

CHINA EASTERN AIRLINES CORP LTD  
Form 6-K  
September 03, 2013

**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 September 2013

Commission File Number: 001-14550

China Eastern Airlines Corporation Limited

(Translation of Registrant's name into English)

Board Secretariat's Office

Kong Gang San Lu, Number 88

Shanghai, China 200335

(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F:  Form 20-F  Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934:  Yes  No

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): n/a

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

**China Eastern Airlines**  
**Corporation Limited**  
**(Registrant)**

**Date** September 3, 2013 **By/s/** Wang Jian  
Name: Wang Jian  
Title: Joint Company Secretary

*Certain statements contained in this announcement may be regarded as "forward-looking statements" within the meaning of the U.S. Securities Exchange Act of 1934, as amended. Such forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual performance, financial condition or results of operations of the Company to be materially different from any future performance, financial condition or results of operations implied by such forward-looking statements. Further information regarding these risks, uncertainties and other factors is included in the Company's filings with the U.S. Securities and Exchange Commission. The forward-looking statements included in this announcement represent the Company's views as of the date of this announcement. While the Company anticipates that subsequent events and developments may cause the Company's views to change, the Company specifically disclaims any obligation to update these forward-looking statements, unless required by applicable laws. These forward-looking statements should not be relied upon as representing the Company's views as of any date subsequent to the date of this announcement.*

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

(Stock code: 00670)

## **2013 INTERIM RESULTS ANNOUNCEMENT**

The board of directors (the "**Board**") of China Eastern Airlines Corporation Limited (the "**Company**" or "**CEA**") hereby presents the unaudited interim consolidated financial information of the Company and its subsidiaries (collectively, the "**Group**") for the six months ended 30 June 2013 (which were reviewed and approved by the Board and the audit and risk management committee of the Company (the "**Audit and Risk Management Committee**") on 30 August 2013), with comparative figures for the corresponding financial information in 2012.

The interim consolidated financial information of the Group for the six months ended 30 June 2013 is unaudited and is not necessarily indicative of annual or future results.



## INTERIM FINANCIAL INFORMATION

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME***Prepared in accordance with International Financial Reporting Standards**For the six months ended 30 June 2013*

		<b>(Unaudited)</b>	
		Six months ended 30 June	
		2013	2012
	<i>Note</i>	RMB'000	RMB'000
			Restated*
Revenues	6	41,624,394	40,213,354
Other operating income		651,749	864,750
Operating expenses			
Aircraft fuel		(14,978,528)	(14,670,924)
Gain on fair value movements of derivative financial instruments		11,646	9,847
Take-off and landing charges		(4,579,511 )	(4,308,392 )
Depreciation and amortization		(3,963,814 )	(3,632,783 )
Wages, salaries and benefits		(4,648,607 )	(4,383,829 )
Aircraft maintenance		(2,300,966 )	(2,173,587 )
Food and beverages		(1,088,806 )	(953,799 )
Aircraft operating lease rentals		(2,148,731 )	(2,067,134 )
Other operating lease rentals		(288,502 )	(294,895 )
Selling and marketing expenses		(1,872,656 )	(1,720,236 )
Civil aviation development fund		(751,120 )	(675,503 )
Ground services and other charges		(339,619 )	(292,507 )
Indirect operating costs		(3,401,305 )	(2,854,477 )
Other expenses		(1,790,802 )	(1,210,064 )
Total operating expenses		(42,141,321)	(39,228,283)
Operating profit		134,822	1,849,821
Share of results of associates		(10,273 )	40,377
Share of results of joint ventures		8,794	17,895
Total share of results of associates and joint ventures		(1,479 )	58,272
Interest income		78,201	96,927
Finance costs	8	(773,213 )	(846,601 )
Exchange gains/(losses), net	9	1,174,286	(227,985 )
Profit before income tax		612,617	930,434
Income tax	10	(79,852 )	(176,649 )

