China Airlines, Ltd.

Parent Company Only Financial Statements for the Years Ended December 31, 2024 and 2023 and Independent Auditors' Report

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:

<u>Passenger Revenue Recognition</u>

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	
ASSETS	**Amount**	**%**	**Amount**	**%**
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)	1,281,071	1	964,572	-
Total current assets	77,250,911	26	56,588,780	21
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)	30,913,036	10	29,888,872	11
Total non-current assets	220,134,647	74	208,377,626	79
TOTAL	$ 297,385,558	100	$ 264,966,406	100
LIABILITIES AND EQUITY				
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	4,296,882	1	4,175,581	2
Total current liabilities	76,661,191	26	79,671,963	30
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	629,124	-	537,746	-
Total non-current liabilities	134,723,736	45	110,703,328	42
Total liabilities	211,384,927	71	190,375,291	72
EQUITY (Notes 18 and 24)				
Share capital	60,769,350	20	60,513,407	23
Capital surplus	5,829,477	2	3,887,046	1
Retained earnings				
Legal reserve	1,868,376	1	1,230,977	1
Special reserve	690,014	-	534,375	-
Unappropriated retained earnings	18,419,108	6	9,146,199	3
Total retained earnings	20,977,498	7	10,911,551	4
Other equity	(1,544,819)	-	(690,014)	-
Treasury shares	(30,875)	-	(30,875)	-
Total equity	86,000,631	29	74,591,115	28
TOTAL	$ 297,385,558	100	$ 264,966,406	100

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)	149,899,348	86	144,040,004	89
GROSS PROFIT	25,283,107	14	17,635,529	11
OPERATING EXPENSES (Notes 4, 25 and 30)	12,502,997	7	11,041,166	7
PROFIT FROM OPERATIONS	12,780,110	7	6,594,363	4
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)	3,740,009	2	2,720,299	2
Total non-operating income and expenses	4,306,790	3	1,461,091	1
INCOME BEFORE INCOME TAX	17,086,900	10	8,055,454	5
INCOME TAX EXPENSE (Notes 4 and 26)	2,703,555	2	1,236,902	1
NET PROFIT FOR THE YEAR	14,383,345	8	6,818,552	4
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)	-
Income tax related to items that will not be reclassified subsequently to profit or loss (Note 26)	(7,973)	-	64,543	-

(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**	**%**
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)	361,746	-	(13,278)	-
Other comprehensive loss for the year, net of income tax	(702,687)	-	(769,043)	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 13,680,658	8	$ 6,049,509	4
EARNINGS PER SHARE (NEW TAIWAN DOLLARS; Note 27)				
Basic	$ 2.38		$ 1.13	
Diluted	$ 2.33		$ 1.11	

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			Other Equity				
	Share Capital	**Capital Surplus**	**Legal Reserve**	**Special Reserve**	**Unappropriated Earnings**	**Exchange Differences on Translation of the Financial Statements of Foreign Operations**	**Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income**	**Gain (Loss) on Hedging Instruments**	**Treasury Shares**	**Total Equity**
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
CASH FLOWS FROM OPERATING ACTIVITIES		
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	43,837,605	47,892,511
CASH FLOWS FROM INVESTING ACTIVITIES		
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.

PARENT COMPANY ONLY 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	12,738	14,159
Net cash used in investing activities	(4,767,174)	(30,097,647)
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	1,958,844	-
Net cash used in financing activities	(10,827,986)	(24,993,703)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	1,015,186	91,680
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	29,257,631	(7,107,159)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	20,385,668	27,492,827
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 49,643,299	$ 20,385,668

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.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

China Airlines, Ltd. (the “Company”) was founded in 1959 and its shares have been listed on the Taiwan Stock Exchange since February 26, 1993. The Company is primarily involved in (a) air transport services for passengers, cargo and mail; (b) ground services and routine aircraft maintenance; (c) major maintenance of flight equipment; (d) communications and data processing services to other airlines; (e) the sale of aircraft parts, equipment and aviation equipment; and (f) leasing of aircraft.

