

Stock Code: 2610



## CHINA AIRLINES

### 2025 Annual General Shareholders' Meeting

#### Agenda

Time: May 28, 2025 (Wed.), 9:00 A.M.  
Location: Hyatt Regency Taoyuan International Airport, No.1-1, Hangzhan S. Rd.,  
Dayuan Dist., Taoyuan City 33758, Taiwan  
Conveying Method: Physical Meeting

#### **(Summary Translation)**

This document is based on the Chinese version and is for reference only. In the event of discrepancies between the English and Chinese versions, the Chinese version shall prevail.

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# **China Airlines 2025 Annual Shareholders' Meeting Agenda**

Time: May 28, 2025 (Wed.), 9:00 A.M.

Location: Hyatt Regency Taoyuan International Airport, No.1-1, Hangzhan S. Rd., Dayuan Dist., Taoyuan City 33758, Taiwan.

Conveying Method: Physical Meeting

## **1. Presentation of Report to Shareholders and Calling the Meeting to Order**

## **2. Chairman's Opening Remarks**

## **3. Matters to Report:**

- (1) 2024 Business Report
- (2) 2024 Audit Committee's Review Report
- (3) 2024 Employees Compensation Distribution Proposal
- (4) 2024 Cash Dividends Distribution Proposal

## **4. Matters for Acknowledge:**

- (1) Acknowledgment of the Company's 2024 Business Report and Financial Statements
- (2) Acknowledgment of the Company's 2024 Surplus Distribution

## **5. Matters for Discussion: Amendment to the Company's "Articles of Incorporation"**

## **6. Election Matters: Proposal on the Election of 2 Directors for the 23<sup>rd</sup> Term of the Company**

## **7. Other Matters: Proposal to Lift the Restriction of Non-Competition Prohibition Imposed on the 23<sup>rd</sup> Term of Directors of the Company**

## **8. Questions and Motions**

## **9. Meeting Adjournment**

## **Matters to Report**

### **Item 1**

Cause of action: The 2024 Business Report is submitted for review.

Details: Please refer to pages 3-8 of this handbook for the Business Report.

## 2024 Business Report

Looking back at 2024, the aviation industry faced geopolitical and economic uncertainties such as the Russia-Ukraine war, the Israel-Hamas conflict, and elections in multiple countries, along with delays in aircraft parts and deliveries, limiting the expansion of capacity and fleet renewal for airlines. However, benefiting from the steady growth in global passenger demand and strong cargo demand, most airlines performed well. With the continuous increase in business and tourism, and the growth in demand for e-commerce, AI, and semiconductors, China Airlines maintained overall capacity stability through extended leases and additional leases of aircraft, continuously reviewing and integrating passenger and cargo capacity, proactively responding to market demand, optimizing passenger and cargo revenue management, and achieving a record high in annual consolidated revenue.

To meet the continued prosperity of the passenger and cargo market and enhance aircraft service efficiency, China Airlines actively planned the renewal and expansion of its fleet, announcing the introduction of 10 Airbus A350-1000 passenger aircraft, 10 Boeing 777-9 passenger aircraft, and 4 Boeing 777-8F cargo aircraft, expected to be delivered starting from 2029. Along with the previously purchased Boeing 787 aircraft, the brand-new fleet of the future will be dedicated to major passenger and cargo routes. Following their introduction in late 2021, the Airbus A321neo fleet reached 14 aircraft by the end of 2024, gradually replacing the Boeing 737-800 passenger aircraft to become the primary fleet for regional routes. In addition, to enhance the consistency of passenger services, Airbus has been commissioned to carry out cabin integration and technical services for 15 A350-900 aircraft, with the new A350-900 expected to be refurbished and launched starting from 2027. The increase in the proportion of new-generation aircraft in the future will have a positive impact on optimizing passenger and cargo services and experiences, enhancing China Airlines' brand competitiveness, and boosting overall operational efficiency.

China Airlines' sustainable business achievements were recognized with multiple awards in 2024, including being selected for the FTSE4Good Index Series for the ninth time, winning the Taiwan Corporate Sustainability Award (TCSA) for the eleventh consecutive year, and the Global Corporate Sustainability Award (GCSA) for the sixth consecutive year. Additionally, participating in the SkyTeam Sustainable Flight Challenge for the third year, China Airlines was recognized by SkyTeam and won the "Best Forward-Looking Strategy Award." China Airlines also became the first transportation service provider in Taiwan to pass the Science-Based Targets initiative (SBTi) review and signed a sustainable aviation fuel cooperation memorandum with corporate customers, creating a pioneering commercial operation model in Taiwan's aviation industry.

As we look towards 2025, the ongoing supply chain issues, unstable geopolitical factors, and trade tariff issues will bring more challenges. However, the booming demand for cross-border travel, falling fuel prices, and gradually optimized fleet and cabin products will help China Airlines pursue excellent operational performance in a volatile situation. China Airlines will continue to work

hand in hand with all employees, focusing on sustainable operations, creating more wonderful experiences through flight.

## **1 Business Plans Implementation Outcomes**

The revenue for 2024 was NT\$175.182 billion (reporting currency), an increase of 8.35% over the previous year. The net income after tax was NT\$14.383 billion (an increase of NT\$7.564 billion from the previous year), with the earnings per share after tax at NT\$2.38.

### **1.1 Fleet:**

In 2024, four A321neo and two 777F cargo aircraft were introduced, gradually optimizing the fleet structure. As of the end of December 2024, the fleet size reached 82 aircrafts, including 65 passenger aircrafts and 17 cargo aircrafts.

### **1.2 Passenger Transport:**

The Company's revenue from passenger transport reached NT\$107.42 billion, an increase of 8.44% over the previous year, which accounts for 61.32% of the total revenue. As of the end of December 2024, China Airlines (including Mandarin Airlines) and its code-sharing flights serviced 187 passenger destinations across 27 countries throughout Asia, Europe, the Americas, and Oceania.

### **1.3 Cargo Transport:**

The Company's revenue from cargo transport reached NT\$604.44 billion, an increase of 6.32% from the previous year, which accounts for 34.50% of consolidated revenue. As of the end of December 2024, China Airlines' 17 cargo aircrafts (including eight 747F aircrafts and nine 777F aircrafts) provided service for 30 destinations across 14 countries throughout Asia, Europe, and the Americas with an average of 103 flights on a weekly basis.

### **1.4 Other Operating Revenue:**

Other operating revenue includes in-flight duty-free sales, totaling at NT\$7.318 billion, an increase of 26.96% over the previous year, which accounts for 4.18% of the total operating revenue.

### **1.5 Investment Summary and Income:**

As of the end of December 2024, the Company has invested in 28 affiliates in various businesses, such as aviation, ground services, warehousing and logistics, aircraft maintenance, tourism and leisure, etc., which contributed to NT\$3.74 billion in profit for the year.

## **2 Operating Revenue, Expenses Budgeting and Profitability Analysis**

## 2.1 Revenue and Expenses:

Operating revenue for 2024 was NT\$175.182 billion, an increase of NT\$13.507 billion over the previous year.

Operating costs and expenses were NT\$162.402 billion, an increase of NT\$7.321 billion over the previous year.

Net profit before tax was NT\$17.087 billion, an increase of NT\$9.032 billion from the previous year.

Net profit after tax was NT\$14.383 billion, an increase of NT\$7.564 billion from the previous year.

## 2.2 Budget Execution:

The projected revenue was NT\$177.286 billion, with the actual revenue being NT\$175.182 billion, achieving a 98.81% completion rate. The projected operating costs and expenses were NT\$170.415 billion, and the actual operating costs and expenses were NT\$162.402 billion, representing a utilization rate of 95.30%. The projected losses from non-operating activities were NT\$1.345 billion, and the actual net income from non-operating activities was NT\$4.307 billion. The projected net profit before tax for the whole year was NT\$5.526 billion, and the actual net profit before tax was NT\$17.087 billion.

## 2.3 Profitability:

Return on assets	5.78%
Return on equity	17.91%
After-tax profit margin	8.21%
After-tax earnings per share	NT\$2.38

# 3 Research and Development Updates

## 3.1 Boeing 787 New Aircraft Cabin Configuration Planning

China Airlines aims to continue its enhancement in cabin service quality. In preparation for the delivery of the first batch of new 787 wide-body aircraft from 2025, the latest cabin seats, next-generation high-definition personal in-flight entertainment systems, and in-flight internet will be adopted. In line with the latest industry trends, high-spec customized cabin equipment will also be implemented.

## 3.2 New A321neo Fleet Cabin

By the end of 2024, China Airlines' A321neo fleet comprised 14 aircrafts, each with a total of 180 seats configured in two classes: lie-flat business class (12 seats), and a

new spacious economy class (168 seats). All A321neo aircrafts will be equipped with the latest generation of in-flight entertainment systems; boasting industry-leading 4K personal TV screens and Bluetooth headphone support, allowing passengers to enjoy multimedia content using their own Bluetooth headphones. The fleet will also be equipped with high-speed internet, enabling passengers to enjoy the pleasure of internet roaming during their journey.

The cabin equipment showcases the product's competitive advantage and reinforces brand differentiation, aiming to establish a deep connection and resonance with passengers.

### 3.3 A350-900 Aircraft Cabin Equipment Improvement and Upgrade

To continuously provide passengers with a high-quality travel experience and enhance cabin product competitiveness, China Airlines has initiated the upgrade of A350-900 cabin equipment, adopting the latest cabin seat equipment, new-generation high-definition personal entertainment systems, and high-spec customized cabin equipment according to the latest industry trends.

### 3.4 Developing Data and Digital Marketing with CRM as the Core

In response to industry development and evaluation of new technology applications, China Airlines has developed and standardized digital marketing models. Integrating customer historical sales data, such as purchase records (tickets, duty-free items), through EDM, App push, and social media platforms like FB and IG, digital operations help guide customers to the official website, thereby increasing traffic, analyzing customer behavior and preferences, providing precise marketing tailored to members, non-members, and high-contribution passengers, enhancing member loyalty, and increasing official website usage and business performance through marketing messages.

### 3.5 Optimizing Passenger Ticket Purchase Process Experience

In response to mobile devices becoming essential tools for modern consumers to gather information and conduct transactions, the official website booking process has been redesigned to provide passengers with a consistent experience across platforms, offering more convenient operations. Additionally, the App interface continues to be enhanced for smoother and faster booking processes and more convenient itinerary management.

### 3.6 Enhancing China Airlines Official Website Reach



To attract more internet users to purchase tickets directly on the China Airlines official website, China Airlines has strengthened search engine rankings through integrated online marketing tools, providing real-time promotional fares and travel information worldwide, stimulating potential consumers' desire to purchase tickets.

### 3.7 Enhancing Online Transaction Security for Passengers

China Airlines has introduced an AI risk control system to enhance fraud detection capabilities, protecting the rights of both China Airlines and consumers.

### 3.8 Enhancing Member Information Security

To protect member rights and information security, starting from 2024, China Airlines has added login verification functions in the member area:

#### 1. China Airlines App push to receive verification codes:

Members logging into the China Airlines website member area can obtain verification codes through SMS or email, or use the China Airlines App to obtain verification codes

#### 2. Quick login function:

Members using the China Airlines App to log into the member area and passing SMS or email verification can activate the quick login function.

### 3.9 Continuous Digitalization of Membership Services

1. An online function for transferring mileage award privileges has been implemented, allowing Dynasty Flyer members to instantly manage recipient lists and award transfer functions.
2. Members can issue award tickets on the China Airlines website without calling the customer service center.
3. Dynasty Flyer members can use the "Chatbot Customer Service" to perform "Cabin Upgrade/Mileage Award Ticket Availability Inquiries" and proceed to the Dynasty Flyer member area to book cabin upgrades or issue award tickets.
4. To increase interaction with members, China Airlines continues to hold member day activities, offering ticket discounts on the official website on member day, and collaborating with different industries to launch limited-time activities, enhancing member loyalty through social media posts.