Profit for the period	532,765	753,785
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		(Unaudited)	
		Six months ended 30 June	
	Note	2013	2012
		RMB'000	RMB'000
			Restated*
Profit attributable to:			
Equity shareholders of the Company		621,859	865,629
Non-controlling interests		(89,094 )	(111,844 )
		532,765	753,785
Earnings per share attributable to the equity shareholders of the Company during the period			
– Basic and diluted (RMB)	11	0.05	0.08
Profit for the period		532,765	753,785
Other comprehensive income/(loss) for the period			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Cash flow hedges, net of tax		216,476	2,886
Fair value movements of available-for-sale investments held by associates		(3,996 )	4,108
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		212,480	6,994
Items not to be reclassified to profit or loss in subsequent periods:			
Actuarial (losses)/gains on the defined benefit plan		(54,848 )	22,963
Net other comprehensive income not being reclassified to profit or loss in subsequent periods		(54,848 )	22,963
Other comprehensive income, net of tax		157,632	29,957
Total comprehensive income for the period		690,397	783,742
Total comprehensive income attributable to:			
Equity shareholders of the Company		785,774	895,208
Non-controlling interests		(95,377 )	(111,466 )
		690,397	783,742

\* Certain amounts shown here do not correspond to the condensed consolidated statement of comprehensive income for the period ended 30 June 2012 and reflect adjustments made as detailed in Note 21.



## CONDENSED CONSOLIDATED FINANCIAL POSITION

*Prepared in accordance with International Financial Reporting Standards**As at 30 June 2013*

	Note	(Unaudited) 30 June 2013 RMB'000	(Audited) 31 December 2012 RMB'000 Restated*
<b>Non-current assets</b>			
Intangible assets	14	11,455,500	11,449,099
Property, plant and equipment	15	86,483,043	82,518,761
Lease prepayments		1,757,405	1,781,846
Advanced payments on acquisition of aircraft	16	14,169,892	11,894,891
Investments in associates		1,003,945	833,472
Investments in joint ventures		426,953	418,159
Available-for-sale financial assets		281,775	234,690
Other long-term assets		2,096,621	1,958,256
Deferred tax assets		137,263	124,659
Derivative assets		56,648	–
		117,869,045	111,213,833
<b>Current assets</b>			
Flight equipment spare parts		2,177,639	2,087,978
Trade receivables	17	3,990,906	2,962,181
Prepayments, deposits and other receivables		3,665,075	3,368,648
Derivative assets		744	18,074
Restricted bank deposits and short-term bank deposits		2,383,054	1,726,251
Cash and cash equivalents		3,672,417	2,511,696
		15,889,835	12,674,828
<b>Current liabilities</b>			
Sales in advance of carriage		2,996,887	3,094,427
Trade payables and notes payable	18	3,419,681	3,075,325
Other payables and accrued expenses		16,726,022	16,256,225
Current portion of obligations under finance leases	19	2,589,090	2,605,269
Current portion of borrowings	20	22,684,311	22,639,955
Income tax payable		42,179	181,788
Current portion of provision for return condition checks for aircraft under operating leases		968,116	734,205
Derivative liabilities		25,738	35,813
		49,452,024	48,623,007

Net current liabilities	(33,562,189 )	(35,948,179 )
Total assets less current liabilities	84,306,856	75,265,654

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		(Unaudited) 30 June 2013 RMB'000	(Audited) 31 December 2012 RMB'000 Restated*
	Note		
<b>NON-CURRENT LIABILITIES</b>			
Obligations under finance leases	19	17,547,790	19,252,709
Borrowings	20	29,597,028	23,096,163
Provision for return condition checks for aircraft under operating leases		2,933,089	3,064,557
Other long-term liabilities		1,709,787	1,635,537
Post-retirement benefit obligations	21	6,347,146	6,147,852
Deferred tax liabilities		29,361	29,326
Derivative liabilities		127,682	304,338
		58,291,883	53,530,482
Net asset		26,014,973	21,735,172
Equity			
Capital and reserves attributable to the equity shareholders of the Company			
– Share capital	22	12,674,269	11,276,539
– Reserves		11,919,192	8,958,757
		24,593,461	20,235,296
Non-controlling interests		1,421,512	1,499,876
Total equity		26,014,973	21,735,172

\* Certain amounts shown here do not correspond to the condensed consolidated financial position as at 31 December 2012 and reflect adjustments made as detailed in Note 21.

