

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.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, 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 announcement.

*(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> | | |
|---|--|---|---|
| | 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 | 227,472 | 227,464 | 0.00 |
| Net assets attributable to shareholders of the listed company | 55,383 | 53,106 | 4.29 |
| | From the beginning of the year to the end of the reporting period | From the beginning of last year to the end of the reporting period last year | Increase/ decrease compared with the same period last year (%) |
| Net cash flows from operating activities | 6,376 | 2,580 | 147.13 |
| | From the beginning of the year to the end of the reporting period | From the beginning of last year to the end of the reporting period last year | Increase/ decrease compared with the same period last year (%) |
| 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 |

Non-recurring profit and loss and relevant amounts

| Item | <i>Unit: million Currency: RMB</i> Amount for the period |
|--|--|
| 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) |
| Total | 86 |

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> | | |
|--|--|---------------------------|---|-----------------------------|
| Total number of shareholders | | 228,532 | | |
| Shareholding of the 10 largest shareholders | | | | |
| | 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 |
| HKSCC NOMINEES LIMITED | 4,183,499,289 | Overseas listed foreign |
| China Eastern Air Holding Corporation Limited | 513,064,959 | RMB ordinary |
| China Eastern Air Holding Company Limited | 504,767,895 | RMB ordinary |
| | 465,910,000 | Overseas listed foreign |
| China Eastern Air Technology Consulting Co., Limited (0993556635426) | 465,838,509 | RMB ordinary |
| China Eastern Air Finance Ltd. (20219) | 457,317,073 | RMB ordinary |
| China Eastern Air Finance Corporation Limited (36939) | 232,919,254 | RMB ordinary |
| China Eastern Air Finance Management Ltd. (360392998631649297023601220219) | 70,984,100 | RMB ordinary |
| China Eastern Air Finance Corporation Boshi Industry Mixed Securities Investment Fund (LOF) (3750434892027389883489226989281512151222411252373603922522) | 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 |

| Item | Change compared to the end of last year | Reason for the Change |
|---|--|---|
| 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 – Revenue applicable to the Company |

| Item | Change compared to last year | Reason for the Change |
|-------------------|---|--|
| 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. (Eastern Logistics) 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 – 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

| | 31 March 2018 Consolidated | 31 December 2017 Consolidated | 31 March 2018 Company | 31 December 2017 Company |
|---|---|-------------------------------------|--------------------------------------|--------------------------------|
| Assets | | | | |
| Current assets | | | | |
| 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 |
| Total current assets | 16,157 | 18,293 | 23,263 | 26,260 |
| Non-current assets | | | | |
| 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 |
| Total non-current assets | 211,315 | 209,171 | 163,387 | 162,818 |
| Total assets | 227,472 | 227,464 | 186,650 | 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

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

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

| Item | Jan to Mar 2018 Consolidated | Jan to Mar 2017 Consolidated | Jan to Mar 2018 Company | Jan to Mar 2017 Company |
|---|---|---|--|--|
| Revenue | 26,753 | 24,536 | 15,753 | 14,116 |
| Less: Operating costs | 23,563 | 21,484 | 14,407 | 12,774 |
| Operating taxes and surcharges | 62 | 65 | 16 | 11 |
| Selling expenses | 1,359 | 1,319 | 985 | 934 |
| Administrative expenses | 669 | 624 | 451 | 379 |
| Finance expenses, net | (465) | 507 | (413) | 431 |
| Assets impairment loss | 1 | | | |
| Add: Gains arising from changes in fair value | (209) | | (209) | |
| Investment gains | 70 | 1,844 | 80 | 841 |
| Gains from disposal of assets | 3 | | 1 | |
| Other gains | 1,152 | | 650 | |
| Operating profit | 2,580 | 2,381 | 829 | 428 |
| Add: Non-operating income | 189 | 1,228 | 131 | 739 |
| Less: Non-operating expenses | 3 | 4 | 2 | 2 |
| Total profits | 2,766 | 3,605 | 958 | 1,165 |
| Less: Income tax expenses | 608 | 621 | 240 | 291 |
| Net profit | 2,158 | 2,984 | 718 | 874 |
| Classified by continuation of business | | | | |
| Net profit from continuing activities | 2,158 | 2,984 | | |
| Net profit from discontinuing activities | | | | |
| Classified by ownership Net profit attributable to shareholders of parent company | 1,983 | 2,818 | | |
| Minority interests | 175 | 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 |
|--|---------------------------------------|------------------------------------|-------------------------------|-------------------------------|
| Other comprehensive income, net of tax | -58 | -264 | -54 | -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 | -20 | -410 | -15 | 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 | -5 | -1 | -6 | -7 |
| Fair value movements of available- for-sale financial assets | -34 | 40 | -34 | 27 |
| Effective portion of gains or losses from cash flow hedge instruments | 1 | 107 | 1 | -178 |
| Of which: | | | | |
| Other comprehensive income, net of tax, attributable to shareholders of the parent company | -58 | -261 | | |
| Other comprehensive income, net of tax, attributable to minority interests | | -3 | | |
| Total comprehensive income | 2,100 | 2,720 | 664 | 750 |
| Total comprehensive income attributable to shareholders of the parent company | 1,925 | 2,557 | | |
| Total comprehensive income attributable to minority interests | 175 | 163 | | |
| Earnings per share | | | | |
| Basis earnings per share (in RMB) | 0.14 | 0.19 | | |
| Diluted earnings per share (in RMB) | 0.14 | 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

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

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

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