The major shareholders of the Company are China Aviation Development Foundation (CADF) and National Development Fund (NDF), Executive Yuan. As of December 31, 2024 and 2023, CADF and NDF jointly held a combined 39.27% and 39.43%, respectively of the Company’s shares. For the years ended December 31, 2024 and 2023, the average number of employees of the Company was 11,503 and 11,038, respectively.

2. APPROVAL OF PARENT COMPANY ONLY FINANCIAL STATEMENTS

The parent company only financial statements were approved by the Company’s board of directors on March 10, 2025.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS

a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the “IFRS Accounting Standards”) endorsed and issued into effect by the FSC.

   The initial application of the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have material impact on the Company’s accounting policies.

b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2025

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB
Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025 (Note 1)
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” - the amendments to the application guidance of classification of financial assets	January 1, 2026 (Note 2)

Note 1: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments to IAS 21, the Group shall not restate the comparative information and shall recognize any effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or, if applicable, to the cumulative amount of translation differences in equity as well as affected assets or liabilities.

Note 2: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2026. It is permitted to apply these amendments for an earlier period beginning on January 1, 2025. An entity shall apply the amendments retrospectively but is not required to restate prior periods. The effect of initially applying the amendments shall be recognized as an adjustment to the opening balance at the date of initial application. An entity may restate prior periods if, and only if, it is possible to do so without the use of hindsight.

As of the date the parent company only financial statements were authorized for issue, the Company has assessed that the application of other standards and interpretations will not have a material impact on the Company's financial position and financial performance.

c. The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note)
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments" - the amendments to the application guidance of derecognition of financial liabilities	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity"	January 1, 2026
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 - Comparative Information"	January 1, 2023
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027
IFRS 19 "Subsidiaries without Public Accountability: Disclosures"	January 1, 2027

Note: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

IFRS 18 "Presentation and Disclosure in Financial Statements"

IFRS 18 will supersede IAS 1 "Presentation of Financial Statements". The main changes comprise:

- Items of income and expenses included in the statement of profit or loss shall be classified into the operating, investing, financing, income taxes and discontinued operations categories.

- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.

- Provides guidance to enhance the requirements of aggregation and disaggregation: The Company shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Company shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Company labels items as "other" only if it cannot find a more informative label.

- Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management's view of an aspect of the financial performance of the Company as a whole, the Company shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

Except for the above impact, as of the date the parent company only financial statements were authorized for issue, the Company is continuously assessing other impacts of the above amended standards and interpretations on the Company's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

Statement of Compliance

The parent company only financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and related regulations.

Basis of Preparation

The parent company only financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value and net defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

a. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;

b. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

c. Level 3 inputs are unobservable inputs for an asset or liability.

When preparing these parent company only financial statements, the Company used the equity method to account for its investments in subsidiaries, associates and joint ventures. In order for the amounts of the net profit for the year, other comprehensive income for the year and total equity in the parent company only financial statements to be the same with the amounts attributable to the owners of the Company in its consolidated financial statements, adjustments arising from the differences in accounting treatments between the parent company only basis and the consolidated basis were made to investments accounted for using the equity method, the share of profit or loss of subsidiaries, associates and joint ventures, the share of other comprehensive income of subsidiaries, associates and joint ventures and the related equity items, as appropriate, in these parent company only financial statements.

Classification of Current and Non-current Assets and Liabilities

Current assets include:

a. Assets held primarily for the purpose of trading;

b. Assets expected to be realized within 12 months after the reporting period; and

c. Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

a. Liabilities held primarily for the purpose of trading;

b. Liabilities due to be settled within 12 months after the reporting period; and

c. Liabilities for which the Company does not have the substantial right at the end of the reporting period to defer settlement for at least 12 months after the reporting period.

Assets and liabilities that are not classified as current are classified as non-current.