## CONDENSED CONSOLIDATED CASH FLOW STATEMENT

*Prepared in accordance with International Financial Reporting Standards*

*For the six months ended 30 June 2013*

	<b>(Unaudited)</b>	
	Six months ended 30 June	
	2013	2012
	RMB'000	RMB'000
Net cash inflow from operating activities	3,779,614	5,847,254
Net cash outflow from investing activities	(10,774,716)	(3,862,439)
Net cash inflow/(outflow) from financing activities	8,163,018	(487,930 )
Net increase in cash and cash equivalents	1,167,916	1,496,885
Cash and cash equivalents at 1 January	2,511,696	3,860,973
Exchange adjustments	(7,195 )	3,371
Cash and cash equivalents at 30 June	3,672,417	5,361,229

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY***Prepared in accordance with International Financial Reporting Standards**For the six months ended 30 June 2013*

	Attributable to equity holders of the Company				Non-	Total
	Share	Other	Accumulated	Subtotal	controlling	equity
	capital	reserves	losses		interests	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Six months ended 30 June 2013						
(Unaudited)						
Balance at 1 January 2013						
As previously reported	11,276,539	17,075,389	(5,426,130 )	22,925,798	1,627,599	24,553,397
Prior year adjustments	–	(3,144,523 )	454,021	(2,690,502 )	(127,723 )	(2,818,225 )
As restated	11,276,539	13,930,866	(4,972,109 )	20,235,296	1,499,876	21,735,172
Profit for the period	–	–	621,859	621,859	(89,094 )	532,765
Other comprehensive income for the period	–	163,915	–	163,915	(6,283 )	157,632
Total comprehensive income for the period	–	163,915	621,859	785,774	(95,377 )	690,397
Capital contribution by non-controlling interests in subsidiaries	–	–	–	–	50,000	50,000
Dividends paid to non-controlling interests in subsidiaries	–	–	–	–	(18,720 )	(18,720 )
Acquisition of non-controlling interests in subsidiaries	–	–	–	–	(14,267 )	(14,267 )
Issue of shares	1,397,730	2,174,661	–	3,572,391	–	3,572,391
Balance at 30 June 2013	12,674,269	16,269,442	(4,350,250 )	24,593,461	1,421,512	26,014,973

	Attributable to equity holders of the Company			Subtotal	Non-controlling interests	Total equity
	Share capital	Other reserves	Accumulated losses			
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Six months ended 30 June 2012 (Unaudited)						
Balance at 1 January 2012						
As previously reported	11,276,539	17,229,128	(8,379,775 )	20,125,892	1,679,215	21,805,107
Prior year adjustments	–	(3,298,789 )	338,191	(2,960,598 )	(118,518 )	(3,079,116 )
As restated	11,276,539	13,930,339	(8,041,584 )	17,165,294	1,560,697	18,725,991
Profit for the period	–	–	865,629	865,629	(111,844 )	753,785
Other comprehensive income for the period	–	29,579	–	29,579	378	29,957
Total comprehensive income for the period ended 30 June 2012	–	29,579	865,629	895,208	(111,466 )	783,742
Recognise fair value of land use right as deemed cost	–	343,786	–	343,786	–	343,786
Dividends paid to non-controlling interests in subsidiaries	–	–	–	–	(23,042 )	(23,042 )
Disposal of a subsidiary	–	–	–	–	(1,453 )	(1,453 )
Balance at 30 June 2012	11,276,539	14,303,704	(7,175,955 )	18,404,288	1,424,736	19,829,024

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

**1. CORPORATE INFORMATION**

China Eastern Airlines Corporation Limited (the “**Company**”), a joint stock company limited by shares, was incorporated in the People’s Republic of China (the “**PRC**”) on 14 April 1995. The address of the Company’s registered office is 66 Airport Street, Pudong International Airport, Shanghai, the PRC. The Company and its subsidiaries (together, the “**Group**”) are principally engaged in the operation of civil aviation, including the provision of passenger, cargo, mail delivery, tour operations and other extended transportation services.

