

CHINA EASTERN AIRLINES CORP LTD  
Form 6-K  
July 23, 2009

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

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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 July 2009

Commission File Number: 001-14550

China Eastern Airlines Corporation Limited

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(Translation of Registrant's name into English)

2550 Hongqiao Road  
Hongqiao Airport  
Shanghai, China 200335

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(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

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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 July 23, 2009

By

/s/ Luo Zhuping  
Name: Luo Zhuping  
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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THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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If you are in any doubt as to any aspect of this circular, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in China Eastern Airlines Corporation Limited, you should at once hand this circular to the purchaser or the transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

Hong Kong Stock Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

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(A joint stock limited company incorporated in the People's Republic of China with limited liability)  
(Stock code: 670)

SPECIFIC MANDATES IN RELATION TO  
ISSUANCE OF NEW A SHARES AND NEW H SHARES

Financial Adviser

Independent financial adviser to the independent board committee and  
independent shareholders of China Eastern Airlines Corporation Limited

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A letter from the board of directors of China Eastern Airlines Corporation Limited (the "Company") is set out on pages 5 to 21 of this circular. A letter from the independent board committee of the Company is set out on pages 22 to 23 of this circular. A letter from ING Bank N.V., the independent financial adviser to the independent board committee and independent shareholders of the Company, is set out on pages 24 to 44 of this circular.

An extraordinary general meeting of the Company (the “EGM”) and separate class meetings of the holders of H shares of the Company (the “H Shareholders Class Meeting”) and the holders of A shares of the Company (the “A Shareholders Class Meeting”), respectively will be held at Shanghai International Airport Hotel, 2550 Hongqiao Road, Shanghai, People’s Republic of China at 2:00 p.m. and 2:30 p.m. respectively on Monday, 7 September 2009. Notices of the EGM and H Shareholders Class Meeting dated 24 July 2009 setting out the resolutions to be approved at the EGM and the H Shareholders Class Meeting are contained at the end of this circular. Proxy forms for use at the EGM and the H Shareholders Class Meeting and the attendance slips are also despatched together with this circular. If you intend to attend the EGM and/or the H Shareholders Class Meeting, you should complete and return the attendance slip in accordance with the instructions printed thereon as soon as possible.

Whether or not you intend to attend the EGM and/or the H Shareholders Class Meeting, you are requested to complete and return the proxy form in accordance with the instructions thereon and return it to Hong Kong Registrars Limited at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, as soon as possible and in any event not later than 24 hours before the time appointed for holding such meetings or any adjournment thereof.

Completion and return of the proxy form will not preclude you from attending and voting at the EGM and/or the H Shareholders Class Meeting should you so wish.

24 July 2009

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DEFINITIONS

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In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“Announcement” means the announcement of the Company dated 10 July 2009 relating to, among other things, the granting of the Specific Mandates to the Board to issue new A Shares and new H Shares;

“A Share Specific Mandate” as described under section 2.1 of this circular;

“A Share Subscription Agreement” means in relation to and as part of the A Share Specific Mandate, the subscription agreement entered into between CEA Holding and the Company on 10 July 2009, under which, CEA Holding agrees to subscribe for, and the Company agrees to issue, not more than 490,000,000 new A Shares at the subscription price of not less than RMB4.75 per A Share;

“A Shareholders Class Meeting” means the shareholders’ meeting to be convened for the holders of A Shares on Monday, 7 September 2009, or any adjournment thereof, to consider, and if thought fit, approve the Subscriptions;

“A Shares” means the ordinary shares issued by the Company, with a RMB denominated par value of RMB1.00 each, which are subscribed for and paid up in RMB and are listed on the Shanghai Stock Exchange;

“Articles of Association” means the articles of association of the Company;

“associates” has the meaning ascribed thereto under the Listing Rules;

“Board” means the board of directors of the Company;

“Business Day” means a day (excluding Saturday and Sunday) on which the banks are generally open for business in the PRC;

“CEA Holding” means (China Eastern Air Holding Company), a wholly PRC state-owned enterprise and the controlling shareholder of the Company directly holding approximately 56.08% of its issued share capital as at the Latest Practicable Date;

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DEFINITIONS

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“CES Global” means (CES Global Holdings (Hong Kong) Limited), a company incorporated under the laws of Hong Kong, and an indirectly wholly owned subsidiary of CEA Holding and a substantial shareholder of the Company holding approximately 18.57% of its issued share capital as at the Latest Practicable Date;

“Company” means (China Eastern Airlines Corporation Limited), a joint stock limited company incorporated in the PRC with limited liability, whose H Shares, A Shares and American depository shares are listed on the Shanghai Stock Exchange, the Shanghai Stock Exchange and the New York Stock Exchange, Inc., respectively;

“connected person” has the meaning ascribed thereto under the Listing Rules;

