

Upon completion of the Share Transfer, Eastern Investment will hold 7% of shares of Juneyao Airlines. Upon completion of the Non-public Issuance of Shares in the future, based on the maximum number of shares to be issued, the proportion of shares of Juneyao Airlines to be held by Eastern Investment will be increased to approximately 15%, and Eastern Investment shall not obtain the control of Juneyao Airlines. However, pursuant to the requirements of the Shanghai Listing Rules, Eastern Investment will become a shareholder holding 5% or more shares in Juneyao Airlines, and thus become a connected party of Juneyao Airlines under the Shanghai Listing Rules.

Meanwhile, according to the ongoing proposals of the Non-public Issuance of A Shares and Non-public Issuance of H Shares of the Company (please refer to the announcement of the Company dated 10 July 2018 in respect of the Non-public Issuance of A Shares and Non-public Issuance of H Shares, the progress announcements of the Company dated 30 August 2018 and 18 October 2018, the circular of the Company dated 13 August 2018 and the poll results announcement of the Company dated 30 August 2018 for details), JuneYao Group, Juneyao Airlines and Shanghai Jidaohang intended to subscribe for A shares of the Company under non-public issuance and Juneyao Hong Kong intended to subscribe for H shares of the Company under non-public issuance. Amongst the aforementioned subscribers, JuneYao Group is a controlling shareholder of Juneyao Airlines and Shanghai Jidaohang, and Juneyao Hong Kong is a wholly-owned subsidiary of Juneyao Airlines. Based on the maximum number of shares of the Company to be issued under the non-public issuance of A shares and H shares of the Company, upon completion of the non-public issuance, Juneyao Airlines and its wholly-owned subsidiary, Juneyao Hong Kong, as well as JuneYao Group and its wholly-owned subsidiary, Shanghai Jidaohang, will own in total more than 5% shares of the Company, and will be deemed connected parties of the Company pursuant to the requirements of relevant laws and regulations, such as the Shanghai Listing Rules, as well as regulatory documents, the articles of association of the Company and the management policy for connected party transactions of China Eastern Airlines Corporation Limited.

IV. Business competition upon investment

Upon completion of the Investment, Eastern Investment is expected to hold not more than approximately 15% of shares of Juneyao Airlines and shall not obtain the control of Juneyao Airlines. All independent directors of the Company, after careful and due consideration, unanimously agreed that the Company shall not participate in the Share Transfer. Therefore, the Investment is compliant with the non-competition undertakings entered into between CEA Holding and the Company (please refer to the announcement and circular of the Company published on the website of The Stock Exchange of Hong Kong Limited dated 22 December 2017 and 18 January 2018, respectively, for details). Meanwhile the Company and Juneyao Airlines as listed companies, both having established corporate governance structure, the business strategies and significant matters of which are decided by the general meetings or the board of directors and having the president being in charge of the actual implementation works. Also, the Company and Juneyao Airlines are independent to each other, in respect of assets, personnel, finance, corporate, businesses, etc., and the operations of which adhere to laws strictly. The respective development of relevant businesses of the Company and Juneyao Airlines will not damage the interests of the Company and its minority shareholders as a whole.

Upon completion of the Investment, CEA Holding will continue to adhere to the relevant non-competition undertakings strictly, manage the relationship between CEA Holding and the Company, and will not damage the interests of the Company and its minority shareholders.

V. Effects and significance of the Investment

The Investment taken by Eastern Investment, the wholly-owned subsidiary of CEA Holding, is significant in further enhancing and deepening the strategic partnership between CEA Holding and JuneYao Group, establishing Shanghai as an aviation hub and promoting the Construction of Five Centers in Shanghai together by the parties, actively echoing private economy and private enterprise development by CEA Holding as vigorously promoted by the State, and strengthening the strategic cooperation between state-owned capital and private capital. The actual implementation of the capital cooperation will benefit the parties to further strengthen and enhance the business cooperation in different sectors, promote their sustainable development in the future, fulfil the demand of social development and outbound tourism demand, implement the State strategy for high-quality development of regional integration of the Yangtze River Delta and serve the Construction of Five Centers in Shanghai.

The Share Transfer shall be subject to the approval or permission by major civil aviation departments such as the East China Regional Administration of the Civil Aviation Administration of China and regulatory departments such as the Shanghai Stock Exchange. The actual implementation of the Investment remains uncertain. Shareholders of the Company and potential investors are advised to exercise caution when dealing in securities of the Company.

By order of the Board

**CHINA EASTERN AIRLINES CORPORATION
LIMITED**

Wang Jian

Company Secretary

Shanghai, the People's Republic of China

23 November 2018

As at the date of this announcement, the directors of the Company include Liu Shaoyong (Chairman), Ma Xulun (Vice Chairman, President), Lin Wanli (Independent non-executive Director), Li Ruoshan (Independent non-executive Director), Ma Weihua (Independent non-executive Director), Shao Ruiqing (Independent non-executive Director), Cai Hongping (Independent nonexecutive Director) and Yuan Jun (Employee Representative Director).