

CHINA EASTERN AIRLINES CORP LTD

Form 6-K

April 27, 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 April 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** April 27, 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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*(A joint stock limited company incorporated in the People's Republic of China with limited liability)  
(Stock code: 00670)*

## **2018 FIRST QUARTERLY REPORT**

This announcement is made pursuant to the requirements under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.09 and Rule 13.10B 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 2017 were not audited, and were prepared in accordance with the China Accounting Standards for Business Enterprises.

### **1. IMPORTANT NOTICE**

This announcement is made by China Eastern Airlines Corporation Limited (the **Company**) pursuant to the disclosure requirement under Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the **Listing Rules**) (which requires any issuer listed on The Stock Exchange of Hong Kong Limited (the **Hong Kong Stock Exchange**) whose securities are also listed on other stock exchange(s) to simultaneously inform the Hong Kong 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 simultaneously 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 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 2018

were not audited, and were prepared in accordance with the China Accounting Standards for Business Enterprises.

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 quarterly report does not contain false information, misleading statement or material omission, and accept joint and several responsibility for the correctness, accuracy and completeness of the information set out in this quarterly report.

All directors of the Company attended the meeting of the Board to consider this quarterly report.

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, accurate and complete.

During the first quarter of 2018, the Company achieved outstanding operating results. Net profit excluding non-recurring profit and loss attributable to shareholders of the listed company increased by 62.41% from last year, and net cash flows from operating activities increased by 147.13% from last year.

The financial statements in the first quarterly report of the Company are unaudited.

Pursuant to the notices regarding the Accounting Standards for Business Enterprises No. 14 Revenue, Accounting Standards for Business Enterprises No. 22 Recognition and Measurement of Financial Instrument, Accounting Standards for Business Enterprises No. 23 Transfer of Financial Assets, Accounting Standards for Business Enterprises No. 24 Hedge Accounting and Accounting Standards for Business Enterprises No. 37 Presentation and Reporting of Financial Instrument amended and published by the Ministry of Finance of the People's Republic of China, the Company began to apply those amended Accounting Standards for Business Enterprises from 1 January 2018 onwards. The Company adjusted the opening balance of retained earnings in 2018 and increased the opening balance of undistributed profits for the period amounted to RMB352 million for the cumulative effect of initial application of such standards.

## 2. MAIN FINANCIAL DATA AND CHANGES IN SHAREHOLDERS OF THE COMPANY

### 2.1 Main financial data

	<i>Unit: million Currency: RMB</i>		
	<b>As at the end of the reporting period</b>	<b>As at the end of last year</b>	<b>Increase/decrease as at the end of the reporting period compared with the end of last year (%)</b>
Total assets	227,472	227,464	0.00
Net assets attributable to shareholders of the listed company	55,383	53,106	4.29
	<b>From the beginning of the year to the end of the reporting period</b>	<b>From the beginning of last year to the end of the reporting period last year</b>	<b>Increase/ decrease compared with the same period last year (%)</b>
Net cash flows from operating activities	6,376	2,580	147.13
	<b>From the beginning of the year to the end of the reporting period</b>	<b>From the beginning of last year to the end of the reporting period last year</b>	<b>Increase/ decrease compared with the same period last year (%)</b>
Revenue	26,753	24,536	9.04
Net profit attributable to shareholders of the listed company	1,983	2,818	-29.63
Net profit attributable to shareholders of the listed company after deducting non-recurring profit and loss	1,897	1,168	62.41

			Decreased by
Weighted average return on net assets (%)	3.64	5.79	2.15 pts
Basic earnings per share (RMB/share)	0.1371	0.1948	-29.63
Diluted earnings per share (RMB/share)	0.1371	0.1948	-29.63



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**Non-recurring profit and loss and relevant amounts**