Foreign Currencies

In preparing the Company's parent company only financial statements, the transactions in currencies other than the Company's functional currency (i.e., foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise except for exchange differences on:

a. Foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings; and

b. Transactions entered into in order to hedge certain foreign currency risks.

Non-monetary items denominated in foreign currencies that are measured at fair value are retranslated at the rates prevailing at the date when the fair value is determined. Exchange differences arising from the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which case, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary item denominated in a foreign currency and measured at historical cost is stated at the reporting currency as originally translated from the foreign currency.

For the purpose of presenting parent company only financial statements, the assets and liabilities of the Company's foreign operations are translated into New Taiwan dollars using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income.

On the disposal of a foreign operation, all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

Inventories

Inventories are primarily expendable and nonexpendable parts and materials, supplies used in operations and items for in-flight sales and are stated at the lower of cost or net realizable value. The costs of inventories sold or consumed are determined using the weighted-average method.

Non-current Assets Held for Sale

Non-current assets are classified as held-for-sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset is available for immediate sale in its present condition. To meet the criteria for the sale being highly probable, the appropriate level of management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell. Such assets classified as held for sale are not depreciated.

Investments Accounted for Using the Equity Method

The Company uses the equity method to account for its investments in subsidiaries, associates and joint ventures.

a. Investment in subsidiaries

A subsidiary is an entity (including a structured entity) that is controlled by the Company.

Under the equity method, an investment in a subsidiary is initially recognized at cost and adjusted therefore to recognize the Company's share of the profit or loss and other comprehensive income of the subsidiary. The Company also recognizes the change in Company's share of the other equity of the subsidiary.

Changes in the Company's ownership interests in a subsidiary that do not result in the Company losing control of the subsidiaries are accounted for as equity transactions. The Company recognizes directly in equity any difference between the carrying amounts of the investment and the fair value of the consideration paid or received.

When the Company's share of losses of a subsidiary exceeds its interest in that subsidiary (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Company's net investment in the subsidiary), the Company continues recognizing its share of further losses, if any.

Any excess of the cost of acquisition over the Company's share of the net fair value of the identifiable assets and liabilities of a subsidiary that constitutes a business at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities of a subsidiary that constitutes a business over the cost of acquisition is recognized immediately in profit or loss.

The Company assesses its investment for any impairment by comparing the carrying amount with the estimated recoverable amount as assessed based on the investee's parent company only financial statements as a whole. Impairment loss is recognized when the carrying amount exceeds the recoverable amount. If the recoverable amount of the investment subsequently increases, the Company recognizes a reversal of the impairment loss; the adjusted post-reversal carrying amount should not exceed the carrying amount that would have been recognized (net of amortization) had no impairment loss been recognized in prior years. An impairment loss recognized on goodwill cannot be reversed in a subsequent period.

When the Company loses control of a subsidiary, it recognizes the investment retained in the former subsidiary at its fair value at the date when control is lost. The difference between the fair value of the retained investment plus any consideration received and the carrying amount of the previous investment at the date when control is lost is recognized as a gain or loss in profit or loss. Besides this, the Company accounts for all amounts previously recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required had the Company directly disposed of the related assets or liabilities.

Profit or loss resulting from downstream transactions is eliminated in full only in the parent company only financial statements. Profit and loss resulting from upstream transactions and transactions between subsidiaries is recognized only in the parent company only financial statements and only to the extent of interests in the subsidiaries that are not related to the Company.

b. Investments in associates and joint ventures

An associate is an entity over which the Company has significant influence and which is neither a subsidiary nor an interest in a joint venture. A joint venture is a joint arrangement whereby the Company and other parties that have joint control of the arrangement and the rights to the net assets of the arrangement.

The Company uses the equity method to account for its investments in associates and joint ventures. Under the equity method, investments in an associate and a joint venture are initially recognized at cost and adjusted thereafter to recognize the Company’s share of the profit or loss and other comprehensive income of the associate and joint venture. The Company also recognizes the changes in the Company’s share of equity of associates and joint ventures attributable to the Company.