### 3.10 Information Development Strategy

The information development strategy for the year 2024 focuses on "digital resilience" and "technological innovation." Building on the foundation of information

development from the previous year (2023) and expanding and deepening it, prioritizing information security, combining cloud services and digital technology for a major transformation in digital resilience, ensuring that the company's important systems can cope with large-scale disasters, with the ability to quickly adapt and recover. Additionally, China Airlines leverages new technology to use "information technology" for "service innovation," increasing competitiveness and sustainability, creating higher business value. Relevant information technology applications and implementation plans include areas such as "Information Security, Cloud Management, ICT Infrastructure Development, Generative AI, Predictive AI, Big Data, Business Intelligence, and Cloud Computing."

IATA estimates that the net profit margin of the aviation industry in 2025 will reach 3.6%, a slight improvement over 2024, mainly benefiting from low oil prices, high passenger load factors, and strict cost control measures, with airlines returning to more normalized growth levels. In the new year, China Airlines will actively respond to various challenges and adopt corresponding measures, continuing to strengthen corporate governance and demonstrating our commitment to sustainable corporate development.

Chairman: KAO, SHING-HWANG

President: CHEN, HAN-MING

Accounting Supervisor: YEN, YANG

## **Item 2**

Cause of action: The 2024 Audit Committee's Review Report is submitted for review.

Details: Please refer to page 10 of this handbook for the Audit Committee's Review Report.

## **Audit Committee's Review Report**

The Board of Directors shall create and send (1) the 2024 consolidated financial statement and the individual financial statement that has been jointly audited by Deloitte CPAs Kuan-Hao Lee and I-Chi Chien who released an official unqualified opinion by March 10, 2025, and (2) the 2024 Business Report and Deficit Compensation Statement, after having been found to have no discrepancies by this audit committee and, thereupon, issued a report in accordance with the items stipulated in Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

### **China Airlines**

Convener of the Audit Committee: HUANG, HSIEH HSING

April 16, 2025

### **Item 3**

Cause of action: The 2024 Employee Compensation Distribution Proposal is submitted for review.

Details:

1. In accordance with Article 25 of the Company's Articles of Incorporation, in the case of a profitable fiscal year, the Company is to allocate 4% of the pre-tax earnings before the deduction as employee compensation.
2. For 2024, the Company paid NT\$710 million in cash compensation to its employees.
3. This item was approved during the 5th Session of the 23rd Board Meeting.

## Item 4

Cause of action: The 2024 Cash Dividends Distribution Proposal is submitted for review.

Details:

1. The Company distributed a cash dividend of \$4,842,015,061 (\$0.79587046 per share) to shareholders in 2024.
2. The cash dividend for individual shareholders is rounded down to the nearest NT Dollar, with the decimal places removed. The total rounded-off amounts are accounted for as other income in the Company's financial statements.
3. If the number of outstanding shares is subsequently affected by the repurchase of the Company's shares, the transfer or cancellation of treasury stock, or any other factors that may affect the dividend distribution ratio, it is proposed the Chairman be authorized to adjust the allocation at his discretion.
4. The Chairman is authorized to set the ex-dividend date.
5. This item was approved during the 5th Extraordinary Session of the 23rd Board Meeting.

## **Matters for Acknowledgement**

### **Item 1 (Proposed by the Board of Directors)**

Cause of action: Acknowledgement of 2024 Business Report and Financial Statements.

Details:

1. The Company's 2024 annual financial statements (including Balance Sheet, Comprehensive Income Statement, and Changes in Equity and Cash Flow Statement) have been jointly audited by Deloitte CPAs Kuan-Hao Lee and I-Chi Chien and were approved and documented during the 5th Session of the 23rd Board Meeting.
2. For the 2024 Annual Business Report, please refer to pages 3-8 of this handbook, for the CPA Audit Report and the financial statements referred to above, please see pages 14-34 of this handbook.

Resolution:

## **INDEPENDENT AUDITORS' REPORT**

The Board of Directors and Shareholders  
China Airlines, Ltd.

### **Opinion**

We have audited the accompanying parent company only financial statements of China Airlines, Ltd. (the "Company"), which comprise the balance sheets as of December 31, 2024 and 2023, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the parent company only financial statements, including material accounting policy information (collectively referred to as the "parent company only financial statements").

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

### **Basis for Opinion**

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter in the audit of the parent company only financial statements is stated below:

#### Passenger Revenue Recognition

In accordance with IFRS 15 "Revenue from Contracts with Customers", passenger sales are accounted for as contract liabilities before relevant transportation services are provided. After providing the related services, contract liabilities are reclassified to passenger revenue. Refer to



Notes 4 and 25 of the accompanying parent company only financial statements for related detailed information.

Since relevant sales can only be recognized as passenger revenue when passengers board the plane, there is risk that revenue recorded in the wrong period may arise from the complex information technology systems involved in the process; therefore, we identified passenger revenue recognition as a key audit matter.

The main audit procedures that we performed included the following:

1. We understood and tested the internal control related to the process of revenue from passengers, including manual and automatic control.
2. We understood and tested the effectiveness of the information system related to the recognition of passenger revenue.
3. We sampled several flight tickets, which were used and recognized as revenue, to verify whether the boarding date matched the date recorded on the tickets from advanced sales of tickets, ensuring the occurrence of revenue recognition.

#### **Other Matter - Audited by Other Independent Auditors**

The parent company only financial statements of some investments accounted for using the equity method in Note 12 were audited by other independent auditors, and our audit opinion is based solely on the reports of other auditors. As of December 31, 2024 and 2023, the aforementioned investments accounted for using the equity method amounted to NT\$4,993,997 thousand and NT\$3,179,817 thousand, representing 1.68% and 1.20% of the total assets, respectively. For the years ended December 31, 2024 and 2023, the combined share of profit (loss) and other comprehensive income (loss) of subsidiaries, associates and joint ventures accounted for using the equity method amounted to NT\$2,036,068 thousand and NT\$1,399,769 thousand, representing 14.88% and 23.14% of the total comprehensive income, respectively.

#### **Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements**

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Company's financial reporting process.

#### **Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements**

Our objectives are to obtain reasonable assurance about whether the parent company only financial

statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all

relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements for the year ended December 31, 2024 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Kuan-Hao Lee and I-Chi Chien.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

March 10, 2025

Notice to Readers

*The accompanying parent company only financial statements are intended only to present the financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such parent company only financial statements are those generally applied in the Republic of China.*

*For the convenience of readers, the independent auditors' report and the accompanying parent company only financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and parent company only financial statements shall prevail.*

# CHINA AIRLINES, LTD.

## PARENT COMPANY ONLY BALANCE SHEETS DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024		2023	
	Amount	%	Amount	%
<b>ASSETS</b>				
CURRENT ASSETS				
Cash and cash equivalents (Notes 4, 6 and 29)	\$ 49,643,299	17	\$ 20,385,668	8
Financial assets at amortized cost - current (Notes 4, 8 and 29)	10,000	-	3,086,923	1
Financial assets for hedging - current (Notes 4, 6 and 29)	2,982,605	1	10,353,943	4
Notes and accounts receivable, net (Notes 4, 9 and 29)	10,082,879	3	9,023,469	3
Notes and accounts receivable - related parties (Notes 29 and 30)	267,372	-	172,826	-
Finance lease receivables - current (Notes 4, 19 and 29)	200,222	-	265,955	-
Other receivables (Notes 4 and 29)	776,942	-	567,882	-
Inventories (Notes 4 and 10)	12,006,521	4	10,476,961	4
Non-current assets held for sale (Notes 4, 5 and 11)	-	-	1,290,581	1
Other current assets (Note 16)	<u>1,281,071</u>	<u>1</u>	<u>964,572</u>	<u>-</u>
Total current assets	<u>77,250,911</u>	<u>26</u>	<u>56,588,780</u>	<u>21</u>
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Notes 4, 7 and 29)	71,460	-	60,425	-
Financial assets for hedging - non-current (Note 4 and 29)	6,227	-	-	-
Investments accounted for using the equity method (Notes 4 and 12)	16,197,219	6	12,901,558	5
Property, plant and equipment (Notes 4, 5, 13 and 31)	112,582,072	38	110,932,284	42
Right-of-use assets (Notes 4 and 19)	50,994,259	17	45,569,832	17
Investment properties (Notes 4 and 14)	2,047,448	1	2,047,448	1
Other intangible assets (Notes 4 and 15)	607,904	-	584,756	-
Deferred tax assets (Notes 4 and 26)	6,715,022	2	6,204,550	3
Finance lease receivables - non-current (Notes 4, 19 and 29)	-	-	187,901	-
Other non-current assets (Notes 16, 19, 29 and 31)	<u>30,913,036</u>	<u>10</u>	<u>29,888,872</u>	<u>11</u>
Total non-current assets	<u>220,134,647</u>	<u>74</u>	<u>208,377,626</u>	<u>79</u>
TOTAL	<u>\$ 297,385,558</u>	<u>100</u>	<u>\$ 264,966,406</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>				
CURRENT LIABILITIES				
Financial liabilities for hedging - current (Notes 4, 19 and 29)	\$ 9,659,385	3	\$ 8,886,485	3
Notes and accounts payable (Note 29)	1,371,135	-	1,049,762	-
Accounts payable - related parties (Note 30)	1,581,198	1	1,297,950	-
Other payables (Notes 20 and 25)	18,002,118	6	14,977,536	6
Current tax liabilities	1,921,489	1	212,883	-
Lease liabilities - current (Notes 4, 19 and 29)	1,457,772	-	1,351,737	-
Contract liabilities current (Notes 4 and 21)	25,772,773	9	23,107,378	9
Provisions - current (Notes 4 and 22)	1,497,724	1	2,591,751	1
Current portion of bonds payable and put option of convertible bonds (Notes 4, 18, 24 and 29)	1,650,000	1	4,723,814	2
Current portion of long-term borrowings (Notes 17, 29 and 31)	9,450,715	3	17,297,086	7
Other current liabilities	<u>4,296,882</u>	<u>1</u>	<u>4,175,581</u>	<u>2</u>
Total current liabilities	<u>76,661,191</u>	<u>26</u>	<u>79,671,963</u>	<u>30</u>
NON-CURRENT LIABILITIES				
Financial liabilities for hedging - non-current (Notes 4, 19 and 29)	31,970,060	11	26,099,758	10
Bonds payable - non-current (Notes 4, 18, 24 and 29)	4,419,339	1	4,925,000	2
Long-term borrowings - non-current (Notes 17, 29 and 31)	53,893,164	18	40,455,119	16
Contract liabilities - non-current (Notes 4 and 21)	4,849,929	2	2,964,299	1
Provisions - non-current (Notes 4 and 22)	18,050,869	6	16,292,125	6
Deferred tax liabilities (Notes 4 and 26)	189,686	-	35,285	-
Lease liabilities - non-current (Notes 4, 19 and 29)	12,200,785	4	10,789,864	4
Net defined benefit liabilities - non-current (Notes 4, 5 and 23)	8,520,780	3	8,604,132	3
Other non-current liabilities	<u>629,124</u>	<u>-</u>	<u>537,746</u>	<u>-</u>
Total non-current liabilities	<u>134,723,736</u>	<u>45</u>	<u>110,703,328</u>	<u>42</u>
Total liabilities	<u>211,384,927</u>	<u>71</u>	<u>190,375,291</u>	<u>72</u>
EQUITY (Notes 18 and 24)				
Share capital	<u>60,769,350</u>	<u>20</u>	<u>60,513,407</u>	<u>23</u>
Capital surplus	<u>5,829,477</u>	<u>2</u>	<u>3,887,046</u>	<u>1</u>
Retained earnings				
Legal reserve	1,868,376	1	1,230,977	1
Special reserve	690,014	-	534,375	-
Unappropriated retained earnings	<u>18,419,108</u>	<u>6</u>	<u>9,146,199</u>	<u>3</u>
Total retained earnings	<u>20,977,498</u>	<u>7</u>	<u>10,911,551</u>	<u>4</u>
Other equity	<u>(1,544,819)</u>	<u>-</u>	<u>(690,014)</u>	<u>-</u>
Treasury shares	<u>(30,875)</u>	<u>-</u>	<u>(30,875)</u>	<u>-</u>
Total equity	<u>86,000,631</u>	<u>29</u>	<u>74,591,115</u>	<u>28</u>
TOTAL	<u>\$ 297,385,558</u>	<u>100</u>	<u>\$ 264,966,406</u>	<u>100</u>