<b>Item</b>	<i>Unit: million Currency: RMB</i> <b>Amount for the period</b>
Gains or losses from disposal of non-current assets	2
Non-operating incomes and expenses other than the above	117
Effect on minority interests (net of tax)	(3)
Effect on income tax	(30)
<b>Total</b>	<b>86</b>

**2.2 The total number of the Company's shareholders and the shareholding of the 10 largest shareholders and the shareholding of the 10 largest holders of listed shares (or holders of shares without trading moratorium) as at the end of the reporting period**

		<i>Unit: Shares</i>		
<b>Total number of shareholders</b>		<b>228,532</b>		
<b>Shareholding of the 10 largest shareholders</b>				
Shareholder Name	Shareholdings as at the end of the period	Proportion (%)	Number of shares with trading moratorium	Status of shares
China Eastern Airlines Corporation Limited	5,072,922,927	35.06	0	Nil
China Eastern Airlines (Hong Kong) Limited	4,183,499,289	28.92	0	Unknown <small>Note</small>
China Eastern Airlines (Cayman) Company	513,064,959	3.55	0	Nil
China Eastern Airlines (BVI) Company	504,767,895	3.49	0	Nil
China Eastern Airlines (Cayman) Company	465,910,000	3.22	0	Nil
China Eastern Airlines Technology Consulting Co., Ltd. (666,35426; )	465,838,509	3.22	0	Pledged
China Eastern Airlines (Cayman) Company	457,317,073	3.16	0	Nil
China Eastern Airlines (Cayman) Company	232,919,254	1.61	0	Nil
China Eastern Airlines (Cayman) Company	70,984,100	0.49	0	Nil
China Eastern Airlines (Cayman) Company - Boshi Industry Mixed Securities Investment Fund (LOF) (34892; 8988; #34892; #26989; #28151; #21512; #22411; #25237; #36039; #22522; )	70,000,000	0.48	0	Nil

Shareholding of the 10 largest holders of shares without trading moratorium		
	Number of listed	
	shares without trading	
	moratorium held	Class and number of Class
Company Limited	5,072,922,927	RMB ordinary
LIMITED	4,183,499,289	Overseas listed foreign
Corporation Limited	513,064,959	RMB ordinary
el Holding Company	504,767,895	RMB ordinary
	465,910,000	Overseas listed foreign
ion Technology Consulting Co., Limited (99;#35566;#35426; )	465,838,509	RMB ordinary
Ltd. (;#20219; )	457,317,073	RMB ordinary
Corporation Limited (#36939; )	232,919,254	RMB ordinary
ement Ltd. (#6039;#29986;#31649;#29702; #36012;#20219; )	70,984,100	RMB ordinary
Corporation Boshi Industry Mixed Securities Investment Fund (LOF) (37504;#34892; 027;#38988;#34892;#26989;#28151;#21512;#22411; #25237;#36039;#22522;	70,000,000	RMB ordinary

**Description of connected relationship or activities in concert among the above shareholders**

Among the 4,183,499,289 shares held by HKSCC NOMINEES LIMITED, 2,626,240,000 shares are held by CES Global Holdings (Hong Kong) Limited ( **CES Global** ) in the capacity of beneficial owner; China Eastern Air Holding Company Limited ( **CEA Holding** ) owns 100% equity interest in CES Finance Holding Co., Ltd ( **CES Finance** ); CES Finance owns 100% equity interest in CES Global; thus, CEA Holding indirectly owns 100% equity interests in CES Global. The Company is not aware of any other connected relationship or activities in concert among the 10 largest holders of shares without trading moratorium.

Note: As of 20 March 2018, 260,000,000 H shares of the Company pledged to The Hong Kong and Shanghai Banking Corporation Limited by CES Global, a shareholder of the Company, had been released. As at

the date of this announcement, CES Global has pledged a total of 1,450,000,000 H shares of the Company. For details, please refer to the announcement of the Company published on the websites of the Shanghai Stock Exchange and Hong Kong Stock Exchange on 20 March 2018.