“controlling shareholder” has the meaning ascribed thereto under the Listing Rules;

“CSRC” means the China Securities Regulatory Commission;

“Directors” means the directors of the Company;

“EGM” means the extraordinary general meeting of the Company to be convened on Monday, 7 September 2009, or any adjournment thereof, to consider, and if thought fit, approve the Subscriptions;

“Group” means the Company and its subsidiaries;

“H Share Specific Mandate” as described in section 2.2 of this circular;

“H Share Subscription Agreement” means in relation to the H Share Specific Mandate, the subscription agreement entered into between CES Global and the Company on 10 July 2009, under which, CES Global agrees to subscribe for, and the Company agrees to issue, not more than 490,000,000 new H Shares at the subscription price of not less than HK\$1.40 per share;

“H Shareholders Class Meeting” means the shareholders’ meeting to be convened for the holders of H Shares on Monday, 7 September 2009, or any adjournment thereof, to consider, and if thought fit, approve the Subscriptions;

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DEFINITIONS

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“H Shares” means the ordinary shares issued by the Company, with a RMB denominated par value of RMB1.00 each, which are subscribed for and paid up in a currency other than RMB and are listed on the Stock Exchange;

“HK\$” means Hong Kong dollars, the lawful currency of Hong Kong;

“Hong Kong” means the Hong Kong Special Administrative Region of the PRC;

“Independent Board Committee” means the independent board committee of the Company formed to advise the Independent Shareholders in relation to the terms of the A Share Subscription Agreement and the H Share Subscription Agreement;

“Independent Shareholders” means the shareholders of the Company, other than CEA Holding, CES Global and their respective associates;

“ING” means ING Bank N.V., the independent financial adviser to the Independent Board Committee and the Independent Shareholders and a registered institution under the SFO, registered to conduct Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities;

“Latest Practicable Date” means 21 July 2009, being the latest practicable date for ascertaining certain information referred to in this circular prior to the printing of this circular;

“Listing Rules” means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;

“PRC” or “China” means the People’s Republic of China;

“Price Fixing Period” means the 20 trading days ending on and including 5 June 2009;

“RMB” means Renminbi, the lawful currency of the PRC;

“SFO” means the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);



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DEFINITIONS

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“Shareholders” means the shareholders of the Company;

“Shares” means A Shares and H Shares;

“Specific Mandates” means the A Share Specific Mandate and the H Share Specific Mandate;

“Stock Exchange” means The Stock Exchange of Hong Kong Limited;

“Subscriptions” means the subscriptions of new A Shares and new H Shares pursuant to the Specific Mandates;

“substantial shareholder” has the meaning ascribed thereto under the Listing Rules;

“trading with respect to A shares, means a day on which the Shanghai Stock Exchange is open for dealing or trading day” in securities; and with respect to H shares, means a day on which the Stock Exchange is open for dealing or trading in securities; and

“%” per cent.

In this circular: (i) all figures have been rounded to the nearest two decimal places; (ii) for illustration purpose, an exchange rate of HK\$1.00 to RMB0.88 has been applied; and (iii) for the avoidance of doubt, references to “not less than” a figure and “not more than” a figure shall include the figure mentioned.

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LETTER FROM THE BOARD

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

(Stock code: 670)

Directors:

Liu Shaoyong (Chairman)  
Li Jun (Vice Chairman)  
Ma Xulun (Director, President)  
Luo Chaogeng (Director)  
Luo Zhuping (Director, Company Secretary)

Legal address:

66 Airport Street  
Pudong International Airport  
Shanghai  
PRC

Independent non-executive Directors:

Hu Honggao  
Wu Baiwang  
Zhou Ruijin  
Xie Rong  
Sandy Ke-Yaw Liu

Head office:

2550 Hongqiao Road  
Shanghai  
PRC

Principal place of business  
in Hong Kong:

Unit B, 31/F  
United Centre  
95 Queensway  
Hong Kong

Hong Kong share registrar and  
transfer office:

Hong Kong Registrars Limited  
Rooms 1712-1716, 17th Floor  
Hopewell Centre  
183 Wanchai Queen's Road East  
Hong Kong

24 July 2009

To the Shareholders

Dear Sir or Madam,

SPECIFIC MANDATES IN RELATION TO  
ISSUANCE OF NEW A SHARES AND NEW H SHARES

1. INTRODUCTION

Reference is made to the announcement of the Company dated 10 July 2009 (the "Announcement") in relation to, among other things, the granting of the Specific Mandates to the Board to issue new A Shares and new H Shares.



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LETTER FROM THE BOARD

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In relation to and as part of the transactions contemplated under the A Share Specific Mandate, on 10 July 2009, CEA Holding entered into the A Share Subscription Agreement with the Company, pursuant to which, CEA Holding will subscribe in cash for not more than 490,000,000 new A Shares at the subscription price of not less than RMB4.75 per A Share.