The accompanying notes are an integral part of the parent company only financial statements.  
(With Deloitte & Touche auditors' audit report dated March 10, 2025)

## CHINA AIRLINES, LTD.

### PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2024		2023	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 25 and 30)	\$ 175,182,455	100	\$ 161,675,533	100
OPERATING COSTS (Notes 4, 10, 25 and 30)	<u>149,899,348</u>	<u>86</u>	<u>144,040,004</u>	<u>89</u>
GROSS PROFIT	25,283,107	14	17,635,529	11
OPERATING EXPENSES (Notes 4, 25 and 30)	<u>12,502,997</u>	<u>7</u>	<u>11,041,166</u>	<u>7</u>
PROFIT FROM OPERATIONS	<u>12,780,110</u>	<u>7</u>	<u>6,594,363</u>	<u>4</u>
NON-OPERATING INCOME AND EXPENSES				
Other income (Note 25)	2,251,299	1	1,872,180	1
Other gains and losses (Notes 11, 13 and 25)	637,237	1	(888,612)	(1)
Finance costs (Notes 25 and 29)	(2,321,755)	(1)	(2,242,776)	(1)
Share of profit of subsidiaries and joint ventures (Note 12)	<u>3,740,009</u>	<u>2</u>	<u>2,720,299</u>	<u>2</u>
Total non-operating income and expenses	<u>4,306,790</u>	<u>3</u>	<u>1,461,091</u>	<u>1</u>
INCOME BEFORE INCOME TAX	17,086,900	10	8,055,454	5
INCOME TAX EXPENSE (Notes 4 and 26)	<u>2,703,555</u>	<u>2</u>	<u>1,236,902</u>	<u>1</u>
NET PROFIT FOR THE YEAR	<u>14,383,345</u>	<u>8</u>	<u>6,818,552</u>	<u>4</u>
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Gain (loss) on hedging instruments subject to basis adjustment (Notes 4, 24 and 29)	850,569	1	(354,851)	-
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income (Notes 4 and 24)	10,757	-	(3,603)	-
Remeasurement of defined benefit plans (Notes 4 and 23)	5,393	-	(322,908)	-
Share of the other comprehensive loss of subsidiaries and joint ventures accounted for using the equity method (Notes 4 and 24)	(121,109)	-	(200,784)	-

(Continued)

# CHINA AIRLINES, LTD.

## PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2024		2023	
	Amount	%	Amount	%
Income tax related to items that will not be reclassified subsequently to profit or loss (Note 26)	(7,973)	-	64,543	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations (Notes 4 and 24)	119,621	-	(7,093)	-
Share of the other comprehensive income (loss) of subsidiaries and joint ventures accounted for using the equity method (Notes 4 and 24)	6,662	-	(4,555)	-
(Loss) gain on hedging instruments not subject to basis adjustment (Notes 4, 24 and 29)	(1,928,353)	(1)	73,486	-
Income tax related to items that may be reclassified subsequently to profit or loss (Note 26)	<u>361,746</u>	<u>-</u>	<u>(13,278)</u>	<u>-</u>
Other comprehensive loss for the year, net of income tax	<u>(702,687)</u>	<u>-</u>	<u>(769,043)</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 13,680,658</u>	<u>8</u>	<u>\$ 6,049,509</u>	<u>4</u>
EARNINGS PER SHARE (NEW TAIWAN DOLLARS; Note 27)				
Basic	<u>\$ 2.38</u>		<u>\$ 1.13</u>	
Diluted	<u>\$ 2.33</u>		<u>\$ 1.11</u>	

The accompanying notes are an integral part of the parent company only financial statements.

(With Deloitte & Touche auditors' audit report dated March 10, 2025)

(Concluded)

**CHINA AIRLINES, LTD.**
**PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023  
(In Thousands of New Taiwan Dollars)**

			Retained Earnings			Exchange Differences on Translation of the Financial Statements of Foreign Operations	Other Equity		Treasury Shares	Total Equity
			Legal Reserve	Special Reserve	Unappropriated Earnings		Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Gain (Loss) on Hedging Instruments		
	Share Capital	Capital Surplus								
BALANCE AT JANUARY 1, 2023	\$ 60,135,374	\$ 3,120,311	\$ 925,385	\$ -	\$ 6,384,381	\$ (4,298)	\$ 40,918	\$ (570,995)	\$ (30,875)	\$ 70,000,201
Basis adjustment to gain on hedging instruments	-	-	-	-	-	-	-	168,844	-	168,844
Appropriation of 2022 earnings										
Legal reserve	-	-	305,592	-	(305,592)	-	-	-	-	-
Special reserve	-	-	-	534,375	(534,375)	-	-	-	-	-
Cash dividends - \$0.4602191 per share	-	-	-	-	(2,772,207)	-	-	-	-	(2,772,207)
Changes in capital surplus from dividends distributed to subsidiaries	-	955	-	-	-	-	-	-	-	955
Changes in percentage of ownership interests in subsidiaries	-	452,110	-	-	-	-	-	-	-	452,110
Issuance of employee share options by the subsidiaries	-	24,055	-	-	-	-	-	-	-	24,055
Net income for the year ended December 31, 2023	-	-	-	-	6,818,552	-	-	-	-	6,818,552
Other comprehensive loss for the year ended December 31, 2023, net of income tax	-	-	-	-	(444,560)	(8,667)	(18,192)	(297,624)	-	(769,043)
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	6,373,992	(8,667)	(18,192)	(297,624)	-	6,049,509
Convertible bonds converted to ordinary shares	378,033	289,615	-	-	-	-	-	-	-	667,648
BALANCE AT DECEMBER 31, 2023	60,513,407	3,887,046	1,230,977	534,375	9,146,199	(12,965)	22,726	(699,775)	(30,875)	74,591,115
Basis adjustment to loss on hedging instruments	-	-	-	-	-	-	-	(292,936)	-	(292,936)
Appropriation of 2023 earnings										
Legal reserve	-	-	637,399	-	(637,399)	-	-	-	-	-
Special reserve	-	-	-	155,639	(155,639)	-	-	-	-	-
Cash dividends - \$0.69014527 per share	-	-	-	-	(4,176,580)	-	-	-	-	(4,176,580)
Changes in capital surplus from dividends distributed to subsidiaries	-	1,431	-	-	-	-	-	-	-	1,431
Actual disposal of partial equity interest in subsidiaries	-	1,425,334	-	-	-	-	-	-	-	1,425,334
Changes in percentage of ownership interests in subsidiaries	-	285,416	-	-	-	-	-	-	-	285,416
Issuance of employee share options by the subsidiaries	-	43,216	-	-	-	-	-	-	-	43,216
Net income for the year ended December 31, 2024	-	-	-	-	14,383,345	-	-	-	-	14,383,345
Other comprehensive income (loss) for the year ended December 31, 2024, net of income tax	-	-	-	-	(140,818)	101,646	27,887	(691,402)	-	(702,687)
Total comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	14,242,527	101,646	27,887	(691,402)	-	13,680,658
Convertible bonds converted to ordinary shares	255,943	187,034	-	-	-	-	-	-	-	442,977
BALANCE AT DECEMBER 31, 2024	\$ 60,769,350	\$ 5,829,477	\$ 1,868,376	\$ 690,014	\$ 18,419,108	\$ 88,681	\$ 50,613	\$ (1,684,113)	\$ (30,875)	\$ 86,000,631

The accompanying notes are an integral part of the parent company only financial statements.  
(With Deloitte & Touche auditors' audit report dated March 10, 2025)

# CHINA AIRLINES, LTD.

## PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	\$ 17,086,900	\$ 8,055,454
Adjustments for:		
Depreciation expense	25,691,683	27,060,561
Amortization expense	169,120	181,471
Interest income	(1,788,003)	(1,570,722)
Dividend income	(15,863)	(14,713)
Share of (profit) loss of subsidiaries and joint ventures	(3,740,009)	(2,720,299)
Gain on disposal of property, plant and equipment	(337,738)	(499,881)
(Gain) loss on disposal of non-current assets held for sale	(9,753)	2,364
Impairment loss (reversal gain) recognized on flight equipment	(189,430)	1,901,450
Loss on inventory and property, plant and equipment	2,339,868	2,935,395
Net loss on foreign currency exchange	270,336	165,071
Finance costs	2,321,755	2,242,776
Recognition of provisions	4,048,349	5,802,208
Others	(1,976)	167,647
Changes in operating assets and liabilities		
Notes and accounts receivable	(919,233)	1,368,112
Accounts receivable - related parties	(94,546)	(42,148)
Other receivables	(191,142)	197,567
Inventories	(3,585,033)	(2,289,037)
Other current assets	(313,980)	330,904
Notes and accounts payable	238,561	(60,142)
Accounts payable - related parties	283,248	567,522
Other payables	3,977,858	4,099,997
Contract liabilities	4,551,025	9,533,084
Provisions	(4,200,272)	(7,260,306)
Other current liabilities	202,566	1,281,209
Defined benefit liabilities	(77,959)	(66,939)
Other liabilities	-	(1,335,573)
Cash generated from operations	45,716,332	50,033,032
Interest received	1,729,204	1,500,007
Dividends received	261,939	378,493
Interest paid	(2,872,622)	(2,565,292)
Income tax paid	(997,248)	(1,453,729)
Net cash generated from operating activities	<u>43,837,605</u>	<u>47,892,511</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of financial assets at fair value through other comprehensive income	(278)	-
Purchase of financial assets at amortized cost	(7,010,236)	(17,155,191)
Proceeds from sale of financial assets at amortized cost	10,248,610	18,700,767
Purchase of financial assets for hedging	(26,177,606)	(16,276,122)

(Continued)



# CHINA AIRLINES, LTD.

## STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024	2023
Proceeds from sale of financial assets for hedging	34,352,036	9,497,256
Acquisition of investments accounted for using the equity method	-	(599,821)
Cash generated from disposal of investments accounted for using the equity method	-	2,523
Proceeds from capital reduction of subsidiaries	-	270,000
Proceeds from disposal of non-current assets held for sale	5,866,122	1,077,006
Payments for property, plant and equipment	(4,133,499)	(1,643,552)
Proceeds from disposal of property, plant and equipment	364,345	2,437,633
Increase in refundable deposits	(236,581)	(188,607)
Decrease in refundable deposits	357,717	198,035
Increase in finance lease receivables	-	(786,163)
Decrease in finance lease receivables	300,888	336,001
Increase in prepayments for equipment	(18,519,144)	(25,849,974)
Increase in other intangible assets	(192,286)	(131,597)
Decrease in restricted assets	<u>12,738</u>	<u>14,159</u>
Net cash used in investing activities	<u>(4,767,174)</u>	<u>(30,097,647)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of bonds payable	-	2,650,000
Repayments of bonds payable	(3,150,000)	(2,350,000)
Proceeds from long-term borrowings	23,500,000	12,000,000
Repayments of long-term borrowings	(17,908,326)	(22,732,445)
Repayments of the principal portion of lease liabilities	(11,114,241)	(11,622,941)
Proceeds of guarantee deposits received	204,159	127,095
Refund of guarantee deposits received	(141,842)	(293,205)
Payment of cash dividends	(4,176,580)	(2,772,207)
Partial disposal of interests in subsidiaries without a loss of control	<u>1,958,844</u>	<u>-</u>
Net cash used in financing activities	<u>(10,827,986)</u>	<u>(24,993,703)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>1,015,186</u>	<u>91,680</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	29,257,631	(7,107,159)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>20,385,668</u>	<u>27,492,827</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 49,643,299</u>	<u>\$ 20,385,668</u>

The accompanying notes are an integral part of the parent company only financial statements.

