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# 中國東方航空股份有限公司 CHINA EASTERN AIRLINES CORPORATION LIMITED

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

**(Stock code: 00670)**

## 2016 FIRST QUARTERLY REPORT

This announcement is made by the Company pursuant to the requirements under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and the disclosure requirements under Rule 13.09(2)(a) 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 2016 were not audited, and were prepared in accordance with the PRC Accounting Standards.

### 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 “**Stock Exchange**”) whose securities are also listed on other stock exchange(s) to simultaneously inform the 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 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 (the “**CSRC**”) in relation to disclosure of information in quarterly reports for listed companies, and is published on the same day in Shanghai and Hong Kong. The financial statements of the Company for the first quarter of 2016 were not audited, and were prepared in accordance with the PRC Accounting Standards.

The board of directors (the “**Board**”) and the supervisory committee of the Company, and its directors, supervisors and senior management hereby confirm the truthfulness, accuracy and completeness of the information set out in this quarterly report and that it does not contain false information, misleading statement or material omission, and accept joint and several responsibility.

All directors of the Company attended the meeting of the Board to review the 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.

The 2016 first quarterly report of the Company is unaudited.

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

### 2.1 Main financial data

*Unit: million    Currency: RMB*

	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	189,648	195,709	-3.10
Net assets attributable to the shareholders of listed company	37,557	35,137	6.89
	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	5,832	2,556	128.17

	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	23,534	22,393	5.10
Net profit attributable to shareholders of listed company	2,602	1,564	66.37
Net profit attributable to shareholders of listed company after deducting non-recurring profit and loss	2,468	1,477	67.10
Weighted average return on net assets (%)	7.12	5.49	Increased by 1.63 pts
Basic earnings per share (RMB per share)	0.1980	0.1234	60.45
Diluted earnings per share (RMB per share)	0.1980	0.1234	60.45

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

*Unit: million    Currency: RMB*

<b>Item</b>	<b>Amount for the period</b>
Gains or losses from disposal of non-current assets	-3
Non-operating income and expenses other than the above	194
Effect on minority interests (net of tax)	-25
Effect on income tax	-32
	<hr/>
Total	<u>134</u>

**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**

*Unit: Shares*

**Total number of shareholders**

319,274

Name of shareholders (in full)	Shareholdings as at the end of the period	Proportion (%)	Shareholding of the 10 largest shareholders			
			Number of shares with trading moratorium held	Pledged or locked-up Status of shares	Number of shares	Nature of shareholders
China Eastern Air Holding Company (中國東方航空集團公司)	5,072,922,927	38.61%	241,547,927	Nil	0	State-owned legal person
HKSCC Nominees Limited	4,182,647,289	31.83%	698,865,000	Unknown	Unknown	Overseas legal person
Delta Air Lines, Inc.	465,910,000	3.55%	0	Unknown	Unknown	Overseas legal person
CES Finance Holding Co., Ltd (東航金控有限責任公司)	457,317,073	3.48%	457,317,073	Nil	0	State-owned legal person
China Securities Finance Corporation Limited (中國證券金融股份有限公司)	348,493,857	2.65%	0	Unknown	Unknown	State-owned legal person
China National Aviation Fuel Holding Company (中國航空油料集團公司)	120,461,743	0.92%	0	Unknown	Unknown	State-owned legal person
Sinotrans Air Transportation Development Co., Ltd. (中外運空運發展股份有限公司)	72,750,000	0.55%	0	Unknown	Unknown	State-owned legal person
Central Huijin Asset Management Ltd. (中央匯金資產管理有限責任公司)	70,984,100	0.54%	0	Unknown	Unknown	State-owned legal person
Shanghai Alliance Investment Limited (上海聯和投資有限公司)	65,615,429	0.50%	0	Unknown	Unknown	State-owned legal person
Industrial and Commercial Bank of China Limited – Harvest New Opportunity Flexible Allocation Mixed Launched Fund (中國工商銀行股份有限公司—嘉實新機遇靈活配置混合型發起式證券投資基金)	38,114,895	0.29%	0	Unknown	Unknown	Unknown