The Company is majority owned by China Eastern Air Holding Company (“**CEA Holding**”), a state- owned enterprise incorporated in the PRC.

The Company’s shares are traded on The Shanghai Stock Exchange, The Stock Exchange of Hong Kong Limited and The New York Stock Exchange.

This condensed consolidated interim financial information was approved for issue by the Company’s Board on 30 August 2013.

This condensed consolidated interim financial information has not been audited.

**2. BASIS OF PREPARATION**

This unaudited condensed consolidated interim financial information for the six months ended 30 June 2013 has been prepared in accordance with International Accounting Standard (“**IAS**”) 34 “Interim Financial Reporting”. The unaudited condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2012, which have been prepared in accordance with International Financial Reporting Standards (“**IFRS**”) as issued by the International Accounting Standard Board (“**IASB**”).

In preparing the interim financial information, the Directors have given careful consideration to the going concern status of the Group in the context of the Group’s current working capital deficit.

As at 30 June 2013, the Group's accumulated losses were approximately RMB4.35 billion; its current liabilities exceeded its current assets by approximately RMB33.56 billion.

Against this background, the Directors have taken active steps to seek additional sources of finance and improve the Group's liquidity position. As at 30 June 2013, the Group had total unutilised credit facilities of approximately RMB20.48 billion from certain banks.

With the credit facilities and based on the Group's history of obtaining finance and its relationships with its bankers and creditors, the Board considers that the Group will be able to obtain sufficient financing to enable it to operate, as well as to meet its liabilities as and when they become due, and the capital expenditure requirements. Accordingly, the Board believes that it is appropriate to prepare these financial information on a going concern basis without including any adjustments that would be required should the Company and the Group fail to continue as a going concern.

### 3. ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the condensed consolidated interim financial information are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2012, except for the adoption of new standards and interpretations effective as of 1 January 2013.

The Group applies, for the first time, certain standards and amendments that require restatement of previous financial statements. These include IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements, IAS 19 (Revised 2011) Employee Benefits, IFRS 13 Fair Value Measurement and amendments to IAS 1 Presentation of Financial Statements. As required by IAS 34, the nature and the effect of these changes are disclosed below. In addition, the application of IFRS 12 Disclosure of Interest in Other Entities would result in additional disclosures in the annual consolidated financial statements.

Several other new standards and amendments apply for the first time in 2013. However, they do not impact the annual consolidated financial statements of the Group or the interim condensed consolidated financial statements of the Group.

The nature and the impact of each new standard/amendment is described below:

#### **IAS 1 Presentation of Items of Other Comprehensive Income – Amendments to IAS 1**

The amendments to IAS 1 introduce a grouping of items presented in other comprehensive income (OCI). Items that could be reclassified (or recycled) to profit or loss at a future point in time (e.g., net movement on cash flow hedges and net loss or gain on available-for-sale financial assets) now have to be presented separately from items that will never be reclassified (e.g., actuarial gains and losses on defined benefit plans). The amendment affected presentation only and had no impact on the Group's financial position or performance.

#### **IAS 1 Clarification of the Requirement for Comparative Information (Amendment)**

The amendment to IAS 1 clarifies the difference between voluntary additional comparative information and the minimum required comparative information. An entity must include comparative information in the related notes to the financial statements when it voluntarily provides comparative information beyond the minimum required comparative period. The additional voluntarily comparative information does not need to be presented in a complete

set of financial statements.