(With Deloitte & Touche auditors' audit report dated March 10, 2025)

(Concluded)

## INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders  
China Airlines, Ltd.

### Opinion

We have audited the accompanying consolidated financial statements of China Airlines, Ltd. (the "Company") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheets as of December 31, 2024 and 2023, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

### Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter in the audit of the Group's consolidated financial statements is stated below:

#### Passenger Revenue Recognition

In accordance with IFRS 15 "Revenue from Contracts with Customers", passenger sales are accounted for as contract liabilities before relevant transportation services are provided. After providing the related services, contract liabilities are reclassified to passenger revenue. Refer to Notes 4 and 27 of the accompanying consolidated financial statements for related detailed information.

Since relevant sales can only be recognized as passenger revenue when passengers board the plane, there is risk that revenue recorded in the wrong period may arise from the complex information technology systems involved in the process; therefore, we identified passenger revenue recognition as a key audit matter.

The main audit procedures that we performed included the following:

1. We understood and tested the internal controls related to the process of revenue from passenger, including manual and automatic controls.
2. We understood and tested the effectiveness of the information system related to the recognition of passenger revenue.
3. We sampled several flight tickets, which were used and recognized as revenue, to verify whether the boarding date matched the date recorded on the tickets, from advanced sales of tickets, ensuring the occurrence of revenue recognition.

### **Other Matter**

We did not audit the financial statements of some subsidiaries which were included in the consolidated financial statements. Such financial statements were audited by other independent auditors, and our audit opinion is based solely on the reports of other auditors.

As of December 31, 2024 and 2023, total assets of these subsidiaries amounted to NT\$22,375,107 thousand and NT\$18,043,139 thousand, representing 6.83% and 6.20% of the consolidated total assets, respectively. For the years ended December 31, 2024 and 2023, revenue from these subsidiaries amounted to NT\$16,423,023 thousand and NT\$12,256,938 thousand, representing 8.06% and 6.63% of the consolidated total revenue, respectively.

We have also audited the parent company only financial statements of China Airlines, Ltd. as of and for the years ended December 31, 2024 and 2023, on which we have issued an unmodified opinion.

### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Group's financial reporting process.

### **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters

that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2024 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Kuan-Hao Lee and I-Chi Chien.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

March 10, 2025

Notice to Readers

*The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally applied in the Republic of China.*

*For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.*

# CHINA AIRLINES, LTD. AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

ASSETS	2024		2023	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4, 6 and 31)	\$ 66,648,640	20	\$ 30,391,564	10
Financial assets at fair value through profit or loss - current (Notes 4, 7 and 31)	196,217	-	186,560	-
Financial assets at amortized cost - current (Notes 4, 9 and 31)	1,494,790	1	4,079,619	1
Financial assets for hedging - current (Notes 4, 6 and 31)	2,982,605	1	10,353,943	4
Notes and accounts receivable, net (Notes 4, 10 and 31)	11,087,366	3	10,000,732	3
Notes and accounts receivable - related parties (Notes 31 and 32)	6,222	-	16,176	-
Finance lease receivables - current (Notes 4, 21 and 31)	200,222	-	265,955	-
Other receivables (Notes 4 and 31)	1,136,627	-	808,005	-
Current tax assets (Notes 4 and 28)	58,597	-	27,984	-
Inventories (Notes 4 and 11)	12,299,321	4	10,678,706	4
Non-current assets held for sale (Notes 4, 5 and 12)	-	-	1,290,581	1
Other current assets (Note 18)	<u>1,696,275</u>	<u>1</u>	<u>1,593,490</u>	<u>1</u>
Total current assets	<u>97,806,882</u>	<u>30</u>	<u>69,693,315</u>	<u>24</u>
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Notes 4, 8 and 31)	140,886	-	103,982	-
Financial assets at amortized cost - non-current (Notes 4, 9 and 31)	220,761	-	224,912	-
Financial assets for hedging - non-current (Notes 4 and 31)	6,227	-	-	-
Investments accounted for using the equity method (Notes 4 and 14)	2,287,153	1	1,737,235	1
Property, plant and equipment (Notes 4, 5, 15 and 33)	125,987,963	39	123,342,731	42
Right-of-use assets (Notes 4 and 21)	56,972,986	17	52,231,083	18
Investment properties (Notes 4 and 16)	2,071,558	1	2,071,785	1
Other intangible assets (Notes 4 and 17)	784,799	-	791,567	-
Deferred tax assets (Notes 4 and 28)	7,881,513	2	8,192,270	3
Finance lease receivables - non-current (Notes 4, 21 and 31)	-	-	187,901	-
Other non-current assets (Notes 18, 21, 25, 31 and 33)	<u>33,222,810</u>	<u>10</u>	<u>32,665,650</u>	<u>11</u>
Total non-current assets	<u>229,576,656</u>	<u>70</u>	<u>221,549,116</u>	<u>76</u>
TOTAL	<u>\$ 327,383,538</u>	<u>100</u>	<u>\$ 291,242,431</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 19 and 31)	\$ -	-	\$ 35,000	-
Short-term bills payable (Notes 19 and 31)	-	-	20,000	-
Financial liabilities for hedging - current (Notes 4, 21 and 31)	9,661,129	3	8,889,205	3
Notes and accounts payable (Note 31)	1,654,189	-	1,382,344	1
Accounts payable - related parties (Notes 31 and 32)	811,189	-	670,814	-
Other payables (Notes 22 and 31)	21,450,141	7	17,750,515	6
Current tax liabilities (Notes 4 and 28)	2,004,112	1	205,147	-
Lease liabilities - current (Notes 4, 21 and 31)	3,643,176	1	3,364,630	1
Contract liabilities - current (Notes 4 and 23)	29,651,212	9	26,473,116	9
Provisions - current (Notes 4 and 24)	1,679,375	-	2,742,402	1
Current portion of bonds payable and put option of convertible bonds (Notes 4, 20, 26 and 31)	1,650,000	-	4,723,814	2
Current portion of long-term borrowings (Notes 19, 31 and 33)	11,965,545	4	18,669,326	6
Other current liabilities (Note 31)	<u>5,313,941</u>	<u>2</u>	<u>5,119,354</u>	<u>2</u>
Total current liabilities	<u>89,484,009</u>	<u>27</u>	<u>90,045,667</u>	<u>31</u>
NON-CURRENT LIABILITIES				
Financial liabilities for hedging - non-current (Notes 4, 21 and 31)	31,970,060	10	26,099,758	9
Bonds payable - non-current (Notes 4, 20, 26 and 31)	4,419,339	1	4,925,000	2
Long-term borrowings - non-current (Notes 19, 31 and 33)	59,031,048	18	46,478,031	16
Contract liabilities - non-current (Notes 4 and 23)	4,849,929	2	2,964,299	1
Provisions - non-current (Notes 4 and 24)	19,236,966	6	16,865,601	6
Deferred tax liabilities (Notes 4 and 28)	360,973	-	196,899	-
Lease liabilities - non-current (Notes 4, 21 and 31)	16,822,260	5	15,783,549	5
Net defined benefit liabilities - non-current (Notes 4, 5 and 25)	9,819,692	3	9,706,647	3
Other non-current liabilities (Note 31)	<u>840,405</u>	<u>-</u>	<u>698,110</u>	<u>-</u>
Total non-current liabilities	<u>147,350,672</u>	<u>45</u>	<u>123,717,894</u>	<u>42</u>
Total liabilities	<u>236,834,681</u>	<u>72</u>	<u>213,763,561</u>	<u>73</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 20 and 26)				
Share capital	<u>60,769,350</u>	<u>19</u>	<u>60,513,407</u>	<u>21</u>
Capital surplus	<u>5,829,477</u>	<u>2</u>	<u>3,887,046</u>	<u>1</u>
Retained earnings				
Legal reserve	1,868,376	-	1,230,977	1
Special reserve	690,014	-	534,375	-
Unappropriated retained earnings	<u>18,419,108</u>	<u>6</u>	<u>9,146,199</u>	<u>3</u>
Total retained earnings	<u>20,977,498</u>	<u>6</u>	<u>10,911,551</u>	<u>4</u>
Other equity	<u>(1,544,819)</u>	<u>(1)</u>	<u>(690,014)</u>	<u>-</u>
Treasury shares	<u>(30,875)</u>	<u>-</u>	<u>(30,875)</u>	<u>-</u>
Total equity attributable to owners of the Company	86,000,631	26	74,591,115	26
NON-CONTROLLING INTERESTS (Note 26)	<u>4,548,226</u>	<u>2</u>	<u>2,887,755</u>	<u>1</u>
Total equity	<u>90,548,857</u>	<u>28</u>	<u>77,478,870</u>	<u>27</u>
TOTAL	<u>\$ 327,383,538</u>	<u>100</u>	<u>\$ 291,242,431</u>	<u>100</u>

The accompanying notes are an integral part of the consolidated financial statements.  
(With Deloitte & Touche auditors' report dated March 10, 2025)

# CHINA AIRLINES, LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2024		2023	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 27 and 32)	\$ 203,879,338	100	\$ 184,816,790	100
OPERATING COSTS (Notes 4, 10, 11, 17, 24, 25, 27 and 32)	<u>169,719,034</u>	<u>83</u>	<u>160,986,016</u>	<u>87</u>
GROSS PROFIT	34,160,304	17	23,830,774	13
OPERATING EXPENSES (Notes 4, 25, 27 and 32)	<u>15,957,957</u>	<u>8</u>	<u>13,673,353</u>	<u>8</u>
PROFIT FROM OPERATIONS	<u>18,202,347</u>	<u>9</u>	<u>10,157,421</u>	<u>5</u>
NON-OPERATING INCOME AND EXPENSES				
Other income (Notes 4, 8 and 27)	2,757,543	2	2,205,800	1
Other gains and losses (Notes 12, 14, 15, 27 and 31)	408,643	-	(866,936)	-
Finance costs (Notes 27 and 31)	(2,755,707)	(1)	(2,608,298)	(1)
Share of the profit of associates and joint ventures (Note 14)	<u>663,236</u>	<u>-</u>	<u>417,485</u>	<u>-</u>
Total non-operating income and expenses	<u>1,073,715</u>	<u>1</u>	<u>(851,949)</u>	<u>-</u>
INCOME BEFORE INCOME TAX	19,276,062	10	9,305,472	5
INCOME TAX EXPENSE (Notes 4 and 28)	<u>3,780,874</u>	<u>2</u>	<u>1,834,271</u>	<u>1</u>
NET PROFIT FOR THE YEAR	<u>15,495,188</u>	<u>8</u>	<u>7,471,201</u>	<u>4</u>
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Gain (loss) on hedging instruments subject to basis adjustment (Notes 4, 26 and 31)	850,569	-	(354,851)	-
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income (Note 26)	34,781	-	(18,154)	-
Remeasurement of defined benefit plans (Notes 4 and 25)	(385,256)	-	(648,987)	-
Share of the other comprehensive income (loss) of associates and joint ventures accounted for using the equity method (Notes 4 and 14)	14,777	-	(55,639)	-
Income tax relating related to items that will not be reclassified subsequently to profit or loss (Note 28)	<u>67,286</u>	<u>-</u>	<u>129,759</u>	<u>-</u>

