

CHINA EASTERN AIRLINES CORP LTD

Form 6-K

April 29, 2008

**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 2008.

Commission File Number: 001-14550

China Eastern Airlines Corporation Limited

(Translation of Registrant's name into English)

2550 Hongqiao Road
Hongqiao Airport
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 29, 2008

By: /s/ Li Fenghua

Name: Li Fenghua

Title: Chairman of the Board of Directors

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.

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

FIRST QUARTERLY REPORT 2008

This announcement is made by China Eastern Airlines Corporation Limited pursuant to the disclosure requirement under Rule 13.09(2) 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 2008 were not audited, and were prepared in accordance with the PRC Accounting Regulations.

1. IMPORTANT NOTICE

This announcement is made by China Eastern Airlines Corporation Limited (the "Company") pursuant to the disclosure requirement under Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (which requires any issuer listed on The Stock Exchange of Hong Kong Limited whose securities are also listed on other stock exchange(s) to simultaneously inform The Stock Exchange of Hong Kong Limited 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 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 2008 were not audited, and were prepared in accordance with the PRC Accounting Regulations.

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 report does not contain any false information, misleading statement or material omission, and accept joint and several responsibility for the truthfulness, accuracy and completeness of the contents of this report.

Mr. Cao Jianxiong, an executive director, did not attend the meeting for some reason. Mr. Luo Chaogeng, a non-executive director, did not attend the meeting for some reason. Mr. Peter Lok, an independent non-executive director, did not attend the meeting for some reason, and authorized Mr. Zhou Ruijin, an independent non-executive director, to vote for him. Mr. Hu Honggao, an independent non-executive director, did not attend the meeting for some

reason, and authorized Mr. Zhou Ruijin, an independent non-executive director, to vote for him. Mr. Wu Baiwang, an independent non-executive director, did not attend the meeting for some reason, and authorized Mr. Zhou Ruijin, an independent non-executive director, to vote for him.

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Mr. Li Fenghua, chairman of the Board of the Company and person-in-charge of the Company, Mr. Cao Jianxiong, president of the Company and officer-in-charge of accounting, Mr. Luo Weide, chief financial officer, and Mr. Wu Longxue, general manager of the accounting department and officer-in-charge of the accounting department (accounting officer), hereby declare that the financial report forming part of this quarterly report is true and complete.

2. BASIC PARTICULARS OF THE COMPANY

2.1 Main accounting data and financial indicators

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 (RMB'000) | 68,484,226 | 67,141,714 | 2.00 |
| Owners' equity (or shareholders' equity) (RMB'000) | 2,953,758 | 2,862,865 | 3.17 |
| Net earnings per share attributable to the shareholders of listed company (RMB) | 0.6069 | 0.5882 | 3.17 |
| | | From the beginning of the year to the end of the reporting period | Increase/ decrease compared with the same period last year (%) |
| Net cash flow generated from operating activities (RMB'000) | | 1,125,383 | -55.92 |
| Net cash flow generated from operating activities per share (RMB) | | 0.2312 | -55.92 |

| | Reporting period | From the beginning of the year to the end of the reporting period | Increase/decrease for the reporting period compared with the same period last year (%) |
|---|------------------|---|--|
| Net profit attributable to shareholders of listed company (RMB'000) | 210,797 | 210,797 | 142.94 |
| Basic earnings per share (RMB) | 0.0433 | 0.0433 | 142.94 |
| Basic earnings per share after non-recurring gains and losses (RMB) | 0.0431 | 0.0431 | 134.01 |
| Diluted earnings per share (RMB) | 0.0433 | 0.0433 | 142.94 |
| Return on net assets (fully diluted) (%) | 7.13 | 7.13 | Increased 26.22 percentage points |
| Return on net assets (fully diluted) after deducting non-recurring losses (%) | 7.10 | 7.10 | Increased 31.21 percentage points |
| Non-recurring gains or losses | | | From the beginning of the year to the end of the reporting period (RMB'000) |
| Gains or losses from disposal of non current assets | | | 1,091 |

2.2 The total number of the Company's shareholders and the shareholdings of the 10 largest holders of circulating shares not subject to selling moratorium as at the end of the reporting period

Unit: Shares

Total number of shareholders as at end of the reporting period 215,443

Shareholding of the 10 largest holders of circulating shares not subject to selling moratorium

| Name of shareholders (in full) | Number of circulating shares not subject to selling moratorium held at the end of the period | Class |
|---|--|--------------------------------|
| HKSCC NOMINEES LIMITED | 1,546,683,499 | Overseas listed foreign shares |
| - - TEMASEK FULLERTON ALPHA PTE LTD | 9,999,969 | RMB ordinary shares |
| - 300 | 4,214,298 | RMB ordinary shares |
| - - 有限公司 - AM 人民幣A股母 | 3,999,937 | RMB ordinary shares |
| UBS AG | 3,600,000 | RMB ordinary shares |
| 新藍籌 | 3,164,833 | RMB ordinary shares |
| WU SHUK LING OLIVIA | 2,000,000 | Overseas listed foreign shares |
| 農業 - 華夏平穩增長混合型 | 1,676,999 | RMB ordinary shares |
| ARSENTON NOMINEES LIMITED | 1,500,000 | Overseas listed foreign shares |
| 青島市光明總公司 | 1,430,098 | RMB ordinary shares |

3.

IMPORTANT MATTERS

3.1 **The details of and reasons for the substantial changes in main items of financial statements and financial indicators of the Company**

Applicable

Not applicable

1.