**Shareholding of the 10 largest holders of shares without trading moratorium**

Name of shareholder	Number of listed shares without trading moratorium held	Class and number of shares	
		Class	Number
China Eastern Air Holding Company (中國東方航空集團公司)	4,831,375,000	RMB ordinary shares	4,831,375,000
HKSCC Nominees Limited	3,483,782,289	Overseas listed foreign shares	3,483,782,289
Delta Air Lines, Inc.	465,910,000	Overseas listed foreign shares	465,910,000
China Securities Finance Corporation Limited (中國證券金融股份有限公司)	348,493,857	RMB ordinary shares	348,493,857
China National Aviation Fuel Holding Company (中國航空油料集團公司)	120,461,743	RMB ordinary shares	120,461,743
Sinotrans Air Transportation Development Co., Ltd. (中外運空運發展股份有限公司)	72,750,000	RMB ordinary shares	72,750,000
Central Huijin Asset Management Ltd. (中央匯金資產管理有限責任公司)	70,984,100	RMB ordinary shares	70,984,100
Shanghai Alliance Investment Limited (上海聯和投資有限公司)	65,615,429	RMB ordinary shares	65,615,429
Industrial and Commercial Bank of China Limited – Harvest New Opportunity Flexible Allocation Mixed Launched Fund (中國工商銀行股份有限公司 – 嘉實新機遇靈活配置混合型發起式證券投資基金)	38,114,895	RMB ordinary shares	38,114,895
Bank of China – E Fund Stable Income Bond Securities Investment Fund (中國銀行 – 易方達穩健收益債券型證券投資基金)	28,911,482	RMB ordinary shares	28,911,482

**Description of connected relationship or activities in concert among the above shareholders** Among the 4,182,647,289 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 (“**CEA Holding**”) owns 100% equity interests in CES Finance Holding Co., Ltd (“**CES Finance**”); CES Finance owns 100% equity interests 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.

**Description of preference shareholders with voting rights restored and the number of shares held** Not applicable

**2.3 The total number of the Company’s preference shareholders and the shareholding of the 10 largest preference shareholders and the shareholding of the 10 largest preference holders of shares without trading moratorium as at the end of the reporting period**

Not applicable

### 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

Item	Change compared with the same period last year	Reason for the Change
Business tax	40.91%	Primarily due to an increase in the value-added tax surcharge paid by the majority-controlled subsidiaries of the Company during the reporting period
Finance costs	-20.93%	Primarily due to the exchange gains arising from the appreciation of the exchange rate of RMB to USD during the reporting period, while exchange losses were recorded during the corresponding period of last year
Total profits	61.77%	Primarily due to an increase in operating revenues as compared to the corresponding period of last year given the continuous enhancement of the operational capability of the Company and robust market demand during the reporting period. Meanwhile, the international crude oil price was low, thereby reducing the aviation fuel costs
Income tax expenses	68.20%	Primarily due to the significant increase in total profits of the Company during the reporting period, resulting in an increase in taxable income and, in turn, the income tax expenses
Cash proceeds from borrowings	136.86%	Primarily due to an increase in the amount of short-term borrowings obtained and super short-term commercial papers issued by the Company during the reporting period as compared to the corresponding period of last year
Cash paid for repayment of indebtedness	280.38%	Primarily due to an increase in repayments of due debts during the reporting period as compared to the corresponding period of last year
Other cash paid for financing activities	110.77%	Primarily due to an increase in repayments of finance leases during the reporting period as compared to the corresponding period of last year

<b>Item</b>	<b>Change compared with the end of last year</b>	<b>Reason for the Change</b>
Monetary capital	-85.74%	Primarily due to the repayment of foreign currency-denominated borrowings with the Company's monetary capital during the reporting period
Short-term borrowings	211.54%	Primarily due to the adjustment of foreign currency denominated debt structure of the Company through short-term borrowings during the reporting period
Notes payable	-37.50%	Primarily due to the reduction in the use of notes payable for settlement during the reporting period
Staff remuneration payable	-33.04%	Primarily due to the payment of year-end bonuses for year 2015 during the reporting period
Non-current liabilities due within one year	-49.62%	Primarily due to the repayment of long-term borrowings and long-term payables due within one year during the reporting period
Long-term borrowings	-67.27%	Primarily due to the repayment of foreign currency-denominated long-term borrowings during the reporting period
Undistributed profits	53.96%	Primarily due to the profits realized by the Company during the reporting period and the significant increase in total profits as compared with that of the corresponding period of last year