(Continued)

# CHINA AIRLINES, LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2024		2023	
	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:	<u>582,157</u>	<u>-</u>	<u>(947,872)</u>	<u>-</u>
Exchange differences on translation of the financial statements of foreign operations (Notes 4 and 26)	134,989	-	(12,572)	-
(Loss) gain on hedging instruments not subject to basis adjustment (Notes 4, 26 and 31)	(1,927,377)	(1)	70,964	-
Income tax relating related to items that may be reclassified subsequently to profit or loss (Note 28)	<u>358,478</u>	<u>-</u>	<u>(13,480)</u>	<u>-</u>
	<u>(1,433,910)</u>	<u>(1)</u>	<u>44,912</u>	<u>-</u>
Other comprehensive loss for the year, net of income tax	<u>(851,753)</u>	<u>(1)</u>	<u>(902,960)</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 14,643,435</u>	<u>7</u>	<u>\$ 6,568,241</u>	<u>4</u>
NET INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$ 14,383,345	7	\$ 6,818,552	4
Non-controlling interests	<u>1,111,843</u>	<u>1</u>	<u>652,649</u>	<u>-</u>
	<u>\$ 15,495,188</u>	<u>8</u>	<u>\$ 7,471,201</u>	<u>4</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$ 13,680,658	7	\$ 6,049,509	3
Non-controlling interests	<u>962,777</u>	<u>-</u>	<u>518,732</u>	<u>1</u>
	<u>\$ 14,643,435</u>	<u>7</u>	<u>\$ 6,568,241</u>	<u>4</u>
EARNINGS PER SHARE (NEW TAIWAN DOLLARS; Note 29)				
Basic	<u>\$ 2.38</u>		<u>\$ 1.13</u>	
Diluted	<u>\$ 2.33</u>		<u>\$ 1.11</u>	

The accompanying notes are an integral part of the consolidated financial statements.

(With Deloitte & Touche auditors' report dated March 10, 2025)

(Concluded)



CHINA AIRLINES, LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023  
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company											
	Retained Earnings					Other Equity			Treasury Shares Held by Subsidiaries	Total	Non-controlling Interests	Total Equity
						Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Asset at Fair Value Through Other Comprehensive Income	Gain (Loss) on Hedging Instruments				
	Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings							
BALANCE AT JANUARY 1, 2023	\$ 60,135,374	\$ 3,120,311	\$ 925,385	\$ -	\$ 6,384,381	\$ (4,298)	\$ 40,918	\$ (570,995)	\$ (30,875)	\$ 70,000,201	\$ 2,453,241	\$ 72,453,442
Basis adjustment to gain on hedging instruments	-	-	-	-	-	-	-	168,844	-	168,844	-	168,844
Appropriation of 2022 earnings												
Legal reserve	-	-	305,592	-	(305,592)	-	-	-	-	-	-	-
Special reserve	-	-	-	534,375	(534,375)	-	-	-	-	-	-	-
Cash dividends - \$0.4602191 per share	-	-	-	-	(2,772,207)	-	-	-	-	(2,772,207)	-	(2,772,207)
Changes in capital surplus from dividends distributed to subsidiaries	-	955	-	-	-	-	-	-	-	955	-	955
Changes in percentage of ownership interests in subsidiaries	-	452,110	-	-	-	-	-	-	-	452,110	164,355	616,465
Issuance of employee share options by the subsidiaries	-	24,055	-	-	-	-	-	-	-	24,055	5,227	29,282
Net income for the year ended December 31, 2023	-	-	-	-	6,818,552	-	-	-	-	6,818,552	652,649	7,471,201
Other comprehensive loss for the year ended December 31, 2023, net of income tax	-	-	-	-	(444,560)	(8,667)	(18,192)	(297,624)	-	(769,043)	(133,917)	(902,960)
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	6,373,992	(8,667)	(18,192)	(297,624)	-	6,049,509	518,732	6,568,241
Convertible bonds converted to ordinary shares	378,033	289,615	-	-	-	-	-	-	-	667,648	-	667,648
Cash dividends distributed to non-controlling interests by subsidiaries	-	-	-	-	-	-	-	-	-	-	(253,800)	(253,800)
BALANCE AT DECEMBER 31, 2023	60,513,407	3,887,046	1,230,977	534,375	9,146,199	(12,965)	22,726	(699,775)	(30,875)	74,591,115	2,887,755	77,478,870
Basis adjustment to loss on hedging instruments	-	-	-	-	-	-	-	(292,936)	-	(292,936)	-	(292,936)
Appropriation of 2023 earnings												
Legal reserve	-	-	637,399	-	(637,399)	-	-	-	-	-	-	-
Special reserve	-	-	-	155,639	(155,639)	-	-	-	-	-	-	-
Cash dividends - \$0.69014527 per share	-	-	-	-	(4,176,580)	-	-	-	-	(4,176,580)	-	(4,176,580)
Changes in capital surplus from dividends distributed to subsidiaries	-	1,431	-	-	-	-	-	-	-	1,431	-	1,431
Actual disposal of partial equity interest in subsidiaries	-	1,425,334	-	-	-	-	-	-	-	1,425,334	533,510	1,958,844
Changes in percentage of ownership interests in subsidiaries	-	285,416	-	-	-	-	-	-	-	285,416	293,054	578,470
Issuance of employee share options by the subsidiaries	-	43,216	-	-	-	-	-	-	-	43,216	17,998	61,214
Net income for the year ended December 31, 2024	-	-	-	-	14,383,345	-	-	-	-	14,383,345	1,111,843	15,495,188
Other comprehensive income (loss) for the year ended December 31, 2024, net of income tax	-	-	-	-	(140,818)	101,646	27,887	(691,402)	-	(702,687)	(149,066)	(851,753)
Total comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	14,242,527	101,646	27,887	(691,402)	-	13,680,658	962,777	14,643,435
Convertible bonds converted to ordinary shares	255,943	187,034	-	-	-	-	-	-	-	442,977	-	442,977
Cash dividends distributed to non-controlling interests by subsidiaries	-	-	-	-	-	-	-	-	-	-	(146,868)	(146,868)
Others	-	-	-	-	-	-	-	-	-	-	-	-
BALANCE AT DECEMBER 31, 2024	\$ 60,769,350	\$ 5,829,477	\$ 1,868,376	\$ 690,014	\$ 18,419,108	\$ 88,681	\$ 50,613	\$ (1,684,113)	\$ (30,875)	\$ 86,000,631	\$ 4,548,226	\$ 90,548,857

The accompanying notes are an integral part of the consolidated financial statements.

(With Deloitte & Touche auditors’ report dated March 10, 2025)

## CHINA AIRLINES, LTD. AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 19,276,062	\$ 9,305,472
Adjustments for:		
Depreciation expense	29,260,293	30,433,350
Amortization expense	210,221	223,600
Expected credit loss recognized on trade receivables	32	693
Net gain on fair value changes of financial assets and liabilities at fair value through profit or loss	(2,421)	(1,758)
Finance costs	2,755,707	2,608,298
Interest income	(2,231,421)	(1,802,654)
Dividend income	(18,717)	(21,662)
Compensation costs of employee share options	61,214	29,282
Share of profit of associates and joint ventures	(663,236)	(417,485)
Gain on disposal of property, plant and equipment	(391,002)	(555,914)
(Gain) loss on disposal of non-current assets held for sale	(9,753)	2,364
Loss (gain) on disposal of investments	29	(2,523)
Impairment loss (reversal gain) recognized on flight equipment and other equipment	(124,021)	1,901,450
Loss on inventories and property, plant and equipment	2,301,995	2,915,549
Net loss on foreign currency exchange	395,899	125,439
Recognition of provisions	4,785,011	6,192,669
Others	(3,470)	167,165
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	(7,236)	(65,340)
Notes and accounts receivable	(944,846)	1,037,497
Accounts receivable - related parties	(300,458)	(291,042)
Other receivables	(224,689)	126,265
Inventories	(3,589,290)	(2,275,270)
Other current assets	(98,263)	33,013
Notes and accounts payable	265,987	326,155
Accounts payable - related parties	439,405	618,193
Other payables	4,572,455	4,641,168
Contract liabilities	5,062,828	10,645,541
Provisions	(4,333,478)	(7,429,593)
Other current liabilities	271,125	1,677,934
Defined benefit liabilities	(276,092)	(172,293)
Other liabilities	(3,034)	(1,330,451)
Cash generated from operations	56,436,836	58,645,112
Interest received	2,169,205	1,733,515
Dividends received	101,874	139,718
Interest paid	(3,305,697)	(2,928,539)
Income tax paid	(1,118,803)	(1,744,205)
Net cash generated from operating activities	54,283,415	55,845,601

(Continued)

# CHINA AIRLINES, LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024	2023
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of financial assets at amortized cost	(8,541,431)	(19,043,551)
Proceeds from sale of financial assets at amortized cost	11,324,072	21,083,676
Acquisition of financial assets at fair value through other comprehensive income	(278)	-
Purchase of financial assets for hedging	(26,177,606)	(16,276,122)
Proceeds from sale of financial assets for hedging	34,352,036	9,497,256
Cash generated from disposal of investments accounted for using equity method	7,601	2,523
Proceeds from disposal of non-current assets held for sale	5,866,122	1,077,006
Payments for property, plant and equipment	(4,584,954)	(1,997,578)
Proceeds from disposal of property, plant and equipment	424,263	2,495,160
Increase in refundable deposits	(326,625)	(199,825)
Decrease in refundable deposits	413,454	306,618
Increase in finance lease receivable	-	(786,163)
Decrease in finance lease receivable	300,888	336,001
Increase in prepayments for equipment	(20,253,229)	(27,187,511)
Increase in other intangible assets	(204,657)	(167,860)
Decrease in restricted assets	<u>134,500</u>	<u>199,899</u>
Net cash used in investing activities	<u>(7,265,844)</u>	<u>(30,660,471)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Decrease in short-term borrowings	(35,000)	(800,000)
(Decrease) increase in short-term bill payable	(20,000)	20,000
Proceeds from issuance of bonds payable	-	2,650,000
Repayments of bonds payable	(3,150,000)	(2,350,000)
Proceeds from long-term borrowings	28,492,881	14,483,108
Repayments of long-term borrowings	(22,643,645)	(27,670,317)
Repayments of the principal portion of lease liabilities	(13,102,425)	(13,595,372)
Proceeds from guarantee deposits received	279,999	175,552
Refund of guarantee deposits received	(165,817)	(317,618)
Proceeds from issuance of ordinary shares of subsidiaries to non-controlling interests	578,470	821,464
Payment of cash dividends	(4,175,149)	(2,771,252)
Dividends paid to non-controlling interests	(146,868)	(253,800)
Partial disposal of interests in subsidiaries without a loss of control	1,958,844	-
Capital returned to non-controlling interests by subsidiaries on capital reduction	<u>-</u>	<u>(205,000)</u>
Net cash used in financing activities	<u>(12,128,710)</u>	<u>(29,813,235)</u>

(Continued)

## CHINA AIRLINES, LTD. AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

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	2024	2023
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>1,368,215</u>	<u>39,200</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	36,257,076	(4,588,905)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>30,391,564</u>	<u>34,980,469</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 66,648,640</u>	<u>\$ 30,391,564</u>

The accompanying notes are an integral part of the consolidated financial statements.