### 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

During the first quarter of 2018, the Company achieved passenger traffic volume amounted to 48.336 billion passenger-kilometres, representing an increase of 9.08% from last year; and served 28.7161 million travelers, representing an increase of 7.7% from last year; and achieved passenger load factor of 81.69%, basically remained the same as last year.

During the first quarter of 2018, the Company achieved outstanding operating results. Operating income amounted to RMB26,753 million, total profits amounted to RMB2,766 million and net profit attributable to shareholders of parent company amounted to RMB1,983 million. During the first quarter of 2018, the Company achieved net profit excluding non-recurring profit and loss attributable to shareholders of the listed company amounted to RMB1,897 million, representing an increase of 62.41% from last year.

During the first quarter of 2018, the Company's net profit attributable to shareholders of the listed company reduced by 29.63% from last year, which was mainly due to one-off gain amounted to RMB1,754 million from the disposal of certain business and assets of the Company during the first quarter of 2017.

Item	Change compared to the end of last year	Reason for the Change
Monetary capital	-38.12%	Primarily due to the enhancement of the capital turnover efficiency during the reporting period and the decrease in the fund held as compared to the end of last year
Trade receivables	-34.32%	Primarily due to the decrease in the estimated notes receivables to be received from the clearing centre
Prepayments	60.86%	Primarily due to the increase in advance payment for meals on aircraft made by the Company

<b>Item</b>	<b>Change compared to the end of last year</b>	<b>Reason for the Change</b>
Non-current assets classified as held for sale	-100.00%	
Deferred income tax assets	54.10%	Primarily due to the completion of the disposal of Shanghai Airlines Travel Hotel and Investment Management Co. Ltd. by the Company during the
Non-current liabilities classified as held for sale	-100.00%	reporting period
Hedge Instruments	61.11%	Primarily due to the decrease in the fair value of the foreign exchange forward contracts held by the Company during the reporting period
Bill payables	-74.08%	Primarily due to the payment of commercial bills of exchange to certain suppliers by the Company during the reporting period
Other current liabilities	-70.00%	Primarily due to the repayment of super short-term commercial paper during the reporting period
Long-term borrowings	54.83%	Primarily due to the Company's new RMB- denominated long-term borrowings during the reporting period
Deferred income tax liabilities	650.00%	Primarily due to the effects incurred on pledged income tax by the adjusted accumulative amount as a result of the amended Accounting Standard for Business Enterprises No. 14 &#150; Revenue applicable to the Company

<b>Item</b>	<b>Change compared to last year</b>	<b>Reason for the Change</b>
Finance costs	-191.72%	Primarily due to the substantial increase in the realization of exchange gains of RMB1,464 million during the reporting period, as compared to exchange gains of RMB188 million last year
Investment income	-96.20%	Primarily due to the disposal of equity interest in Eastern Air Logistics Co., Ltd. ( <b>Eastern Logistics</b> ) by the Company last year, resulting in an investment income of RMB1,754 million

Item	Change compared to last year	Reason for the Change
Non-operating income	-84.61%	Primarily due to the Company's reclassification of government grants in relation to its ordinary business and income from jointly-operated routes from non-operating incomes to other income in the income statement pursuant to the Accounting Standards for Business Enterprises No. 16 &#150; Government Grant published by the Ministry of Finance of the People's Republic of China
Refund of taxes	140.30%	Primarily due to the increase in the tax exemption and tax credit in respect of value-added tax received by the Company during the reporting period
Cash received from disposal of investment	-100.00%	Primarily due to the disposal of equity interest in Eastern Logistics last year by the Company
Cash received from borrowings	-33.94%	Primarily due to the improvement of the debt structure of the Company through financing via channels including issuance of super short-term commercial paper and acquisition of bank borrowings last year

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

#### (1) *Establishment of Special Purpose Vehicles and provision of guarantee*

On 19 January 2018, in order to successfully change the operating leases of the existing 67 aircraft from overseas leasing to domestic leasing, the 2018 11th ordinary meeting of the eighth session of the Board considered and approved to invest in and establish not more than 67 special purpose vehicles in Dongjiang Free Trade Port Zone of Tianjin and to provide them guarantees with an aggregate amount of not more than RMB9.8 billion meeting. The matter regarding the guarantees was considered and approved at the 2018 first extraordinary general meeting of the Company held on 8 February 2018. For details, please refer to the announcements of the Company published on the websites of the Shanghai Stock Exchange and Hong Kong Stock Exchange on 19 January and 8 February 2018.