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

- (1) In January 2016, the Company received the “Approval for the Non-Public Issuance of A Shares by China Eastern Airlines Corporation Limited” (Zheng Jian Xu Ke [2016] No. 8) issued by China Securities Regulatory Commission, pursuant to which the Company was approved to issue not more than 2,329,192,546 A Shares by way of non-public issuance. For details, please refer to the announcement published by the Company in China Securities Journal and Shanghai Securities News and on the website of Shanghai Stock Exchange on 9 January 2016;
- (2) On 18 March 2016, the Company made interest payment on the Corporate Bonds for 2012 (First Tranche) for the term between 18 March 2015 and 17 March 2016. For details, please refer to the announcement published by the Company in China Securities Journal and Shanghai Securities News and on the website of Shanghai Stock Exchange on 12 March 2016;
- (3) On 18 April 2016, the trading moratorium on the 241,547,927 A shares and 457,317,073 A shares of the Company held by each of CEA Holding and CES Finance was lifted. On the same date, CEA Holding undertook that it, together with CES Finance, will not dispose of such unlocked A shares of the Company within 24 months from 18 April 2016. For details, please refer to the announcements published by the Company in China Securities Journal and Shanghai Securities News and on the website of Shanghai Stock Exchange on 12 April and 19 April 2016;
- (4) On 21 April 2016, trading in the shares of the Company was suspended temporarily for a day due to the contemplated entry by the controlling shareholder of the Company, CEA Holding, into a cooperation agreement with a third party relating to the principal business and equity etc. of the Company. On the same date, CEA Holding entered into the Strategic Cooperation Framework Agreement with Ctrip Computer Technology (Shanghai) Co., Ltd. The shares of the Company resumed trading on 22 April 2016. For details, please refer to the announcements published by the Company in China Securities Journal and Shanghai Securities News and on the website of Shanghai Stock Exchange on 21 April and 22 April 2016.



### 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
Undertaking in relation to refinancing	Trading moratorium of shares	CEA Holding/ CES Finance	Pursuant to the “Report on non-public issuance of A shares” published by the Company on 17 April 2013, the Company issued 241,547,927 A shares of the Company and 457,317,073 A shares of the Company to CEA Holding and CES Finance respectively, on a non-public basis in April 2013. CEA Holding and CES Finance undertook that: they shall not transfer the A shares of the Company purchased under the aforesaid issuance within 36 months from the date of completion of the issuance of A shares.	Time of undertaking: April 2013;  Term of undertaking: from 16 April 2013 to 16 April 2016	Yes	Completed
	Trading moratorium of shares	CES Global	The Company issued 698,865,000 additional H shares to CES Global in June 2013. According to the resolution passed at the 18th ordinary meeting of the sixth session of the Board held on 11 September 2012 and the resolution passed at the 2012 first extraordinary general meeting of the Company held on 9 November 2012, CES Global undertook that: it shall not transfer the H shares of the Company purchased under the aforesaid issuance within 36 months from the date of completion of the issuance of H shares.	Time of undertaking: November 2012;  Term of undertaking: from 21 June 2013 to 21 June 2016	Yes	Yes
	To resolve defects in land and other property ownership	CEA Holding	Due to historical reasons, some of the land and properties injected by CEA Holding into the Company had not yet been transferred to the name of the Company. With regard to 17 properties which are located in Guangzhou and Shenzhen (with an aggregate GFA of approximately 1,996.51 square meters), CEA Holding undertook that it shall, resolve defects in building ownership by completing procedures for transferring property ownership to the Company, or transferring the relevant gains to the Company upon external disposal within 3 years; and CEA Holding shall bear the corresponding obligations in relation to the losses caused to the Company as a result of the failure of CEA Holding in completing the relevant procedures for transferring the relevant property ownership in a timely manner.	Time of undertaking: June 2014;  Term of undertaking: from 27 June 2014 to 30 June 2017	Yes	Yes