Any excess of the cost of acquisition over the Company’s share of the net fair value of the identifiable assets and liabilities of an associate and a joint venture recognized at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Company’s share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

When the Company subscribes for additional new shares of an associate and a joint venture at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Company’s proportionate interest in the associate and joint venture. The Company records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus. If the Company’s ownership interest is reduced due to it additional subscription of the new shares of the associate and joint venture, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate and joint venture is reclassified to profit or loss on the same basis as would be required had the investee directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for using the equity method is insufficient, the shortage is debited to retained earnings.

When the Company’s share of losses of an associate and a joint venture equals or exceeds its interest in that associate and joint venture (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Company’s net investment in the associate and joint venture), the Company discontinues recognizing its share of further loss. Additional losses and liabilities are recognized only to the extent that the Company has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate and joint venture.

The entire carrying amount of the investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

The Company discontinues the use of the equity method from the date on which its investment ceases to be an associate and a joint venture. Any retained investment is measured at fair value at that date and the fair value is regarded as the investment's fair value on initial recognition as a financial asset. The difference between the previous carrying amount of the associate and joint venture attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate and joint venture. The Company accounts for all amounts previously recognized in other comprehensive income in relation to that associate and joint venture on the same basis as would be required had that associate directly disposed of the related assets or liabilities.

When the Company transacts with its associate and joint venture, profits and losses resulting from the transactions with the associate and joint venture are recognized in the Company's parent company only financial statements only to the extent of interests in the associate and the joint venture that are not related to the Company.

Property, Plant and Equipment

Property, plant and equipment are tangible items that are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and are expected to be used for more than one period. The cost of an item of property, plant and equipment shall be recognized as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Company; the cost of the item can be measured reliably. Property, plant and equipment are stated at cost less recognized accumulated depreciation and recognized accumulated impairment loss.

Freehold land is not depreciated.

Depreciation is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period. The impact of any changes in accounting estimates is accounted for on a prospective basis under IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors".

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

Investment Properties

Investment properties are properties held to earn rentals or for capital appreciation. Investment properties also include land held for a currently undetermined future use.

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment loss.

On derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount of the asset is included in profit or loss.

Intangible Assets

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful lives, residual values, and amortization methods are reviewed at the end of each reporting period. The residual value of an intangible asset with a finite useful life shall be assumed zero unless the Company expects to dispose of the intangible asset before the end of its economic life. The impact of any changes in accounting estimates is accounted for on a prospective basis under IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors".

Impairment of Property, Plant and Equipment, Right-of-use Asset, Investment Properties and Intangible Assets Other Than Goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its property, plant and equipment, right-of-use asset, investment properties and intangible assets, excluding goodwill, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the individual cash-generating units on a reasonable and consistent basis; otherwise, corporate assets are allocated to the smallest group of cash-generating units on a reasonable and consistent basis of allocation.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount.

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset, cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized on the asset, cash-generating unit in prior years. A reversal of an impairment loss is recognized in profit or loss.

Financial Instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss/included in the initially recognized amount of financial assets or financial liabilities.

a. Financial assets

   All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. All regular way purchases or sales of financial assets are buy or sell of financial assets in the period set by regulation or market convention.

1) Measurement categories

Financial assets are classified into the following categories: Financial assets at FVTPL, financial assets at amortized cost, and investments in equity instruments at FVTOCI.

a) Financial assets at FVTPL

Financial assets are classified as at FVTPL when such a financial asset is mandatorily classified or designated as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI.

Financial assets at FVTPL are subsequently measured at fair value, and any remeasurement gains or losses on such financial assets are recognized in profit or loss. Fair value is determined in the manner described in Note 29.

b) Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

i. The financial assets are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

ii. The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, trade receivables, other receivables and other financial assets, are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset.