(With Deloitte & Touche auditors' report dated March 10, 2025)

(Concluded)

## Item 2 (Proposed by the Board of Directors)

Cause of action: Acknowledgement of the Company's 2024 Surplus Distribution

Details:

1. In accordance with Article 228 of the Company Act and Article 25 of the Company's Articles of Incorporation.
2. Unappropriated retained earnings at the beginning of fiscal year 2024 were NT\$4,176,580,272. After adding the 2024 net income after tax of NT\$14,383,344,956; the remeasurement of the defined-benefit plan of NT\$4,314,472; and deducting the "changes in associated enterprises recognized by the equity method" of \$145,132,248; and after appropriating 10% legal reserve of NT\$1,424,252,718 and special reserve of NT\$854,804,532 as required by law, the total distributable earnings are NT\$16,140,050,202. The Company proposes to distribute cash dividends of NT\$4,842,015,061, which is NT\$0.79587046 per share (Based on the number of shares issued and outstanding as of March 26, 2025, which is 6,083,923,559 shares). If subsequent changes in the number of shares affect the total number of outstanding shares, thereby changing the shareholder dividend ratio and requiring adjustment, the Chairman is authorized to make the necessary adjustments. The payment of each shareholder's cash dividend is to be in full New Taiwan Dollars while the fractional amounts will be added to the company's other income.
3. Please refer to the Distribution of 2024 surplus earnings table on page 36 of this handbook.
4. This item was approved at the 5th Extraordinary Session of the 23rd Board Meeting. After the resolution is adopted during this Shareholders' Meeting, the Board of Directors will be authorized to set the base date and the ex-dividend date for cash dividend distribution.

Resolution:

China Airlines Ltd.  
Distribution of 2024 Earnings

Unit: NT\$

Items	Total
Unappropriated retained earnings (beginning balance)	\$ 4,176,580,272
Add: Remeasurement of defined benefit plans	4,314,472
Less: Changes in recognized associates using the equity method	(145,132,248)
Add: 2024 Net income after tax	<u>14,383,344,956</u>
Subtotal	18,419,107,452
Less: Appropriation of 10% Legal Reserve	(1,424,252,718)
Less: Appropriation of special reserve	<u>(854,804,532)</u>
Retained Earnings Available for Distribution as of December 31, 2024	16,140,050,202
Distribution Item:	
Cash Dividends to Common Shareholders (NT\$0.79587046 per share)	<u>(4,842,015,061)</u>
Unappropriated retained earnings (Ending Balance)	<u>\$11,298,035,141</u>

Note: The 2024 profits will be utilized first for the Company's annual profit distribution.

Chairman: KAO, SHING-HWANG

Manager: CHEN, HAN-MING

Accounting Supervisor: YEN, YANG

## **Matters for Discussion**

### **(Proposed by the Board of Directors)**

Cause of action: Amendments to the Company's "Articles of Incorporation." To be determined by all parties.

#### Details:

1. In accordance with Financial Supervisory Commission Order No. 1130385442 and pursuant to Article 14, Paragraph 6 of the Securities and Exchange Act, listed companies are required to specify in their Articles of Association a certain percentage of annual earnings to be allocated for adjusting salaries or distributing compensation to entry-level employees. Therefore, Article 25 of the Articles of Incorporation is hereby amended.
2. For the amended and original Articles of Incorporation, please refer to page 38 of this handbook.
3. This item was approved at the 5th Session of the 23rd Board Meeting.

#### Resolution:

## China Airlines Ltd.

### Articles of Incorporation Comparison Table

Revised Provisions	Current Provisions	Revision Notes
<p><b>Article 25 :</b></p> <p>When the Company is profitable for the year, it shall appropriate no less than 3% as employee compensation. <u>Of the actual allocation for the year, at least 30% shall be distributed to entry-level employees.</u></p> <p>However, if the Company still has accumulated losses, an amount shall be reserved in advance for making up the losses.</p> <p>(Skip)</p>	<p><b>Article 25 :</b></p> <p>When the Company is profitable for the year, it shall appropriate no less than 3% as employee compensation. However, if the Company still has accumulated losses, an amount shall be reserved in advance for making up the losses.</p> <p>(Skip)</p>	<p>In accordance with Financial Supervisory Commission Order No. 1130385442 and pursuant to Article 14, Paragraph 6 of the Securities and Exchange Act, listed companies are required to specify in their Articles of Association a certain percentage of annual earnings to be allocated for adjusting salaries or distributing compensation to entry-level employees. Therefore, Article 25 of the Articles of Incorporation is hereby amended.</p>
<p><b>Article 26 :</b></p> <p>This article was established on August 15, 1959, and was last revised for the <u>76<sup>th</sup> time on May 28, 2025</u>. Any matters not covered herein shall be handled in accordance with relevant laws and regulations.</p>	<p><b>Article 26 :</b></p> <p>This article was established on August 15, 1959, and was last revised for the 75<sup>th</sup> time on May 30, 2024. Any matters not covered herein shall be handled in accordance with relevant laws and regulations.</p>	<p>Adjustments made to align with the revised date.</p>



## **Election Matters**

**(Proposed by the Board of Directors)**

Cause of action: Proposal on the Election of 2 Directors for the 23<sup>rd</sup> Term of the Company.

### Details:

1. According to Article 16 of the company's Articles of Incorporation, the Board of Directors shall consist of 11 to 15 directors; the company currently has 13 directors (including 5 independent directors). The resolution of the 4th meeting of the 23rd Board of Directors is to elect 2 directors at the shareholders' meeting in 2025. The term of office for the elected directors will be from May 28 2025, to May 29 2027, coinciding with the expiration of the term for current directors of the 23<sup>rd</sup> Board of Directors.
2. China Airlines has adopted the nomination system stipulated under Article 192-1 of the Company Law in electing its directors. Shareholders are to elect directors from the nominees in the directors list. The qualifications of the 2 director candidates were reviewed and approved at the 5th Extraordinary Session of the 23<sup>rd</sup> Board of Meeting. For information on their professional experience and other relevant information, please kindly refer to page 40 of this handbook for further information.

### Resolution:

## China Airlines Ltd.

### Basic Information on Nominees for Directorship of the 23rd Board of Directors

Item	A/C Number	Name	Shares	Major Education and Work Experience
1	000001	China Aviation Development Foundation's Representative: HSIEH, WEI-CHENG	1,867,341,935	<p><b>Experience:</b> Director and Secretary General, China Aviation Development Foundation (current position); Director, Flight Safety Foundation-Taiwan (current position); Director, Taoyuan International Airport Services Corp., Ltd. (current position); Director, Taiwan High Speed Rail Co. (current position); CEO, Taoyuan Social Housing Service Center; Senior Specialist, Ministry of Transportation and Communications.</p> <p><b>Education:</b> LL.B from Department of law, Soochow University</p>
2	348715	National Development Fund, Executive Yuan's Representative: SHON, ZHENG-YI	519,750,519	<p><b>Experience:</b> Professor, Department of International Business Management, Tainan University of Technology(current position); Dean of Research and Development/Dean of College of Management, Tainan University of Technology; Director, Taoyuan International Airport Corp. Ltd. (current position); Independent Director, YangMing Marine Transport Corp. (current position); Independent Director, AXIOMTEK Co., Ltd.; Independent Director, Asia Pacific Telecom Co., Ltd.</p> <p><b>Education:</b> Ph.D. in Transportation and Communication Management Science, National Cheng Kung University</p>

## **Other Matters**

### **(Proposed by the Board of Directors)**

Cause of action: Proposal to lift the restriction of non-competition prohibition imposed on the 23<sup>rd</sup> term of Directors of the company.

Details:

1. In accordance with Article 209 of the Company Act, when a Director's actions by himself or others fall within the scope of the Company's business, he shall explain to the Board of Shareholders the importance of the actions and obtain its approval.
2. The 23<sup>rd</sup> session's incumbent directors and director-elects may, due to business needs, invest in or operate other companies with business scopes identical or similar to our company. As this does not harm the company's interests, we hereby request the Annual Shareholders' Meeting lift the non-compete restrictions on concurrent positions held by the 23<sup>rd</sup> session directors. To facilitate shareholders' electronic voting, details of the directors' competitive activities are included in the meeting handbook on page 42. After the directors are elected at the Annual Shareholders' Meeting, the non-compete restrictions will be lifted for those elected.
3. This item was approved during the 5th Extraordinary Session of the 23<sup>rd</sup> Board Meeting.

Resolution:

**China Airlines Ltd.**  
**Details of Positions Concurrently Held by 23rd Directors**

<b>Name &amp; Title</b>	<b>Positions Held</b>
Independent Director; LIN, YU-FEN	Independent Director, Chief Telecom Inc.
China Aviation Development Foundation's Representative: KAO, SHING- HWANG	Director, China Aviation Development Foundation
China Aviation Development Foundation's Representative: CHEN, CHIH-YUAN	Director, Taipei Port Container Terminal Corp. Senior Board Member, Wan Hai Lines (Singapore) PTE Ltd.
China Aviation Development Foundation's Representative: CHEN, TA-CHUN	Director, China Aviation Development Foundation
China Aviation Development Foundation's Representative: HSIEH, WEI-CHENG	Director and Secretary General, China Aviation Development Foundation. Director, Flight Safety Foundation-Taiwan. Director, Taoyuan International Airport Services Co., Ltd. Director, Taiwan High Speed Rail.
National Development Fund, Executive Yuan's Representative: SHON, ZHENG-YI	Director, Taoyuan International Airport Corporation Ltd.; Independent Director, YangMing Marine Transport Corp. Corporate.

## Questions and Motions

# Appendices

## Appendix 1

### CHINA AIRLINES LTD. ARTICLES OF INCORPORATION

This Article was created on August 15, 1959

Amended and approved by the Shareholders'

Meeting undergone 72 amendments on June 25, 2019

Amended and approved by the Shareholders' Meeting undergone 73 amendments on June 23, 2020

Amended and approved by the Shareholders' Meeting undergone 74 amendments on May 26, 2022

Amended and approved by the Shareholders' Meeting undergone 75 amendments on May 30, 2024

#### Chapter I General Provisions

##### Article 1

The Company shall be organized in accordance with the provisions of the Company Act relating to companies limited by shares and shall be named “中華航空股份有限公司”. Its English name shall be “CHINA AIRLINES LTD.”.

##### Article 2

The Company's operations fall under the following categories of businesses:

1. G501011 Civil Aviation Transport
2. G501020 Civil Aviation Agency
3. G502011 Aviation
4. G602011 Airport Ground Services
5. G605011 Sky Catering
6. G801010 Warehousing & Storage
7. F114070 Aircraft & Parts Wholesaling
8. F214070 Aircraft & Parts Retailing
9. I301010 Software Design Services
10. I301020 Data Processing Services
11. I301030 Digital Information Supply Services
12. J201051 Civilian Aviation Personnel Training
13. JA01010 Automotive Repair & Maintenance
14. JA02990 Other Repair Shops
15. ZZ99999 All businesses that are not prohibited or restricted by law, except those subject to special approval.

##### Article 2-1

The Company may, in accordance with its business requirements, act externally as a guarantor and make re-investments. Where it is a limited-liability shareholder of another company, the total amount of its re-investment is not subject to the restriction on the re-investment amount as prescribed under Article 13 of the Company Act.

##### Article 2-2

(Deleted)

### **Article 3**

The Company's head office is located in Taoyuan City (Taiwan, R.O.C.), and branch offices or sales offices may be set up inside and outside of the country when necessary upon a resolution for the Board of Directors.

### **Article 4**

(Deleted)

## **Chapter II Shares**

### **Article 5**

The aggregate capital of the Company shall be Seventy Billion New Taiwan Dollars (NT\$70,000,000,000), divided into Seven Billion (7,000,000,000) common shares at Ten New Taiwan Dollars (NT\$10) per share. The un-issued shares may be issued several times by the Board of Directors in accordance with the Company's business requirements.

### **Article 6**

Share certificates issued by the Company are not required to be printed. The Company, however, shall register the issued shares with a centralized securities depository enterprise.