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
	To resolve defects in land and other property ownership	CEA Holding	Due to historical reasons, some of the land and properties injected by CEA Holding into the Company had not yet been transferred to the name of the Company. With regard to 76 properties which are located in the Eastern District of Shanghai Hongqiao Airport (the relevant land ownership of which has been transferred to the Company) (with an aggregate GFA of approximately 146,700 square meters), relevant construction procedures were not completed for the buildings due to historical reasons, and therefore it is currently difficult to carry out ownership transfer. As a result, CEA Holding undertook that it shall strive for opportunity to develop in the Eastern District of Shanghai Hongqiao Airport, and resolve defects in relevant building ownership by completing relevant procedures for transferring building ownership to the Company in batches upon fulfillment of conditions or through land replacement, the expected final completion time of which is approximately 10 to 12 years. The progress of resolving the above defects in property ownership and its results are subject to the overall development policy of the Eastern District of Shanghai Hongqiao Airport and its progress of implementation. CEA Holding shall bear the corresponding obligations in relation to the losses caused to the Company as a result of the failure of CEA Holding in completing the relevant procedures for transferring the relevant property ownership in a timely manner.	Time of undertaking: June 2014;  Term of undertaking: from 27 June 2014 to 30 June 2026	Yes	Yes
Other undertakings	Others	CEA Holding	CEA Holding undertook that it would propose the resolution on amendments to the terms of profit distribution under Article 157(D) of the Articles of Association of the Company before the forthcoming general meeting of the Company and vote for such resolution at the general meeting. For details, please refer to the announcement published by the Company in China Securities Journal and Shanghai Securities News and on the website of Shanghai Stock Exchange on 22 September 2015.	Time of undertaking: 21 September 2015;  Term of undertaking: from 21 September 2015 to the date of convening the forthcoming general meeting of the Company	Yes	Yes

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
	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	Yes

#### Description about the Performance of Undertakings:

- (1) On 17 April 2013, the Company issued 241,547,927 A shares and 457,317,073 A shares to each of CEA Holding and CES Finance through non-public issuance. CEA Holding and CES Finance undertook that they would not transfer the A shares of the Company which they subscribed for a period of 36 months from the completion date of the A share issuance. As at 17 April 2016, CEA Holding and CES Finance strictly adhered to such undertaking. On 18 April 2016, the above lock-up shares held by CEA Holding and CES Finance became available for trading;
- (2) CEA Holding and CES Finance undertook that they will not dispose of such unlocked A shares within 24 months from 18 April 2016.

For details, please refer to the announcements published by the Company in China Securities Journal and Shanghai Securities News and on the website of Shanghai Stock Exchange on 12 April and 19 April 2016.

#### **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**  
**Wang Jian**  
*Joint Company Secretary*  
Shanghai, the People's Republic of China  
28 April 2016

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

## 4. APPENDIX

### 4.1 Financial Statements

**China Eastern Airlines Corporation Limited**  
**Consolidated and Company's Balance Sheet as at 31 March 2016**  
*(RMB million)*

	<b>31 March</b>	31 December	<b>31 March</b>	31 December
	<b>2016</b>	2015	<b>2016</b>	2015
<b>Assets</b>	<b>Consolidated</b>	Consolidated	<b>Company</b>	Company
<b>Current assets</b>				
Monetary capital	<b>1,300</b>	9,115	<b>759</b>	8,042
Trade receivables	<b>2,395</b>	2,867	<b>6,530</b>	6,725
Prepayments	<b>928</b>	753	<b>137</b>	123
Dividends receivable	<b>22</b>	22	<b>22</b>	22
Other receivables	<b>3,839</b>	4,881	<b>9,802</b>	9,784
Inventory	<b>2,079</b>	2,056	<b>42</b>	38
Non-current assets held for sale	<b>594</b>	594	–	–
Non-current assets due within one year	<b>87</b>	150	<b>66</b>	66
Other current assets	<b>3,156</b>	2,640	<b>3,214</b>	2,768
<b>Total current assets</b>	<b>14,400</b>	23,078	<b>20,572</b>	27,568
<b>Non-current assets</b>				
Hedge instruments	<b>45</b>	45	<b>45</b>	45
Financial assets available for sale	<b>449</b>	452	<b>385</b>	388
Long-term equity investment	<b>2,089</b>	2,061	<b>16,652</b>	16,627
Investment properties	<b>294</b>	294	–	–
Fixed assets	<b>132,445</b>	131,430	<b>83,540</b>	83,155
Construction in progress	<b>24,323</b>	22,978	<b>23,261</b>	22,223
Intangible assets	<b>2,379</b>	2,346	<b>1,418</b>	1,391
Goodwill	<b>9,028</b>	9,028	<b>9,028</b>	9,028
Long-term deferred expenses	<b>2,033</b>	1,904	<b>1,339</b>	1,155
Deferred income tax assets	<b>243</b>	243	<b>137</b>	137
Other non-current assets	<b>1,920</b>	1,850	<b>1,804</b>	1,780
<b>Total non-current assets</b>	<b>175,248</b>	172,631	<b>137,609</b>	135,929
<b>Total assets</b>	<b>189,648</b>	195,709	<b>158,181</b>	163,497