Cash equivalents include time deposits with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

c) Investments in equity instruments at FVTOCI

On initial recognition, the Company may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation as at FVTOCI is not permitted if an equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments; instead, they will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Company’s right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

2) Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including trade receivables and finance lease receivables).

The Company always recognizes lifetime expected credit losses (ECLs) for trade receivables, finance lease receivables and other receivables. For all other financial instruments, the Company recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of a default occurring as the weights. Lifetime ECLs represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represents the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and the carrying amounts of such financial assets are not reduced.

3) Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset’s carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset’s carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

b. Equity instruments

Equity instruments issued by the Company are classified as equity in accordance with the substance of the contractual arrangements and the definitions of an equity instrument.

Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

The repurchase of the Company’s own equity instruments is recognized in and deducted directly from equity, and its carrying amounts are calculated based on weighted average by share types. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company’s own equity instruments.

c. Financial liabilities

1) Subsequent measurement

Except for derivative financial instruments, all financial liabilities are measured at amortized cost using the effective interest method.

2) Derecognition of financial liabilities

The difference between the carrying amount of a financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

d. Convertible bonds

The component parts of compound instruments (i.e., convertible bonds) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

On initial recognition, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortized cost basis using the effective interest method until extinguished upon conversion or upon the instrument’s maturity date. Any embedded derivative liability is measured at fair value.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognized and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognized in equity will be transferred to capital surplus - share premiums. When the conversion option remains unexercised at maturity, the balance recognized in equity will be transferred to capital surplus - share premiums.

Transaction costs that relate to the issuance of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognized directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component.

e. Derivative financial instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate, foreign exchange rate and fuel price risks, including foreign exchange forward contracts, interest rate swaps, currency options, fuel options and swap.

Derivatives are initially recognized at fair value at the date on which the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event, the timing of the recognition in profit or loss depends on the nature of the hedging relationship. When the fair value of a derivative financial instrument is positive, the derivative is recognized as a financial asset; when the fair value of a derivative financial instrument is negative, the derivative is recognized as a financial liability.

Derivatives embedded in hybrid contracts that contain financial asset hosts that is within the scope of IFRS 9 are not separated; instead, the classification is determined in accordance with the entire hybrid contract. Derivatives embedded in non-derivative host contracts that are not financial assets that is within the scope of IFRS 9 (e.g., financial liabilities) are treated as separate derivatives when they meet the definition of a derivative; their risks and characteristics are not closely related to those of the host contracts; and the host contracts are not measured at FVTPL.

Hedge Accounting

The Company designates certain hedging instruments, which include derivatives and non-derivatives in respect of foreign currency risk, as cash flow hedges. When entering into hedging transactions, the Company has prepared official documents that describe the hedging relationship between hedging instruments and items which have been hedged, the objective of risk management, the hedging strategy, and the way to evaluate the effectiveness of the hedging instrument.

The effective portion of gains and losses on derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive income. The gains or losses relating to the ineffective portion are recognized immediately in profit or loss.

The associated gains or losses that were recognized in other comprehensive income are reclassified from equity to profit or loss as reclassification adjustments in the line items relating to the hedged item in the same period in which the hedged item affects profit or loss. If a hedge of a forecasted transaction subsequently results in the recognition of a non-financial asset or a non-financial liability, the associated gains and losses that were recognized in other comprehensive income are removed from equity and included in the initial cost of the non-financial asset or non-financial liability.

The Company discontinues hedge accounting only when the hedging relationship ceases to meet the qualifying criteria; for instance, when the hedging instrument expires or is sold, terminated or exercised. The cumulative gain or loss on the hedging instrument that has been previously recognized in other comprehensive income (from the period in which the hedge was effective) remains separately in equity until the forecasted transaction occurs. When a forecasted transaction is no longer expected to occur, the gains or losses accumulated in equity are recognized immediately in profit or loss.

