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- For the convenience of readers, this presentation has been translated into English from an original Chinese version. If there is any conflict between these two versions or any misinterpretation in place, information in the Chinese version shall prevail.
Agenda

2022Q1 Operating Performance
1. Operating results
2. Revenue & Cost breakdown
3. Financial risk management
4. Pax & Cargo performance

Market Outlook
1. Business outlook
2. Pax & Cargo strategies
3. Fleet planning
4. Sustainable development
2022Q1 Operating Results
## 2022Q1 Financial Results

<table>
<thead>
<tr>
<th>(NTD 100 Million)</th>
<th>2021.Q1</th>
<th>2022.Q1</th>
<th>Differences</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating revenue</strong></td>
<td>278.28</td>
<td>372.33</td>
<td>94.05</td>
<td>33.80%</td>
</tr>
<tr>
<td>Passenger revenue</td>
<td>19.75</td>
<td>21.85</td>
<td>2.1</td>
<td>10.63%</td>
</tr>
<tr>
<td>Cargo revenue</td>
<td>240.25</td>
<td>327.79</td>
<td>87.54</td>
<td>36.44%</td>
</tr>
<tr>
<td>Other operating revenue</td>
<td>18.28</td>
<td>22.69</td>
<td>4.41</td>
<td>24.12%</td>
</tr>
<tr>
<td><strong>Net Operating Income(Loss)</strong></td>
<td>-4.69</td>
<td>36.36</td>
<td>41.05</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net Income(Loss) After Tax</strong></td>
<td>-12.17</td>
<td>28.11</td>
<td>40.28</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net Income(Loss) Attributable to Owners of the company</strong></td>
<td>-10.19</td>
<td>30.72</td>
<td>40.91</td>
<td>-</td>
</tr>
<tr>
<td><strong>Earnings(Loss) Per Share (TWD)</strong></td>
<td>-0.19</td>
<td>0.52</td>
<td>0.71</td>
<td>-</td>
</tr>
</tbody>
</table>

Based on consolidated financial report.
Enhancing financial structure ratios

### Debt ratio

<table>
<thead>
<tr>
<th>Year</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022Q1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ratio</td>
<td>73.09%</td>
<td>73.44%</td>
<td>78.97%</td>
<td>77.94%</td>
<td>72.64%</td>
<td>70.30%</td>
</tr>
</tbody>
</table>

### Current ratio

<table>
<thead>
<tr>
<th>Year</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022Q1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ratio</td>
<td>69.06%</td>
<td>77.81%</td>
<td>60.28%</td>
<td>91.40%</td>
<td>161.71%</td>
<td>155.53%</td>
</tr>
</tbody>
</table>
Revenue breakdown and comparison

- In 2022Q1, over 90% of income is contributed by cargo revenue is the major income during the pandemic period.
- Compared with the quarters of the last year, 2022Q1 total operating revenue is lower than the final quarter but higher than the first 3 quarters.

### Monthly revenue

- **2021**
  - Q1: 261.13
  - Q2: 276.20
  - Q3: 330.54
  - Q4: 453.54

- **2022**
  - Q1: 353.47

### Quarterly revenue

- **2021**
  - Q1: 261.13
  - Q2: 276.20
  - Q3: 330.54
  - Q4: 453.54

- **2022**
  - Q1: 353.47

*Based on individual financial report*
Cost breakdown and comparison

2022Q1
- Fuel: 34%
- Rental, Depr., & Amortization: 19%
- Labor: 18%
- Maintenance: 14%
- Airport & ground handling: 9%
- OTH: 4%

2021FY
- Fuel: 29%
- Rental, Depr., & Amortization: 20%
- Labor: 18%
- Maintenance: 17%
- Airport & ground handling: 10%
- OTH: 4%