#### 4.1 Financial Statements (Cont'd)

**China Eastern Airlines Corporation Limited**  
**Consolidated and Company's Balance Sheet as at 31 March 2016 (Cont'd)**  
*(RMB million)*

	31 March 2016	31 December 2015	31 March 2016	31 December 2015
Liabilities and shareholders' equity	Consolidated	Consolidated	Company	Company
<b>Current liabilities</b>				
Short-term borrowings	23,481	7,537	24,988	5,287
Hedge instruments	4	4	4	4
Notes payable	500	800	500	800
Trade payables	10,852	9,810	11,706	12,014
Account collected in advance	1,232	1,059	804	749
Settlement of vouchers	4,006	5,841	3,757	5,535
Staff remuneration payable	2,677	3,998	1,185	1,856
Tax payable	2,096	1,694	848	851
Interest payable	596	758	361	496
Other payables	5,107	4,065	13,321	16,772
Non-current liabilities due within one year	11,748	23,318	5,414	16,716
Other current liabilities	20,000	15,500	20,000	15,500
<b>Total current liabilities</b>	<b>82,299</b>	<b>74,384</b>	<b>82,888</b>	<b>76,580</b>
<b>Non-current liabilities</b>				
Long-term borrowings	6,679	20,408	4,618	15,942
Hedge instruments	253	97	253	97
Bonds payable	8,092	8,090	4,793	4,792
Long-term payables	46,975	50,036	27,892	29,400
Long-term staff remuneration payable	2,800	2,790	2,041	2,064
Special items payable	143	143	122	122
Deferred income tax liabilities	8	8	16	16
Other non-current liabilities	2,099	2,102	1,147	1,155
<b>Total non-current liabilities</b>	<b>67,049</b>	<b>83,674</b>	<b>40,882</b>	<b>53,588</b>
<b>Total liabilities</b>	<b>149,348</b>	<b>158,058</b>	<b>123,770</b>	<b>130,168</b>

#### 4.1 Financial Statements (Cont'd)

**China Eastern Airlines Corporation Limited**  
**Consolidated and Company's Balance Sheet as at 31 March 2016 (Cont'd)**  
*(RMB million)*

	<b>31 March</b>	31 December	<b>31 March</b>	31 December
	<b>2016</b>	2015	<b>2016</b>	2015
	<b>Consolidated</b>	Consolidated	<b>Company</b>	Company
<b>Liabilities and shareholders' equity</b>				
<b>Owners' equity</b>				
Share capital	<b>13,140</b>	13,140	<b>13,140</b>	13,140
Capital reserves	<b>19,547</b>	19,547	<b>20,257</b>	20,257
Other comprehensive income	<b>(2,738)</b>	(2,556)	<b>(2,109)</b>	(1,932)
Retained profits	<b>184</b>	184	<b>184</b>	184
Undistributed profits	<b>7,424</b>	4,822	<b>2,939</b>	1,680
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total equity attributable to owners of parent company</b>	<b>37,557</b>	35,137	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Minority interests</b>	<b>2,743</b>	2,514	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total shareholders' equity</b>	<b>40,300</b>	37,651	<b>34,411</b>	33,329
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total liabilities and shareholders' equity</b>	<b>189,648</b>	195,709	<b>158,181</b>	163,497
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Financial statements 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 2016**  
*(RMB million)*