#### (2) *Issuance of JPY-denominated credit enhanced bonds*

On 2 February 2018, the application for the listing of bonds denominated in Japanese Yen of the Company was approved by Tokyo Stock Exchange. On 9 March 2018, the Company issued the JPY-denominated credit enhanced bonds. On 19 March 2018, the Company listed the JPY-denominated credit enhanced bonds. For details, please refer to the announcements of the Company published on the websites of the Shanghai Stock Exchange and Hong Kong Stock Exchange on 2 February, 9 March and 19 March 2018.

**(3) Resignation of director and election of employee representative director**

On 6 February 2018, Mr. Xu Zhao has resigned from his position as a director and a member of the Audit and Risk Management Committee of the Company. On 8 February 2018, Mr. Yuan Jun was elected as an employee representative director of the Company at the sixth session of the Company's fourth general meeting of the employee representatives. On 29 March 2018, the Board has appointed Mr. Cai Hongping as a member of the eighth session of the Audit and Risk Management Committee of the Board. For details, please refer to the announcements of the Company published on the websites of the Shanghai Stock Exchange and Hong Kong Stock Exchange on 6 February, 8 February and 29 March 2018.

**(4) Contractual operation of the bellyhold space**

On 1 March 2018, the Company entered into contractual operation agreement and operation cost agreement ( **Bellyhold Space Agreements** ) with China Cargo Airlines Co., Limited ( **China Cargo Airlines** ). The Company will let China Cargo Airlines operate the bellyhold space business as a long-term contractor. The Company will receive contractual fees and revenue of the contractual operation from China Cargo Airlines, and reimburse the operation cost to China Cargo Airlines. On 29 March 2018, the 2018 first extraordinary general meeting of the Company considered and passed the resolution regarding the Bellyhold Space Agreements and the transactions contemplated thereunder as well as the resolution regarding the transactions under contractual operation of the Company's bellyhold space and the annual caps for daily connected transactions from 2018 to 2019. For details, please refer to the announcements of the Company published on the website of the Shanghai Stock Exchange on 1 March and 29 March 2018 and on the website of Hong Kong Stock Exchange on 1 March, 12 March 2018 and 29 March 2018.

**(5) 2017 profit distribution proposal**

On 29 March 2018, the 2017 profit distribution proposal of the Company was considered and approved during the 2018 second regular meeting of the eighth session of the Board. The Company proposed to distribute cash dividends amounted to approximately RMB740.25 million for the year 2017. With the total share capital of the Company being 14,467,585,682 shares, cash dividends distributed per share amounted to RMB0.051 (tax inclusive) and shall be paid to holders of A shares of the Company in Renminbi and holders of H shares of the Company in Hong Kong Dollars. The proposal shall be submitted to the 2017 annual general meeting ( **AGM** ) of the Company for consideration and approval. For details, please refer to the announcements of the Company published on the websites of the Shanghai Stock Exchange and Hong Kong Stock Exchange on 29 March 2018.

**(6) Amendment of certain provisions of the Articles of Association**

On 29 March 2018, the resolution regarding the amendments to certain provisions of the articles of association was considered and approved during the 2018 second regular meeting of the eighth session of the Board. The above resolution shall be submitted to the 2017 AGM of the Company for consideration and approval. For details, please refer to the announcement of the Company published on the websites of the Shanghai Stock Exchange and Hong Kong Stock Exchange on 29 March 2018.