Balance Sheet Items

Currency capital increased by 98.62% as compared with the end of last year mainly due to the increase of bank deposit.

Dividend receivables decreased by 84.22% as compared with the end of last year mainly due to the dividends received from associated companies.

Long term equity investment increased by 39.16% as compared with the end of last year mainly due to the investment in Xingfu Airlines.

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Notes payable decreased by 36.00% as compared with the end of last year mainly due to the decrease in the use of notes as a form of payment by clients.

Advance receipts decreased by 36.40% as compared with the end of last year mainly because of the decrease in advance receipts from international and domestic air traffic liabilities.

Interests payable decreased by 32.78% as compared with the end of last year mainly because of the payment of bank borrowing interests during the first quarter.

Tradable financial liability increased by 915.35% as compared with the end of last year mainly because of depreciation of US dollars and reduction of interest rate.

2. *Income Statement Items*

Net financial costs decreased by 515.14% as compared with the same period last year. The main reason for the decrease was the exchange gains as a result of the continued appreciation of Renminbi.

Gains from change of fair value decreased by 275.00% as compared with the same period last year. The main reason for the decrease was the losses incurred from the change in fair value of tradable financial assets, tradable financial liabilities and derivatives and hedging activities measured at fair value.

Non operating income decreased by 35.14% as compared with the same period last year mainly due to decrease of subsidy income.

Non operating expenditures increased by 96.22% mainly due to increase in losses incurred from disposal of fixed assets.

3. *Cash Flow Statement Items*

Net cash flow generated from operating activities decreased by 55.92% as compared with the same period last year. The main reason was the increase in cash payment to and for employees.

Net cash flow generated from investment activities increased by 137.82% as compared with the same period last year. The increase was mainly attributable to the increase in cash received from disposal of fixed assets, intangible assets and other long term assets.

Net cash flow generated from fund raising activities increased by 140.77% as compared with the same period last year mainly attributable to the increase in cash received from borrowing.

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

Applicable Not applicable

From 31 March to 1 April of 2008, the flight returns incident occurred on some of the intra- provincial flights of the Yunnan branch of the Company. After the occurrence of the flight returns incident, the Company promptly rearranged transportation capacity to resume flights. On 16 April 2008, China Eastern Air Holding Company (“CEA Holding”), the controlling shareholder of the Company, received the Notice Concerning the Punishment Regarding the Flight Returns Incident of the Yunnan Branch of the Company issued by the Civil Aviation Administration of China. After the occurrence of the flight returns incident, the Company swiftly deployed a task group to hurry to Kunming to investigate into and deal with the incidents. Those who were allegedly involved in deliberate returns have been suspended from flying duties and are subject to, among others, further investigation. Meanwhile, the Company also conscientiously looked into the loopholes of the management of the Company as reflected in the flight returns incident and diligently improved its operations. (For details please refer to the announcements published by the Company in Shanghai Securities News on 9 April 2008 and 19 April 2008.)

3.3 The status of implementation of the matters undertaken by the Company, shareholders and the ultimate controller

Applicable Not applicable

Undertakings and status of implementation of the share reform:

1. CEA Holding shall comply with the requirements of relevant laws, regulations and constitutions and satisfy the statutory obligations.

2. In particular, CEA Holding undertook that:

(1) the original non-circulating shares of the Company held by it shall not be listed and traded within 36 months from the day of the implementation of the share reform plan; and

(2) shall bear all the expenses in relation to the share reform plan.

CEA Holding represented that it shall perform the undertakings in good faith and accept relevant legal responsibilities. Unless the transferee(s) is/are willing and able to accept the responsibilities of the undertakings, CEA Holding shall not transfer any shares held.

Status of implementation: faithfully implemented.

3.4 Warnings 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

Applicable Not applicable

3.5 Particulars of securities investment

Applicable Not applicable

Unit: RMB

| No. | Stock code | Stock short name | Number of shares held at the end of the reporting period (shares) | Initial cost of investment | Carrying amount at the end of the reporting period | Carrying amount at the beginning of the reporting period | Item for accounting purpose |
|-------|------------|------------------|---|----------------------------|--|--|-------------------------------------|
| 1 | 600377 | JSCo,Ltd. | 200,000 | 360,000 | 360,000 | 360,000 | Financial assets available for sale |
| 2 | 000563 | 陝 A | 216,000 | 203,040 | 203,040 | 203,040 | Financial assets available for sale |
| Total | | | - | 563,040 | 563,040 | 563,040 | - |

By order of the Board of
CHINA EASTERN AIRLINES CORPORATION LIMITED
Li Fenghua
Chairman

The directors of the Company as at the date of this announcement are:

| | |
|---------------|--|
| Li Fenghua | <i>(Chairman, Non-executive Director)</i> |
| Li Jun | <i>(Vice Chairman, Non-executive Director)</i> |
| Cao Jianxiong | <i>(President, Executive Director)</i> |
| Luo Chaogeng | <i>(Non-executive Director)</i> |
| Luo Zhuping | <i>(Executive Director)</i> |
| Hu Honggao | <i>(Independent Non-executive Director)</i> |
| Peter Lok | <i>(Independent Non-executive Director)</i> |
| Wu Baiwang | <i>(Independent Non-executive Director)</i> |
| Zhou Ruijin | <i>(Independent Non-executive Director)</i> |
| Xie Rong | <i>(Independent Non-executive Director)</i> |

Shanghai, the People's Republic of China
28 April 2008