	Jan to Mar 2016 Consolidated	Jan to Mar 2015 Consolidated	Jan to Mar 2016 Company	Jan to Mar 2015 Company
<b>Revenue</b>	<b>23,534</b>	22,393	<b>13,083</b>	11,884
Less: Operating costs	<b>18,528</b>	18,396	<b>10,333</b>	9,769
Business taxes and surcharges	<b>31</b>	22	<b>4</b>	4
Selling expenses	<b>1,303</b>	1,362	<b>900</b>	922
Administrative expenses	<b>613</b>	637	<b>344</b>	353
Finance expenses	<b>631</b>	798	<b>557</b>	561
Assets impairment loss	-	-1	-	-
Add: Gains arising from changes in fair value	<b>2</b>	1	<b>2</b>	1
Investment gains	<b>31</b>	36	<b>32</b>	44
<b>Operating profit</b>	<b>2,461</b>	1,216	<b>979</b>	320
Add: Non-operating income	<b>923</b>	876	<b>407</b>	354
Less: Non-operating expenses	<b>3</b>	2	<b>1</b>	1
<b>Total profits</b>	<b>3,381</b>	2,090	<b>1,385</b>	673
Less: Income tax expenses	<b>550</b>	327	<b>125</b>	118
<b>Net profit</b>	<b>2,831</b>	1,763	<b>1,260</b>	555
- Net profit attributable to shareholders of the parent company	<b>2,602</b>	1,564		
- Minority interests	<b>229</b>	199		
<b>Earnings per share</b>				
Basic earnings per share (RMB)	<b>0.20</b>	0.12		
Diluted earnings per share (RMB)	<b>0.20</b>	0.12		

#### 4.1 Financial Statements (Cont'd)

**China Eastern Airlines Corporation Limited**  
**Consolidated and Company's Income Statement for the Period from January**  
**to March 2016 (Cont'd)**  
*(RMB million)*

	Jan to Mar 2016 Consolidated	Jan to Mar 2015 Consolidated	Jan to Mar 2016 Company	Jan to Mar 2015 Company
<b>Other comprehensive income, net of tax</b>				
Other comprehensive income that cannot be reclassified into profit or loss in subsequent accounting periods:				
Changes arising from re-measuring net liabilities or net assets of defined benefit plan	(16)	–	(11)	–
Other comprehensive income that will be reclassified into profit or loss in subsequent accounting periods:				
Share of other comprehensive income of investees to be reclassified into profit and loss in subsequent accounting periods under the equity method when meeting the prescribed conditions	(5)	–	(5)	–
Changes in fair value of available-for-sale financial assets	(3)	12	(3)	12
Effective portion of gains or losses from cash flow hedge instruments	(158)	(74)	(158)	(74)
Other comprehensive income, net of tax	(182)	(62)	(177)	(62)
Of which:				
Other comprehensive income, net of tax, attributable to shareholders of the parent company	(182)	(62)		



#### 4.1 Financial Statements (Cont'd)

**China Eastern Airlines Corporation Limited**  
**Consolidated and Company's Income Statement for the Period from January to March 2016 (Cont'd)**  
(RMB million)

	<b>Jan to Mar 2016 Consolidated</b>	Jan to Mar 2015 Consolidated	<b>Jan to Mar 2016 Company</b>	Jan to Mar 2015 Company
Other comprehensive income, net of tax, attributable to minority interests	<u>-</u>	<u>-</u>		
Total comprehensive income	<u><b>2,649</b></u>	<u>1,701</u>	<u><b>1,083</b></u>	<u>493</u>
Of which:				
Total comprehensive income attributable to shareholders of the parent company	<u><b>2,420</b></u>	<u>1,502</u>		
Total comprehensive income attributable to minority interests	<u><b>229</b></u>	<u>199</u>		

Financial statements 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 Cash Flow Statement as at 31 March 2016**  
*(RMB million)*

	Jan to Mar 2016 Consolidated	Jan to Mar 2015 Consolidated	Jan to Mar 2016 Company	Jan to Mar 2015 Company
<b>1. Cash flow from operating activities</b>				
Cash received from sales of goods and provision of labour services	24,257	20,800	12,568	11,825
Other cash received from operating activities	<u>3,189</u>	<u>2,087</u>	<u>2,448</u>	<u>1,820</u>
<b>Sub-total of cash inflow from operating activities</b>	<u>27,446</u>	<u>22,887</u>	<u>15,016</u>	<u>13,645</u>
Cash paid for purchase of goods and receiving of labour services	(14,361)	(14,115)	(9,194)	(8,431)
Cash paid to and for employees	(4,587)	(3,129)	(2,557)	(1,575)
Taxes paid	(738)	(359)	(395)	(219)
Other cash paid for operating activities	<u>(1,928)</u>	<u>(2,728)</u>	<u>(1,390)</u>	<u>(1,912)</u>
<b>Sub-total of cash outflow from operating activities</b>	<u>(21,614)</u>	<u>(20,331)</u>	<u>(13,536)</u>	<u>(12,137)</u>
<b>Net cash flows from operating activities</b>	<u>5,832</u>	<u>2,556</u>	<u>1,480</u>	<u>1,508</u>