With respect to the new shares issued in accordance with the provision of the preceding paragraph, the consolidated printed share certificate shall be placed under the custody of, and the recordation of the issue for shares exempted from printing share certificate shall be made by the centralized securities custody institution, or the new-issued shares may be consolidated with other already issued shares into larger-denomination share certificates in accordance with the request of the centralized securities custody institution.

### **Article 7**

(Deleted)

### **Article 8**

The Company's stock matters shall be governed by the relevant regulations of the competent authority.

### **Article 9**

Registration of a shared assignment shall not be made within sixty (60) days prior to the convening date of a regular shareholders' meeting, within thirty (30) days prior to a convening date of a special shareholders' meeting, or within five (5) days prior to the record date fixed by the Company for distribution of dividends, bonuses, or other benefits.

## **Chapter III Shareholders' Meetings**

### **Article 10**

The Company's shareholders' meetings are of two kinds: regular shareholders' meeting and special shareholders' meeting. A regular shareholders' meeting shall be convened once a year within six (6) months after the close of the fiscal year. A special shareholders' meeting shall be convened when necessary in accordance with the relevant laws and decrees.

### **Article 10-1**

When the Company's shareholders' meeting is held, it may be held by video conference or other methods announced by the central competent authority.

The company holds a video conference of the shareholders' meeting, which shall be handled in accordance with the relevant laws and regulations and the company's rules of procedure for the shareholders' meeting.

### **Article 11**

Unless otherwise stated in the Company Act, a resolution of a shareholders' meeting shall be adopted by a majority vote of the shareholders present at the meeting, representing a majority of the total number of voting shares.

### **Article 12**

A shareholder of the Company is entitled to one share one vote, unless otherwise restricted by law.

### **Article 13**

If a shareholder is unable to attend a shareholders' meeting for some reason, he can appoint a proxy to attend the meeting on his behalf by executing a power of attorney provided by the Company specifying therein the scope of the power authorized to a proxy.

Other than a trust enterprise or a stock agency approved by the competent authority, the voting right represented by a proxy appointed concurrently by two or more shareholders shall not exceed three percent (3%) of the total number of voting shares of all the outstanding shares; any voting right in excess thereof does not count.

Unless stated otherwise in the Company Act, the rules governing the appointment of proxies to attend a shareholders' meeting are in accordance with the "Rules Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies" promulgated by the competent authority.

### **Article 14**

A shareholders' meeting convened by the Board of Directors will be presided over by the Chairman of the Board of Directors. When the Chairman is on leave or absent or is unable to exercise his power and authority for any reason, he shall designate a director to represent him; where he has not designated a representative, the directors shall elect a representative from among themselves to act as the chairman of the meeting. Where a shareholders' meeting is convened by any person with convening power other than the Board of Directors, such a person shall be the chairman of the meeting. When two or more persons are having convening



powers, one is elected from among them to act as the chairman of the meeting.

#### **Article 15**

Resolutions adopted at a shareholders' meeting shall be recorded in meeting minutes signed by or affixed with the seal of the chairman of the meeting, which shall be kept perpetually throughout the existence of the Company.

The attendance registers of shareholders attending the meeting and the proxies shall be kept safely for at least one year. However, in case a shareholder has initiated litigation in accordance with Article 189 of the Company Act, it shall be kept safe until the conclusion of the litigation.

### **Chapter IV Directors and Managers**

#### **Article 16**

The Company shall have 11 to 15 Directors, with at least one Director of a different gender, all of whom shall be elected by the Shareholders' Meeting from among persons with legal capacity.

The transportation allowances and remunerations for Directors shall be determined by the Board of Directors in reference to the standards of related industries and public companies.

#### **Article 16-1**

Within the number of director seats mentioned in the preceding article, no less than 3 independent directors shall be appointed, which shall not be less than one-third of the total number of directors, and one of whom shall be a public interest independent director.

The election of the directors of the Company shall be held in accordance with the candidate nomination system. The election of directors shall be held in accordance with the Company Act and other applicable laws and regulations; the independent directors, independent directors undertaking public welfare, and non-independent directors shall be elected at the same time but in separately calculated numbers elect, and candidates to whom the ballots cast represent a prevailing number of votes shall be elected as independent directors, independent directors undertaking public welfare, and non-independent directors.

The professional qualifications, restrictions on shareholdings and concurrent positions held, assessment of independence, method of nomination and election, exercise of power, and other matters for compliance with respect to independent directors shall be governed by and construed in accordance with the Securities and Exchange Act and the provisions of the relevant laws and decrees; those of independent directors undertaking public welfare shall be governed by the Regulations Governing Compliance Matters for Civil Air Transport Enterprise to Appoint Independent Directors Undertaking Public Welfare.

#### **Article 16-2**

The audit committee of the Company is formed by all independent directors in accordance with Article 14-4 of the Securities and Exchange Act. Governing powers exercised by the audit committee and its members, and related businesses thereof, shall be governed by and construed in accordance with the Securities and Exchange Act and the provisions of the relevant laws and decrees.

#### **Article 17**

The term of office for directors is 3 years, and they may be re-elected for consecutive terms; independent directors and independent directors of public interest may not serve more than 3 consecutive terms. The total shareholding of all directors shall be handled in accordance with the "Regulations Governing the Share Ownership Ratios and Audits of Public Companies for Directors and Supervisors".

#### **Article 18**

The directors shall organize a Board of Directors to exercise the power and authority of the directors, and the Chairman of the Board of Directors shall be elected from among the directors by a majority vote at a meeting attended by at least two-thirds of the directors, and the Chairman shall represent the Company externally.

The Board of Directors shall be authorized to prescribe the remuneration for the Chairman according to the extent of the Chairman's participation in the operation of the Company, in reference to the regulations relating to remuneration for managers of the Company.

#### **Article 19**

A board meeting shall be convened by the Chairman; however, the first board meeting for each term shall be convened by the director who obtains the highest number of votes and represents them.

A board meeting shall be presided over by the Chairman of the Board of Directors. When the Chairman is on leave or is absent or is unable to exercise his power and authority for any reason, he shall designate a director to represent him; where he has not designated a representative, the directors shall elect a representative from among themselves to represent him.

#### **Article 19-1**

If a board meeting is held in the form of a video conference, it is presumed that the directors participating in it are deemed to have attended the meeting in person.

If a director is unable to attend a board meeting for any reason, he may appoint a proxy specifying therein the purpose for convening the meeting and the scope of authorization to appoint another director to represent him at the meeting, provided only one person's appointment is considered as representative.

#### **Article 20**

Unless otherwise provided by the Company Act, a resolution of the Board of Directors shall be adopted by a majority vote of the directors present at a board meeting and attended by a majority of the directors.

#### **Article 21**

(Deleted)

#### **Article 22**

The Company shall have one president and several senior vice presidents whose appointment, dismissal and remuneration shall be governed by Article 29 of the Company Act.

### **Article 23**

The Company may, in accordance with its business requirement, invite several consultants, senior consultants and special consultants, who shall be appointed by the Chairman.

## **Chapter V Accounting**

### **Article 24**

After the close of each fiscal year, the Board of Directors shall prepare the following statements and reports, and submit them at the regular shareholders' meeting for information:

1. Operation/Business report
2. Financial statements
3. Proposal for the distribution of profit or appropriation to cover the loss.

### **Article 25**

When the Company is profitable for the year, it shall appropriate no less than 3% as employee compensation. However, if the Company still has accumulated losses, an amount shall be reserved in advance for making up the losses.

The employee compensation mentioned in the preceding paragraph shall be distributed in the form of shares or cash and shall be approved by a resolution passed by a majority vote at a meeting of the Board of Directors attended by two-thirds or more of the total number of Directors, and reported to the shareholders' meeting.

If there is a surplus after the annual final accounts, the company shall pay taxes in accordance with the law, make up for accumulated losses, set aside a legal reserve and provide or reverse a special reserve in accordance with legal regulations. If there is still a surplus, the Board of Directors shall propose a distribution plan for the surplus, together with the accumulated undistributed earnings. The distribution of surplus may be made in cash or shares, but cash dividends shall not be less than 30% of the total dividends.

The allocation of surplus earnings referred to in the preceding paragraph, if made in the form of issuing new shares, shall be distributed upon the resolution of the shareholders' meeting; if made in the form of cash distribution, it may be carried out by a resolution of more than two-thirds of the directors present at a meeting attended by a majority of the directors, and reported to the shareholders' meeting.

When the company has no losses, it may, based on financial, business and operational considerations, distribute all or part of the surplus in the form of new shares or cash in accordance with laws and regulations or the rules of the competent authorities. If new shares are issued, the distribution must be approved by the shareholders' meeting; if cash is distributed, it may be resolved by a board of directors with the attendance of more than two-thirds of the directors and approval of more than half of the attending directors, and reported to the shareholders' meeting..

## **Chapter VI Supplemental Provisions**

### **Article 26**

This article was established on August 15, 1959, and was last revised for the 75th time on May 30, 2024. Any matters not covered herein shall be handled in accordance with relevant laws and regulations.

## Appendix 2

### **China Airlines Ltd. Rules of Procedure for Shareholders' Meetings**

Formulated and implemented after approval by the 3rd Extraordinary Shareholders' Meeting on December 12, 1991  
Amended and approved by the Shareholders' Meeting on June 29, 2010  
Amended and approved by the Shareholders' Meeting on June 15, 2012  
Amended and approved by the Shareholders' Meeting on June 26, 2015  
Amended and approved by the Shareholders' Meeting on June 23, 2020

- Article 1: These Rules of Procedure for Shareholders' Meetings are drawn up in accordance with the Company Act and all other relevant laws and regulations. Any matters not stipulated in these Rules shall be conducted in accordance with the aforementioned laws.
- Article 2: The rules of procedures for the Company's Shareholders' Meetings, except as otherwise provided by law, regulation, or the Articles of Incorporation, shall be as provided in these Rules.
- Article 3: As stipulated in these Rules, "shareholder" refers to the shareholder himself/herself or a designated representative delegated to attend in his/her stead.
- Article 4: A shareholder may appoint a proxy to attend a shareholder meeting by providing the proxy form issued by the Company in accordance with the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, promulgated by the competent authorities, which clearly states the scope of the proxy's authorization. The shareholder shall deliver the proxy form to the Company at least 5 days before the date of the Shareholders' Meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment. If a shareholder appoints a proxy, should the proxy not provide the proxy form, the total number of shares and voting rights represented shall be disregarded.
- When a juristic person is appointed to attend as a proxy, it may designate only one person to represent it in the meeting.
- After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to the Company 2 business days prior to the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.
- Article 5: Attendance and voting at Shareholders' Meetings shall be calculated based on the number of shares. The number of shares in attendance and voting rights shall be calculated according to the shares indicated by the sign-in cards handed in and proxy forms plus the number of shares whose voting rights are exercised by correspondence or electronically.
- Article 6: The chair of the Shareholders' Meeting shall be selected in accordance with Article 208, Paragraph 3 of the Company Act and Article 14 of the Company's Articles of Incorporation.
- The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a Shareholders' Meeting in a non-voting capacity.
- Article 7: If a Shareholders' Meeting is convened by the Board of Directors, the meeting agenda shall be set

by the Board of Directors. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the Shareholders' Meeting.

The provisions of the preceding paragraph apply *mutatis mutandis* to a Shareholders' Meeting convened by a party with the power to convene that is not the Board of Directors.

After the Shareholders' Meeting agenda is set by the Board of Directors or other parties with the power to convene, the agenda shall be distributed to shareholders in attendance or their proxies. The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda (including extraordinary motions), except by a resolution of the Shareholders' Meeting.

After the meeting is adjourned, the shareholders may not designate another person as chair and continue the meeting in the original location or at a different location.