**3.3 The status of implementation of the matters undertaken by the Company and shareholders holding more than 5% interests**

Background of undertaking	Type of undertaking	Undertaking party	Content of undertaking	Time and term of undertaking	Whether there is an implementation period	Whether the undertaking has been strictly implemented in a timely manner
Other undertaking	Trading moratorium of shares	CEA Holding/CES Finance	CEA Holding and CES Finance undertook that they will not dispose of the 241,547,927 A shares and 457,317,073 A shares held by each of them, within 24 months from the lifting of the trading moratorium on 18 April 2016.	Time of undertaking: April 2016; term of undertaking: from 18 April 2016 to 17 April 2018	Yes	Completed

**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**

Not applicable

By order of the Board

CHINA EASTERN AIRLINES CORPORATION LIMITED

Liu Shaoyong

*Chairman*

Shanghai, the People's Republic of China 26 April 2018

*As at the date of this announcement, the directors of the Company include Liu Shaoyong (Chairman), Ma Xulun (Vice Chairman, President), Li Yangmin (Director, Vice President), Gu Jiadan (Director), Tang Bing (Director, Vice President), Tian Liuwen (Director, Vice President), Yuan Jun (Employee representative Director), Li Ruoshan (Independent non-executive Director), Ma Weihua (Independent non-executive Director), Shao Ruiqing (Independent non-executive Director) and Cai Hongping (Independent non-executive Director).*

## 4. APPENDICES

### 4.1 Financial Statements

#### China Eastern Airlines Corporation Limited

#### Consolidated and Company's Balance Sheet as at 31 March 2018

*RMB million*

	<b>31 March 2018 Consolidated</b>	31 December 2017 Consolidated	<b>31 March 2018 Company</b>	31 December 2017 Company
<b>Assets</b>				
<b>Current assets</b>				
Monetary capital	2,881	4,656	2,321	3,914
Trade receivables	1,395	2,124	2,090	2,812
Prepayments	933	580	296	180
Dividends receivable	145	183	145	185
Other receivables	4,531	4,674	14,468	15,454
Inventory	2,186	2,185	24	38
Held-for-Sale assets	0	14		
Non-current assets due within one year	76	76	69	69
Other current assets	4,010	3,801	3,850	3,608
<b>Total current assets</b>	<b>16,157</b>	18,293	<b>23,263</b>	26,260
<b>Non-current assets</b>				
Financial assets measured at fair value	756	800	669	713
Hedge instruments	151	151	151	151
Investment properties	301	302	27	27
Long-term equity investment	2,283	2,211	15,189	15,104
Fixed assets	164,700	163,130	106,173	106,058
Construction in progress	28,888	28,780	28,169	28,077
Intangible assets	2,035	2,043	1,354	1,358
Goodwill	9,028	9,028	9,028	9,028
Long-term deferred expenses	1,983	1,543	1,680	1,308
Deferred income tax assets	188	122	45	45
Other non-current assets	1,002	1,061	902	949
<b>Total non-current assets</b>	<b>211,315</b>	209,171	<b>163,387</b>	162,818
<b>Total assets</b>	<b>227,472</b>	227,464	<b>186,650</b>	189,078