Provisions

The Company recognizes provisions when the Company has a present obligation (legal or constructive obligation) arising from past events, the payment for the obligation is probable, and the expenditure for settling the obligation can be reliably estimated.

The amount recognized as a provision is measured at the best estimate of the expenditure required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured at the estimate of using the cash flows to settle the present obligation, its carrying amount is the present value of those cash flows. When the aircraft lease contracts expire and the leased item will be returned to the lessor, the Company will assess if there are existing obligations exist and if a provision is required to be recognized when signing the lease contract.

Revenue Recognition

The Company recognizes revenue by applying the following steps:

- Identifying the contract with the customer;
- Identifying the performance obligations in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contract; and
- Recognize revenue when the Company satisfies a performance obligation.

<u>Shipping service revenue</u>

Passenger and cargo revenue are recognized as revenue when the passengers and goods are actually carried. When the tickets are sold, due to the fact that the fulfillment of performance obligations of the shipment have not been met, the relevant amount of revenue is initially recorded as contract liabilities until passengers actually board.

Leasing

At the inception of a contract, the Company assesses whether the contract is, or contains, a lease.

The Company as lessee

The Company recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the parent company only balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms. However, if leases transfer ownership of the underlying assets to the Company by the end of the lease terms or if the costs of right-of-use assets reflect that the Company will exercise a purchase option, the Company depreciates the right-of-use assets from the commencement dates to the end of the useful lives of the underlying assets.

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments, in-substance fixed payments, variable lease payments which depend on an index or a rate, residual value guarantees, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and payments of penalties for terminating a lease if the lease term reflects such termination, less any lease incentives payable. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee’s incremental borrowing rate will be used.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, a change in the amounts expected to be payable under a residual value guarantee, a change in the assessment of an option to purchase an underlying asset, or a change in future lease payments resulting from a change in an index or a rate used to determine those payments, the Company remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the parent company only balance sheets.

Variable lease payments that do not depend on an index or a rate are recognized as expenses in the periods in which they are incurred.

For sale and leaseback transactions, if the transfer of an asset satisfies the requirements of IFRS 15 to be accounted for as a sale, the Company recognizes only the amount of any gain or loss which relates to the rights transferred to the buyer-lessor, and adjusts the off-market terms to measure the sale proceeds at fair value. If the transfer does not satisfy the requirements of IFRS 15 to be accounted for as a sale, it is accounted for as a financing transaction.

Employee Benefits

a. Short-term employee benefits

   Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related services.

b. Retirement benefits

Payments to the defined contribution retirement benefit plan are recognized as expenses when employees have rendered services entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost and past service cost) and net interest on the net defined benefit liabilities (assets) are recognized as employee benefits expense in the period in which they occur. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which it occurs. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liabilities (assets) represent the actual deficit (surplus) in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other than that which is stated above, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

Government Grants

Government grants are not recognized until there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received.

Government grants related to income are recognized in profit or loss on a systematic basis over the periods in which the Company recognizes as expenses the related costs that the grants intend to compensate.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognized in profit or loss in the period in which they are received.

The benefit of a government loan received at a below-market rate of interest is treated as a government grant measured as the difference between the proceeds received and the fair value of the loan based on prevailing market interest rates.

Frequent Flyer Programs

The Company has a "Dynasty Flyer Program" through which program members can convert accumulated mileage to a cabin upgrade, free tickets and other member rewards.

A portion of passenger revenue attributable to the rewards for the frequent flyer program is deferred. The Company should recognizes this deferred revenue as revenue only when the Company has fulfilled its obligations on the granting of rewards or when the period for converting the mileage to rewards has expired.

Income Tax

Income tax expense represents the sum of the current tax and deferred tax.

a. Current tax

The current tax liabilities are based on current taxable profit. Since part of the income and expenses are taxable or deductible in other periods, or in accordance with the relevant tax laws are taxable or deductible, current taxable profit differs from net profit reported in the parent company only statements of comprehensive income. The Company's current tax liabilities are calculated by the tax rate was legislated or substantially legislated at the balance sheet date.