#### 4.1 Financial Statements (Cont'd)

**China Eastern Airlines Corporation Limited**  
**Consolidated and Company's Cash Flow Statement as at 31 March 2016**  
*(Cont'd)*  
*(RMB million)*

	<b>Jan to Mar 2016 Consolidated</b>	Jan to Mar 2015 Consolidated	<b>Jan to Mar 2016 Company</b>	Jan to Mar 2015 Company
<b>2. Cash flow from investing activities</b>				
Cash received from disposal of investment	-	-	-	-
Investment income in cash	<b>1</b>	-	<b>1</b>	-
Net cash recovered from disposals of fixed assets, intangible assets and other long-term assets	<b>35</b>	112	<b>32</b>	80
Other cash received from investing activities	<b>10</b>	15	<b>9</b>	15
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Sub-total of cash inflow from investing activities</b>	<b>46</b>	127	<b>42</b>	95
	<hr/>	<hr/>	<hr/>	<hr/>
Amount paid in cash in relation to purchases of fixed assets, intangible assets and other long-term assets	<b>(5,635)</b>	(4,922)	<b>(3,294)</b>	(4,409)
Investments paid in cash	-	(413)	-	(413)
Other cash paid for investing activities	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Sub-total of cash outflow from investing activities</b>	<b>(5,635)</b>	(5,335)	<b>(3,294)</b>	(4,822)
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net cash flow from investing activities</b>	<b>(5,589)</b>	(5,208)	<b>(3,252)</b>	(4,727)
	<hr/>	<hr/>	<hr/>	<hr/>

#### 4.1 Financial Statements (Cont'd)

**China Eastern Airlines Corporation Limited**  
**Consolidated and Company's Cash Flow Statement as at 31 March 2016**  
*(Cont'd)*  
*(RMB million)*

	Jan to Mar 2016 Consolidated	Jan to Mar 2015 Consolidated	Jan to Mar 2016 Company	Jan to Mar 2015 Company
<b>3. Cash flow from financing activities</b>				
Proceeds received in cash from investments	-	-	-	-
Cash received from borrowings	38,857	16,405	37,357	15,384
Proceeds received in cash from bonds issuance	-	-	-	-
Other cash received from financing activities	441	-	-	-
	<u>39,298</u>	<u>16,405</u>	<u>37,357</u>	<u>15,384</u>
<b>Sub-total of cash inflow from financing activities</b>	<b>39,298</b>	<b>16,405</b>	<b>37,357</b>	<b>15,384</b>
Cash paid for repayment of indebtedness	(43,420)	(11,415)	(39,922)	(10,466)
Cash payments for distribution of dividends and profits	(803)	(615)	(577)	(527)
Other cash paid for financing activities	(3,151)	(1,495)	(2,380)	(776)
	<u>(47,374)</u>	<u>(13,525)</u>	<u>(42,879)</u>	<u>(11,769)</u>
<b>Sub-total of cash outflow from financing activities</b>	<b>(47,374)</b>	<b>(13,525)</b>	<b>(42,879)</b>	<b>(11,769)</b>
<b>Net cash flow from financing activities</b>	<b>(8,076)</b>	<b>2,880</b>	<b>(5,522)</b>	<b>3,615</b>
<b>4. Effect of changes in exchange rate on cash and cash equivalents</b>	<b>18</b>	<b>(13)</b>	<b>11</b>	<b>(11)</b>

#### 4.1 Financial Statements (Cont'd)

**China Eastern Airlines Corporation Limited**  
**Consolidated and Company's Cash Flow Statement as at 31 March 2016**  
(Cont'd)  
(RMB million)

	<b>Jan to Mar 2016 Consolidated</b>	Jan to Mar 2015 Consolidated	<b>Jan to Mar 2016 Company</b>	Jan to Mar 2015 Company
<b>5. Net increase in cash and cash equivalents</b>	<b>(7,815)</b>	215	<b>(7,283)</b>	385
Add: Balance of cash and cash equivalents at the beginning of the year	<b>9,115</b>	1,355	<b>8,042</b>	866
<b>6. Balance of cash and cash equivalents at the end of the year</b>	<b>1,300</b>	1,570	<b>759</b>	1,251

Financial statements 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