**4.1 Financial Statements (Cont d)**  
**China Eastern Airlines Corporation Limited**

**Consolidated and Company's Balance Sheet as at 31 March 2018 (Cont d)**

*RMB million*

	<b>31 March 2018</b>	31 December 2017	<b>31 March 2018</b>	31 December 2017
<b>Liabilities and shareholders' equity</b>	<b>Consolidated</b>	Consolidated	<b>Company</b>	Company
<b>Current liabilities</b>				
Short-term borrowings	<b>24,300</b>	24,959	<b>30,321</b>	27,202
Hedge instruments	<b>522</b>	324	<b>522</b>	324
Notes payable	<b>304</b>	1,173	<b>304</b>	1,147
Trade payables	<b>13,900</b>	11,036	<b>12,485</b>	10,022
Account collected in advance	<b>1,662</b>	1,342	<b>1,289</b>	1,036
Settlement of vouchers	<b>5,129</b>	7,043	<b>4,971</b>	6,869
Staff remuneration payable	<b>2,422</b>	3,034	<b>1,669</b>	2,007
Tax payable	<b>1,539</b>	2,076	<b>504</b>	944
Interest payable	<b>1,066</b>	1,084	<b>846</b>	844
Other payables	<b>2,402</b>	2,855	<b>9,396</b>	11,040
Held-for-sale liabilities	<b>0</b>	8		
Non-current liabilities due within one year	<b>12,845</b>	15,391	<b>6,535</b>	9,153
Other current liabilities	<b>3,000</b>	10,000	<b>3,000</b>	10,000
<b>Total current liabilities</b>	<b>69,091</b>	80,325	<b>71,842</b>	80,588
<b>Non-current liabilities</b>				
Long-term borrowings	<b>7,624</b>	4,924	<b>4,126</b>	4,338
Hedge instruments	<b>1</b>	1	<b>1</b>	1
Bonds payable	<b>22,648</b>	19,787	<b>20,257</b>	17,352
Long-term payables	<b>63,750</b>	60,746	<b>41,543</b>	39,169
Long-term staff remuneration payable	<b>2,795</b>	2,800	<b>2,202</b>	2,199
Special items payable	<b>84</b>	83	<b>69</b>	67
Other non-current liabilities	<b>2,374</b>	2,262	<b>1,484</b>	1,371
Deferred income tax liabilities	<b>135</b>	18	<b>117</b>	0
<b>Total non-current liabilities</b>	<b>99,411</b>	90,621	<b>69,799</b>	64,497
<b>Total liabilities</b>	<b>168,502</b>	170,946	<b>141,641</b>	145,085

**4.1 Financial Statements (Cont d)**  
**China Eastern Airlines Corporation Limited**

**Consolidated and Company s Balance Sheet as at 31 March 2018 (Cont d)**

*RMB million*

	<b>31 March 2018</b>	31 December 2017	<b>31 March 2018</b>	31 December 2017
<b>Liabilities and shareholders equity</b>	<b>Consolidated</b>	Consolidated	<b>Company</b>	Company
<b>Shareholders equity</b>				
Share capital	<b>14,467</b>	14,467	<b>14,467</b>	14,467
Capital reserves	<b>26,760</b>	26,760	<b>27,470</b>	27,470
Other comprehensive income	<b>(2,598)</b>	(2,540)	<b>(1,963)</b>	(1,909)
Surplus reserves	<b>540</b>	540	<b>540</b>	540
Undistributed profits	<b>16,214</b>	13,879	<b>4,495</b>	3,425
Total equity attributable to shareholders of parent company	<b>55,383</b>	53,106	<b>45,009</b>	43,993
Minority interests	<b>3,587</b>	3,412		
<b>Total shareholders equity</b>	<b>58,970</b>	56,518	<b>44,791</b>	43,993
<b>Total liabilities and shareholders equity</b>	<b>227,472</b>	227,464	<b>186,650</b>	189,078

The financial statements are signed by:

Person-in-charge of the Company: Liu Shaoyong

Officer-in-charge of accounting: Ma Xulun

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

**4.1 Financial Statements (Cont d)**  
**China Eastern Airlines Corporation Limited**

**Consolidated and Company's Income Statement for the Period from January to March 2018 (Cont d)**

*RMB million*

<b>Item</b>	<b>Jan to Mar 2018 Consolidated</b>	<b>Jan to Mar 2017 Consolidated</b>	<b>Jan to Mar 2018 Company</b>	<b>Jan to Mar 2017 Company</b>
<b>Revenue</b>	<b>26,753</b>	24,536	<b>15,753</b>	14,116
Less: Operating costs	<b>23,563</b>	21,484	<b>14,407</b>	12,774
Operating taxes and surcharges	<b>62</b>	65	<b>16</b>	11
Selling expenses	<b>1,359</b>	1,319	<b>985</b>	934
Administrative expenses	<b>669</b>	624	<b>451</b>	379
Finance expenses, net	<b>(465)</b>	507	<b>(413)</b>	431
Assets impairment loss	<b>1</b>			
Add: Gains arising from changes in fair value	<b>(209)</b>		<b>(209)</b>	
Investment gains	<b>70</b>	1,844	<b>80</b>	841
Gains from disposal of assets	<b>3</b>		<b>1</b>	
Other gains	<b>1,152</b>		<b>650</b>	
<b>Operating profit</b>	<b>2,580</b>	2,381	<b>829</b>	428
Add: Non-operating income	<b>189</b>	1,228	<b>131</b>	739
Less: Non-operating expenses	<b>3</b>	4	<b>2</b>	2
<b>Total profits</b>	<b>2,766</b>	3,605	<b>958</b>	1,165
Less: Income tax expenses	<b>608</b>	621	<b>240</b>	291
<b>Net profit</b>	<b>2,158</b>	2,984	<b>718</b>	874
Classified by continuation of business				
Net profit from continuing activities	<b>2,158</b>	2,984		
Net profit from discontinuing activities				
Classified by ownership Net profit attributable to shareholders of parent company	<b>1,983</b>	2,818		
Minority interests	<b>175</b>	166		

**4.1 Financial Statements (Cont d)**  
**China Eastern Airlines Corporation Limited**

**Consolidated and Company's Income Statement for the Period from January to March 2018 (Cont d)**

RMB million

Item	Jan to Mar 2018 Consolidated	Jan to Mar 2017 Consolidated	Jan to Mar 2018 Company	Jan to Mar 2017 Company
<b>Other comprehensive income, net of tax</b>	<b>-58</b>	-264	<b>-54</b>	-124
Other comprehensive income that cannot be reclassified into profit or loss in subsequent accounting period Changes arising from re-measuring net assets or net liabilities of defined benefit plan	<b>-20</b>	-410	<b>-15</b>	34
Other comprehensive income that will be reclassified into profit or loss in subsequent accounting period when meeting the prescribed conditions the share of other comprehensive income of investees to be reclassified into profit and loss under the equity method	<b>-5</b>	-1	<b>-6</b>	-7
Fair value movements of available- for-sale financial assets	<b>-34</b>	40	<b>-34</b>	27
Effective portion of gains or losses from cash flow hedge instruments	<b>1</b>	107	<b>1</b>	-178
Of which:				
Other comprehensive income, net of tax, attributable to shareholders of the parent company	<b>-58</b>	-261		
Other comprehensive income, net of tax, attributable to minority interests		-3		
<b>Total comprehensive income</b>	<b>2,100</b>	2,720	<b>664</b>	750
Total comprehensive income attributable to shareholders of the parent company	<b>1,925</b>	2,557		
Total comprehensive income attributable to minority interests	<b>175</b>	163		
<b>Earnings per share</b>				
Basis earnings per share (in RMB)	<b>0.14</b>	0.19		
Diluted earnings per share (in RMB)	<b>0.14</b>	0.19		