Based on individual financial report
# Fuel cost analysis

<table>
<thead>
<tr>
<th></th>
<th>Unit</th>
<th>2021Q1</th>
<th>2022Q1</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Jet fuel (MOPS)</strong></td>
<td>USD/BBL</td>
<td>63.44</td>
<td>112.74</td>
<td>77.72%</td>
</tr>
<tr>
<td><strong>Fuel Consumption</strong></td>
<td>10K BBL</td>
<td>343.75</td>
<td>352.35</td>
<td>2.50%</td>
</tr>
<tr>
<td><strong>Fuel Cost</strong></td>
<td>TWD 100 million</td>
<td>65.52</td>
<td>105.14</td>
<td>60.47%</td>
</tr>
<tr>
<td><strong>Hedging gain/loss</strong></td>
<td>TWD 100 million</td>
<td>0</td>
<td>(0.43)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total fuel cost</strong></td>
<td>TWD 100 million</td>
<td>65.52</td>
<td>104.71</td>
<td>59.81%</td>
</tr>
</tbody>
</table>
Financial risk management

- CAL’s hedging of fuel, exchange rates and interests rates etc., are based on the decisions made by the risk committee of Board of Directors.

- Exchange rates: Natural hedge is applied in order to reduce influences made by currency fluctuation.

- Interest rates: Issue fixed-rate corporate bonds and trade derivative product such as IRS to reduce the risk of rates rising in the future.
2022Q1 Passenger performance

- **Passenger revenue**: 1.3 billion (YoY+8.1%)
- **Revenue passenger**: 60.5,000 (-12.8%)
- **Available seat kilometer (ASK)**: 1.58 billion (+17.2%)
- **Average load factor**: 16.1% (-3.5 ppt)
- **Pax yield**: $5.48 (-$0.25)

Passenger revenue distribution by region:
- China, 26%
- North America, 25%
- South East Asia, 24%
- Oceanic, 11%
- Europe, 10%
- Hong Kong, 2%
- North East Asia, 2%
- North East Asia, 2%

Currency: TWD

Based on individual financial report
2022Q1 Cargo performance

Currency: TWD

Cargo revenue
32.7 billion
(YoY+36.5%)

Carried tonnes
240.9 '000
(-2.8%)

Available Freight Ton Kilometer (AFTK)
2.23 billion
(-4.2%)

Average load factor
78.2 %
(+2.7 ppt)

Cargo yield
$18.74
(+$5.2)

Cargo revenue distribution by region

- North America, 60%
- South East Asia, 13%
- Europe, 9%
- China, 6%
- North East Asia, 5%
- Oceanic, 4%
- Hong Kong, 3%

Based on individual financial report
Market Outlook
Overall business environment

- Pax market: following by the border restriction ease, international RPK has recovered to 50% compared with pre-covid level.
- Cargo market: cargo capacity is still below 2019 level due to the Omicron outbreak leading to lockdown in China and the Ukraine-Russia conflict threat further weaken global supply chains, making, growth trend turned negative in March for the first time for the past year.
Re-opening border is boosting pax market recovery

- US & EU have started re-opening of borders, which stimulates pax demand; however, some Asia Pacific key markets remain closed which may slow down recovery and keep them from international connectivity.

Source: IATA Economics
TPE airport pax volume is bottomed out

TPE airport international trend

2020 4 34,618

2022 5 137,896

Reopened Countries

Taiwan entry policies

- Open borders to foreign business travelers, foreign student spouses and minors, Southeast workers to Taiwan.
- Replace on-arrival PCR test with saliva test.
- Reopening by different steps.

Source: TPE airport statistics
China lockdown and Ukraine-Russia conflict weaken global supply chain strain, but air rate is still in historical high

Asia pacific supply and demand (change% with 2019)

- Demand decreased in Mar.2022
- Air cargo growth starts to slowdown
- West coast workers negotiation

2022/2021 average air rate

Sources: IATA、Freightos
Taiwan is one of major air cargo transit demand markets in Asia Pacific.
Business planning & strategies

Well-prepared for reopening PAX market

- Increase customer preference by deploying the A321neo on regional routes
- Expand route network, according to recovery in demand
- Integration of passenger and freighter capacity along with continued optimization of schedules and connections
- Respond timely to the market demand
- Minimize loss of operation by stabilizing operation and seek out new market