In relation to and as part of the transactions contemplated under the H Share Specific Mandate, on 10 July 2009, CES Global entered into the H Share Subscription Agreement with the Company, pursuant to which, CES Global will subscribe in cash for not more than 490,000,000 new H Shares at the subscription price of not less than HK\$1.40 per H Share.

Since CEA Holding is the controlling shareholder of the Company, and hence a connected person of the Company, the issue of new A Shares to CEA Holding pursuant to the A Share Subscription Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules and is subject to reporting, announcement and the Independent Shareholders' approval requirements under that chapter. Further, since CES Global is a substantial shareholder of the Company and an indirectly wholly owned subsidiary of CEA Holding, and hence a connected person of the Company, the issue of new H Shares to CES Global pursuant to the H Share Subscription Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules and is subject to reporting, announcement and the Independent Shareholders' approval requirements under that chapter.

The purposes of this circular are, among other things:

- (1) to provide you with further information in relation to the Subscriptions;
- (2) to set out the letter of advice from ING to the Independent Board Committee and the Independent Shareholders, as well as the recommendations of the Independent Board Committee in relation to the terms of the A Share Subscription Agreement and the H Share Subscription Agreement (being connected transactions of the Company); and
- (3) to give you notices of the EGM and (where applicable) the H Shareholders Class Meeting to consider and, if thought fit, to approve resolutions in relation to, among other things, the Subscriptions.

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LETTER FROM THE BOARD

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2. SPECIFIC MANDATES IN RELATION TO ISSUANCE OF NEW A SHARES AND NEW H SHARES

2.1 The A Share Specific Mandate

On 10 July 2009, the Board resolved to convene an extraordinary shareholders' meeting and the class meetings of the holders of A Shares and H Shares respectively for the grant of specific mandates to the Board to issue new A Shares to not more than 10 specific investors (subject to the maximum number of specific investors as permitted by PRC laws and regulations at the time of the issuance) including CEA Holding (the "A Share Specific Mandate") and issue new H Shares to CES Global (the "H Share Specific Mandate"). It is currently expected that for the purpose of the A Share Specific Mandate, the specific investors yet to be identified (in addition to CEA Holding) are PRC State-controlled entities and are independent of the Company within the meaning of the Listing Rules.

The terms of the A Share Specific Mandate are set out below:

- (1) the Board is granted, during the Relevant Period (as defined hereafter), an unconditional specific mandate:
  - (A) to issue not more than 1,350,000,000 new A Shares (representing not more than 17.44 % of the issued share capital of the Company as at the Latest Practicable Date), by way of non-public offering, to not more than 10 specific investors (subject to the maximum number of specific investors as permitted by PRC laws and regulations at the time of the issuance) including CEA Holding, and to determine the exact number of new A Shares to be issued and the price of the new A Shares which, subject to the results of the price sounding-out process as required by CSRC, shall not be less than 90% of the average trading price for the A Shares during the Price Fixing Period (i.e., RMB4.75 per A Share); the maximum number of new A Shares to be issued and the minimum subscription price of the new A Shares will be adjusted if there is any ex-rights or ex-dividend arrangement after the date of the Announcement (i.e., 10 July 2009); and for the avoidance of doubt, if for any reason the intended issue of new A Shares to CEA Holding does not proceed to completion, a substituting investor may be invited to participate in the issue of new A Shares and the maximum number of investors will remain 10 (subject to the maximum number as permitted by PRC laws and regulations at the time of the issuance);

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LETTER FROM THE BOARD

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(B)to do or cause to be done all acts, matters or things and to sign and deliver or cause to be signed or delivered all agreements, deeds, documents, instruments, forms and certificates as it considers necessary, desirable or appropriate in order to effectuate, carry out and consummate, or relating to, the transactions contemplated under the A Share Specific Mandate, and to otherwise perform or give effect to the transactions and obligations contemplated by and under the A Share Specific Mandate and the compliance by the Company with the Company's obligations and covenants agreed therein;

and for the purposes of this A Share Specific Mandate:

“Relevant Period” means the period from the passing of the special resolution granting this A Share Specific Mandate at the shareholders' general meeting and the respective class meetings until the earlier of:

(A) the expiration of the 12-month period following the passing of the special resolution; or

(B)the date on which the A Share Specific Mandate is revoked or varied by a special resolution of the Shareholders in a shareholders' general meeting and respective class meetings.

(2)contingent on the Board resolving to issue the new A Shares pursuant to paragraph (1) above, the Board is authorized to make such appropriate and necessary amendments to the Articles of Association as they think fit to reflect such increases in the registered capital of the Company and to take any other action and complete any formality required to effect the issuance of new A Shares pursuant to paragraph (1) above and the increase in the registered capital of the Company.