An opening statement of financial position (known as the ‘third balance sheet’) must be presented when an entity applies an accounting policy retrospectively, makes retrospective restatements, or reclassifies items in its financial statements, provided any of those changes has a material effect on the statement of financial position at the beginning of the preceding period. The amendment clarifies that a third balance sheet does not have to be accompanied by comparative information in the related notes. Under IAS 34, the minimum items required for interim condensed financial statements do not include a third balance sheet.

### **IAS 32 Tax Effects of Distributions to Holders of Equity Instruments (Amendment)**

The amendment to IAS 32 Financial Instruments: Presentation clarifies that income taxes arising from distributions to equity holders are accounted for in accordance with IAS 12 Income Taxes. The amendment removes existing income tax requirements from IAS 32 and requires entities to apply the requirements in IAS 12 to any income tax arising from distributions to equity holders. The amendment did not have an impact on the interim condensed consolidated financial statements for the Group, as there is no tax consequences attached to cash or non-cash distribution.

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### **IAS 34 Interim Financial Reporting and Segment Information for Total Assets and Liabilities (Amendment)**

The amendment clarifies the requirements in IAS 34 relating to segment information for total assets and liabilities for each reportable segment to enhance consistency with the requirements in IFRS 8 Operating Segments. Total assets and liabilities for a reportable segment need to be disclosed only when the amounts are regularly provided to the chief operating decision maker and there has been a material change in the total amount disclosed in the entity's previous annual consolidated financial statements for that reportable segment.

### **IAS 19 Employee Benefits (Revised 2011) (IAS 19R)**

IAS 19R includes a number of amendments to the accounting for defined benefit plans, including actuarial gains and losses that are now recognised in other comprehensive income (OCI) and permanently excluded from profit and loss; expected returns on plan assets that are no longer recognised in profit or loss, instead, there is a requirement to recognise interest on the net defined benefit liability (asset) in profit or loss, calculated using the discount rate used to measure the defined benefit obligation, and; unvested past service costs are now recognised in profit or loss at the earlier of when the amendment occurs or when the related restructuring or termination costs are recognised. Other amendments include new disclosures, such as quantitative sensitivity disclosures.

The effect of the adoption of IAS 19R is explained in Note 21.

### **IFRS 7 Financial Instruments: Disclosures Offsetting Financial Assets and Financial Liabilities Amendments to IFRS 7**

The amendment requires an entity to disclose information about rights to set-off financial instruments and related arrangements (e.g., collateral agreements). The disclosures would provide users with information that is useful in evaluating the effect of netting arrangements on an entity's financial position. The new disclosures are required for all recognised financial instruments that are set off in accordance with IAS 32. The disclosures also apply to recognised financial instruments that are subject to an enforceable master netting arrangement or similar agreement, irrespective of whether the financial instruments are set off in accordance with IAS 32. As the Group is not setting off financial instruments in accordance with IAS 32 and does not have relevant offsetting arrangements, the amendment does not have an impact on the Group.

### **IFRS 10 Consolidated Financial Statements and IAS 27 Separate Financial Statements**

IFRS 10 establishes a single control model that applies to all entities including special purpose entities. IFRS 10 replaces the parts of previously existing IAS 27 Consolidated and Separate Financial Statements that dealt with consolidated financial statements and SIC-12 Consolidation – Special Purpose Entities. IFRS 10 changes the definition of control such that an investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. To meet the definition of control in IFRS 10, all three criteria must be met, including: (a) an investor has power over an investee; (b) the investor has exposure, or rights, to variable returns from its involvement with the investee; and (c) the investor has the ability to use its power over the investee to affect the amount of the investor’s returns. IFRS 10 had no impact on the consolidation of investments held by the Group.

### **IFRS 11 Joint Arrangements and IAS 28 Investment in Associates and Joint Ventures**

IFRS 11 replaces IAS