High efficiency freight introduction and stable cargo income

- Deploying the 777F, through operational efficiency to improve profitability
- Strengthen handling for pharmaceutical cold-chain logistics, secure business opportunities
- Take advantage of the cargo fleet to provide differentiated services
- Flexible operations responding to the market volatility, provide reliable and customized services
- Increase profit through the utilization of belly cargo space and freighter business

CHINA AIRLINES
### Fleet Planning

<table>
<thead>
<tr>
<th>Fleet type</th>
<th>2022.05</th>
<th>2022.12</th>
<th>Remark</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Wide body</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>777-300ER</td>
<td>10</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>A350-900</td>
<td>14</td>
<td>14</td>
<td></td>
</tr>
<tr>
<td>A330-300</td>
<td>22</td>
<td>21</td>
<td>Phase out*1</td>
</tr>
<tr>
<td><strong>Narrow body</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>737-800</td>
<td>12</td>
<td>12</td>
<td></td>
</tr>
<tr>
<td>A321neo</td>
<td>6</td>
<td>10</td>
<td>introduction*4</td>
</tr>
<tr>
<td><strong>Total pax aircraft</strong></td>
<td><strong>64</strong></td>
<td><strong>67</strong></td>
<td>Net increase 3 pax aircraft</td>
</tr>
<tr>
<td><strong>Freighters</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>747-400F</td>
<td>18</td>
<td>18</td>
<td></td>
</tr>
<tr>
<td>777F</td>
<td>4</td>
<td>5</td>
<td>introduction*1</td>
</tr>
<tr>
<td><strong>Total freighter aircraft</strong></td>
<td><strong>22</strong></td>
<td><strong>23</strong></td>
<td>Net increase 1 FTR aircraft</td>
</tr>
<tr>
<td><strong>Total operating aircraft</strong></td>
<td><strong>86</strong></td>
<td><strong>90</strong></td>
<td></td>
</tr>
</tbody>
</table>
Launch environmentally friendly flight

- China Airlines participated in “The Sustainable Flight Challenge” (TSFC) issued by SkyTeam on 5/4, selecting flight CI-753 from Taipei to Singapore as the sustainability demonstration flight.

- With ECO as the core concept, we take care of every details including flight plan based on fuel saving, ground handling, online check-in and meal on board, doing our best to set up sustainable flying environment as an industrial milestone.

Four Fuel-Saving Strategies

- Renew Fleet
- Reduce Weight of Aircraft
- Operation Improvements
- Advanced Maintenance & Operation

China Airlines participated in "The Sustainable Flight Challenge" (TSFC) issued by SkyTeam on 5/4, selecting flight CI-753 from Taipei to Singapore as the sustainability demonstration flight. With ECO as the core concept, we take care of every details including flight plan based on fuel saving, ground handling, online check-in and meal on board, doing our best to set up sustainable flying environment as an industrial milestone.
Sustainability award & performance

The only Taiwanese airline selected as a component of DJSI Emerging Markets for six consecutive years.

Ranking 2nd place in the global aviation industry.

- Won the Taiwan Corporate Sustainability Award 2014 - 2021
- Won the Global Corporate Sustainability Award 2019 - 2021
- Pioneer in Environmental Protection Achieved great CDP score on climate change 2012 - 2022
- TCSA Included in the FTSE4Good Emerging Index 2016 - 2021
- FTSE4Good Included in the FTSE4Good Emerging Index 2016 - 2021
- GCSA Excellent Corporate Governance Top 6%-20% TWSE/TPEx listed companies in the eighth corporate governance review 2014 - 2022
- CDP Establish Happy Workplace Taiwan High Compensation 100 Index (HC 100) Taiwan Employment Creation 99 Index (EMP 99) 2017 - 2021

6 consecutive years 2016 - 2021
8 consecutive years 2014 - 2021
3 consecutive years 2019 - 2021
11 consecutive years 2012 - 2022
6 consecutive years 2016 - 2021
8 consecutive years 2014 - 2022
5 consecutive years 2017 - 2021
3 consecutive years 2016 - 2021
11 consecutive years 2012 - 2022
8 consecutive years 2014 - 2022
5 consecutive years 2017 - 2021
Thank you