**4.1 Financial Statements (Cont d)**  
**China Eastern Airlines Corporation Limited**

**Consolidated and Company's Cash Flow Statement for the Period from January to March 2018**

*RMB million*

<b>1. Cash flow from operating activities</b>				
Cash received from sales of goods and provision of labour services	<b>28,277</b>	25,384	<b>15,490</b>	13,017
Refund of taxes	<b>1,377</b>	573	<b>1,374</b>	573
Other cash received from operating activities	<b>2,236</b>	2,358	<b>1,768</b>	1,641
<b>Sub-total of cash inflow from operating activities</b>	<b>31,890</b>	28,315	<b>18,632</b>	15,231
Cash paid for purchase of goods and receiving of labour services	<b>18,194</b>	16,867	<b>10,855</b>	9,061
Cash paid to and for employees	<b>4,162</b>	5,681	<b>2,019</b>	2,639
Taxes paid	<b>1,189</b>	931	<b>767</b>	608
Other cash paid for operating activities	<b>1,969</b>	2,256	<b>1,766</b>	1,992
<b>Sub-total of cash outflow from operating activities</b>	<b>25,514</b>	25,735	<b>15,407</b>	14,300
<b>Net cash flows from operating activities</b>	<b>6,376</b>	2,580	<b>3,225</b>	931

**4.1 Financial Statements (Cont d)**  
**China Eastern Airlines Corporation Limited**

**Consolidated and Company's Cash Flow Statement for the Period from January to March 2018 (Cont d)**

*RMB million*

<b>Item</b>	<b>Jan to Mar 2018 Consolidated</b>	Jan to Mar 2017 Consolidated	<b>Jan to Mar 2018 Company</b>	Jan to Mar 2017 Company
<b>2. Cash flow from investing activities</b>				
Cash received from disposal of investment		2,444		2,433
Investment income in cash	<b>41</b>	16	<b>41</b>	16
Other cash received from investing activities	<b>12</b>	29	<b>12</b>	7
<b>Sub-total of cash inflow from investing activities</b>	<b>53</b>	2,489	<b>53</b>	2,456
Amount paid in cash in relation to purchases of fixed assets, intangible assets and other long-term assets	<b>4,128</b>	5,324	<b>3,089</b>	4,897
Investments paid in cash	<b>16</b>		<b>16</b>	
<b>Sub-total of cash outflow from investing activities</b>	<b>4,144</b>	5,324	<b>3,105</b>	4,897
<b>Net cash flow from investing activities</b>	<b>(4,091)</b>	(2,835)	<b>(3,052)</b>	(2,441)



**4.1 Financial Statements (Cont d)**  
**China Eastern Airlines Corporation Limited**

**Consolidated and Company's Cash Flow Statement for the Period from January to March 2018 (Cont d)**

*RMB million*

<b>Item</b>	<b>Jan to Mar 2018 Consolidated</b>	<b>Jan to Mar 2017 Consolidated</b>	<b>Jan to Mar 2018 Company</b>	<b>Jan to Mar 2017 Company</b>
<b>3. Cash flow from financing activities</b>				
Cash received from borrowings	<b>10,261</b>	15,533	<b>11,637</b>	14,073
Cash received from issuance of bonds	<b>2,975</b>		<b>2,975</b>	
Sub-total of cash inflow from financing activities	<b>13,236</b>	15,533	<b>14,612</b>	14,073
Cash paid for repayment of indebtedness	<b>13,947</b>	11,115	<b>14,368</b>	9,238
Cash payments for distribution of dividends, profits expense or payment of interest	<b>1,162</b>	998	<b>940</b>	730
Other cash paid for financing activities	<b>2,233</b>	2,674	<b>1,044</b>	1,864
<b>Sub-total of cash outflow from financing activities</b>	<b>17,342</b>	14,787	<b>16,352</b>	11,832
<b>Net cash flow from financing activities</b>	<b>(4,106)</b>	746	<b>(1,740)</b>	2,241
<b>4. Effect of changes in exchange rate on cash and cash equivalents</b>	<b>(71)</b>	32	<b>(71)</b>	24
<b>5. Net increase in cash and cash equivalents</b>	<b>(1,892)</b>	523	<b>(1,638)</b>	755
Add: Balance of cash and cash equivalents at the beginning of the year	<b>4,616</b>	1,695	<b>3,882</b>	976
<b>6. Balance of cash and cash equivalents at the end of the year</b>	<b>2,724</b>	2,218	<b>2,244</b>	1,731