Article 8: The chair shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. If the quorum is not met after two postponements, but the attending shareholders represent one-third or more of the total number of issued shares, the situation must be handled in accordance with Article 175 of the Company Act. When, prior to the conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolutions made previously for a vote by the Shareholders' Meeting.

Article 9: In addition to discussions and votes on issues as outlined in the agenda handbook, shareholders in attendance may also raise extraordinary motions as stipulated in the Company Act. After the chair receives approval from other shareholders, the chair shall put the issue up for discussion and a vote. Election or dismissal of directors, amendments to the Articles of Incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, dissolution, merger, spin-off, or any matters as set forth in Article 185, Paragraph 1 hereof shall be itemized in the causes or subjects to be described and the essential contents shall be explained in the notice to convene a meeting of shareholders, and shall not be brought up as extemporary motions; the essential contents may be posted on the website designated by the competent authority in charge of securities affairs or the company, and the such website shall be indicated in the above notice.

Article 10: When an attending shareholder wishes to speak regarding a proposal up for discussion, he or she must specify on a speaker's slip the subject of the speech, his/her shareholder account number, and account name. The order in which shareholders speak will be set by the chair. A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail. This also applies in the case of extraordinary motions. Shareholders in attendance who have inquiries regarding reports as stipulated in the meeting agenda may not raise such inquiries until after the chairman or the designated person finishes reading or finishes reporting. After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.

- Article 11: When a juristic person shareholder appoints two or more representatives to attend a Shareholders' Meeting, only one of the representatives so appointed may speak on the same proposal. Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes.
- Article 12: If the speech of any shareholder violates the above Article or exceeds the scope of the agenda item, the chair may terminate the speech.
- When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation. The chair shall direct the proctors (or security personnel) to help maintain order at the meeting place.
- When proctors (or security personnel) help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."
- Those shareholders who use public address equipment different from the one supplied at the premises may be prevented from speaking by the chair.
- When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the meeting.
- Article 13: The chair shall announce the end of discussion on a proposed resolution and proceed with voting when he/she feels the discussion time will affect the smooth proceeding of the meeting or there has been sufficient discussion and no need for further speeches.
- When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which it will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.
- Article 14: The number of voting rights required to pass a resolution shall be determined as outlined in the Company Act based on the characteristics of said proposal, but if the Company's Articles of Incorporation specify a higher standard, then the Articles of Incorporation shall be followed.
- Article 15: Except as otherwise provided in the Company Act, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders (if the Articles of Incorporation require a higher standard, then the higher standard shall apply). In the resolution, after the Chairman or delegate thereof announces the total number of voting rights represented by shareholders in attendance for voting on each issue, shareholders will proceed with voting on a case-by-case basis. When a shareholder is an interested party in relation to an agenda item and there is the likelihood that such a relationship would prejudice the interests of the Company, that shareholder's voting rights may not count towards the total, but this does not apply in the selection of directors. When one person is concurrently appointed as a proxy by two or more shareholders, the voting rights represented by that proxy may not exceed 3% of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.
- When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of the Company, that shareholder may not vote on that item, and may not exercise voting rights as a proxy for any other shareholder, but the selection of a director is not thusly restricted.

The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders.

With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as a proxy by two or more shareholders, should the voting rights represented by that proxy exceed 3% of the voting rights represented by the total number of issued shares the voting rights in excess of that percentage shall not be included in the calculation.

Article 16: Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company. When the chair appoints shareholders from the shareholder meeting to perform a certain task and the appointee is unable to perform the said task, the chair shall appoint a different shareholder.

Article 17: When a meeting is in progress, the chair may announce a break at his or her discretion. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed. When the chair adjourns the meeting, the meeting is considered concluded.

Article 18: Matters relating to the resolutions of a Shareholders' Meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and shall be retained for the duration of the existence of the Company.

The Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio or video recording of the registration procedure, the proceedings of the Shareholders' Meeting, and the voting and vote counting procedures. The recorded audio and/or video materials, sign-in cards, attendance book, and proxy forms shall be retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the aforementioned materials shall be retained until the conclusion of the litigation.

Article 19: These Rules, and any amendments hereto, shall be implemented after adoption by Shareholders' Meetings.



## Appendix 3

### **China Airlines Ltd. Procedures Governing the Election of Directors**

Amended and implemented after approval by the Shareholders' Meeting on June 15, 2012

Amended and implemented after approval by the Shareholders' Meeting on June 26, 2015

Amended and implemented after approval by the Shareholders' Meeting on June 25, 2019

Article 1: Except as otherwise provided by law and regulation or by the Company's Articles of Incorporation, elections of directors shall be conducted in accordance with these Procedures.

Article 2: Directors shall be elected at the Shareholders' Meeting.

Article 3: Election of the Company directors shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act.

The qualifications and elections for independent directors of the Company shall comply with the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies. The qualifications and election for the independent directors with involvement in public-welfare activities shall comply with the "Regulations Governing Compliance Matters for Civil Air Transport Enterprise to Appoint Independent Directors Undertaking Public Welfare".

When the number of directors falls below five owing to the dismissal of a director or more for any reason, the Company shall hold a by-election to fill the vacancy at its next Shareholders' Meeting. When the number of directors falls short by one third of the total number prescribed in the Company's Articles of Incorporation, the Company shall call a Special Shareholders' Meeting within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

When the number of independent directors falls below that required under the proviso of Article 14-2, Paragraph 1 of the Securities and Exchange Act, or the related provisions of the Taiwan Stock Exchange Corporation rules governing the review of listings, a by-election shall be held at the next Shareholders' Meeting to fill the vacancy. When the independent directors are dismissed en masse, a Special Shareholders' Meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies. When the number of independent directors with involvement in public-welfare activities is less than one, the Company shall call a Special Shareholders' Meeting within 60 days from the date of occurrence to hold a by-election to fill the vacancy.

Article 4: For election of Company directors, each share will have voting rights in number equal to the directors to be elected and may be cast for a single candidate or split among multiple candidates. The Board of Directors shall prepare separate ballots for directors in numbers corresponding to the directors to be elected. The number of voting rights associated with each ballot shall be specified on the ballot, which shall then be distributed to the attending shareholders at the Shareholders' Meeting. Elections for independent directors,

independent directors involved in public-welfare activities, and non-independent directors shall be held concurrently but the respective voting rights shall be separately calculated to determine the elected independent directors, independent directors involved in public-welfare activities, and non-independent directors.

Article 5: The number of directors is specified in the Company's Articles of Incorporation. The candidates to whom the ballots cast represent a prevailing number of voting rights shall be elected as independent directors, independent directors involved in public-welfare activities, and non-independent directors in descending order based on the outcome of the election. When two or more candidates get the same number of voting rights, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any candidate not present.

If, on review, there are confirmed discrepancies in the personal information provided by any director elected as per the above paragraph or he/she is not fit to serve according to relevant laws or regulations, the resulting vacancy will be filled by the candidate receiving the next highest number of voting rights in the same election.

Article 6: If a candidate is a shareholder, a voter must enter the candidate's account name and shareholder account number in the "candidate" column of the ballot; while the candidate is a governmental organization or juristic-person shareholder, the name of the governmental organization or juristic-person shareholder shall be entered in the column against the candidate's account name on the ballot paper. If the candidate is the representative of a governmental organization or juristic-person shareholder, both the name of the governmental organization or juristic-person shareholder and the candidate's name shall be entered in the column against the candidate's account name. When there are several representatives, the names of each respective representative shall be entered. For a non-shareholder candidate, the voter shall enter the candidate's full name and identity card number.

Article 7: Prior to the start of the election, the chair shall appoint people to perform the duties of vote monitoring and voting rights counting.

Article 8: The ballot boxes shall be prepared by the Board of Directors and publicly checked by the vote-monitoring personnel before the commencement of voting.

Article 9: Each ballot may only specify the name of one candidate.

Article 10: A ballot is invalid under any of the following circumstances:

- (1) The ballot is not prepared in accordance with these Procedures.
- (2) A blank ballot is placed in the ballot box.
- (3) The writing is unclear and indecipherable.
- (4) There are any alterations in the writing of the candidate's account name (or name) or shareholder account number (or identity card number) or the number of voting rights allotted.
- (5) The candidate whose name is entered in the ballot is a shareholder, but the candidate's account name and shareholder account number do not conform with those given in the shareholder register, or the candidate whose name is entered in the ballot is a non-shareholder, and a cross-check shows that the candidate's name and identity card

number do not match.

- (6) The name of the candidate entered in the ballot is identical to that of another shareholder, but no shareholder account number is provided in the ballot to identify such an individual.
- (7) Other words or marks are entered in addition to the candidate's account name (or name) or the shareholder's account number (or identity card number) and the number of voting rights allotted.
- (8) The number of voting rights cast total more than the voting rights allotted to the voter.

Article 11: If the number of voting rights cast is fewer than the total number of voting rights allotted to a voter, the remaining will be considered as abstentions.

Article 12: After the casting of ballots is completed, the voting rights shall be publicly counted and the results of the calculation, including the list of persons elected as directors and the numbers of voting rights with which they were elected, shall be announced by the chair on the spot.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Article 13: The Company shall notify the persons elected as directors.

Article 14: Other matters not stipulated in these Procedures shall be conducted in accordance with the Company Act, the Company's Articles of Incorporation and all relevant laws and regulations.

Article 15: These Procedures, and any amendments hereto, shall be implemented after adoption at the Shareholders' Meetings.

## Appendix 4

### Directors' Shareholdings of China Airlines, Ltd

Base date: March 30th, 2025

Title	Name	Date of Appointment	No. of Shares Held on Appointment			No. of Shares Currently Held			Remarks
			Type	No. of Shares	Percentage of shares issued	Type	No. of Shares	Percentage of shares issued	
Chairman	China Aviation Development Foundation Representative: KAO, SHING-HWANG	May 30, 2024	common stock	1,867,341,935	30.86%	common stock	1,867,341,935	30.69%	
Director	China Aviation Development Foundation Representative: CHEN, CHIH-YUAN								
Director	China Aviation Development Foundation Representative: TING, KWANG-HUNG								
Director	China Aviation Development Foundation Representative: CHEN, MAUN-JEN								
Director	China Aviation Development Foundation Representative: HUANG, HUEI-JEN								
Director	China Aviation Development Foundation Representative: SU, PEI-HSIEN								

Title	Name	Date of Appointment	No. of Shares Held on Appointment			No. of Shares Currently Held			Remarks
			Type	No. of Shares	Percentage of shares issued	Type	No. of Shares	Percentage of shares issued	
Director	China Aviation Development Foundation Representative: CHEN, TA-CHUN								
Director	National Development Fund, Executive Yuan's Representative: WEI, CHIEN-HUNG	May 30, 2024	common stock	519,750,519	8.59%	common stock	519,750,519	8.54%	
Independent Director	CHANG, HSIEH GEN-SEN	May 30, 2024	common stock	0	0.00%	common stock	0	0.00%	
Independent Director	HUANG, HSIEH-HSING	May 30, 2024	common stock	0	0.00%	common stock	0	0.00%	
Independent Director	LIN, KUO-CHANG	May 30, 2024	common stock	0	0.00%	common stock	0	0.00%	
Independent Director	HWANG, YIH-RAY	May 30, 2024	common stock	0	0.00%	common stock	0	0.00%	
Independent Director	LIN, YU-FEN	May 30, 2024	common stock	0	0.00%	common stock	0	0.00%	
Total			common stock	2,387,092,454		common stock	2,387,092,454		

May 30, 2024, Total shares outstanding: 6,051,540,742 shares

March 30, 2025, Total shares outstanding: 6,083,923,559 shares

Note: All Directors shall hold statutory shares: 120,000,000 shares. As of March 30th, 2025: 2,387,092,454 shares held.

The Company has formed an audit committee; hence no statutory shares shall be held by the supervisors. Shares held by Independent Directors are not included in the Directors' shareholding total.