According to the Income Tax Act in the R.O.C Income Tax Law, an additional tax of unappropriated earnings is provided for as income tax in the year the shareholders approve the retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

b. Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences, unused loss carryforwards and unused tax credits for purchases of machinery, equipment and technology, research and development expenditures, and personnel training expenditures to the extent that it is probable that taxable profit will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are recognized only to the extent that it is probable that there will be sufficient taxable profit against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the assets to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liabilities are settled or the assets are realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

c. Current and deferred taxes

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred taxes are also recognized in other comprehensive income or directly in equity, respectively.

Maintenance and Overhaul Costs

Routine maintenance costs are recognized in profit or loss in the period in which they are incurred.

The overhaul costs of an owned or leased aircraft that meet the criteria for fixed asset capitalization are capitalized as replacements for aircraft and engines and are depreciated on a straight-line basis over the expected annual overhaul cycle.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies as disclosed in Note 4, management is required to make judgments, estimations and assumptions on the carrying amounts that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

Key Sources of Estimation Uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Defined Benefit Obligations

The present value of defined benefit obligations at the end of the reporting period is calculated using actuarial assumptions. Those assumptions, which are based on management's judgments and estimates, comprise the discount rate and expected return on plan assets. Changes in actuarial assumptions may have a material impact on the amount of defined benefit obligations.

Useful Lives of Property, Plant and Equipment - Flight Equipment

Flight equipment is measured at cost less residual value and are depreciated on a straight-line basis over their estimated useful lives. The estimated useful lives and residual values are evaluated based on the Company's historical experience and current usage condition in the aviation industry.

Because of the change in fleet planning to match the economic benefits with the useful lives, on March 8, 2024, the Company's board of directors resolved to modify the estimated useful lives of eight B747-400F freighters from 24 years to 22 years and the estimated useful lives of two 80C2 engines from 8 years to 6 years, effective on May 1, 2024. The depreciation expense in 2024 will increase by $679 million.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2024	2023
Cash on hand and revolving funds	$ 65,474	$ 63,051
Checking accounts and demand deposits	7,395,451	4,747,741
Cash equivalent		
Time deposits with original maturities of less than three months	29,980,211	10,400,000
Repurchase agreements collateralized by bonds	12,202,163	5,174,876
	$ 49,643,299	$ 20,385,668

The market rate intervals of cash in the bank and cash equivalents at the end of the reporting period were as follows:

	December 31	
	2024	2023
Bank balance	0.00%-1.90%	1.00%-1.90%
Time deposits with original maturities of less than three months	1.65%-5.11%	1.35%-5.90%
Repurchase agreements collateralized by bonds	1.55%-5.12%	1.32%-5.78%

The Company designated some deposits denominated in USD and repurchase agreements collateralized by bonds as hedging instruments to avoid exchange rate fluctuations on final payments of aircraft orders and prepayments for equipment and applied cash flow hedge accounting to hedge its foreign exchange exposure. The contract information is as follows:

	Maturity Date	Subject	Carrying Value
December 31, 2024	2025.1.2	Financial assets for hedging - current	$ 2,950,820
December 31, 2023	2024.1.5-2024.2.7	Financial assets for hedging - current	10,307,692

Impact on other comprehensive income (loss)

	Recognized in Other Comprehensive Income (Loss)
For the year ended December 31, 2024	$ 572,698
For the year ended December 31, 2023	(449,744)

For the years ended December 31, 2024 and 2023, the amount of hedging instrument settlements recognized as prepayments for equipment were decreased to $36,900 thousand and increased to $159,683 thousand, respectively. Additionally, due to the amount of ineffectiveness of hedging recognized as foreign exchange gains were $11,177 thousand and $0, respectively.

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (FVTOCI)

Investments in Equity Instruments

	December 31	
	2024	2023
Non-current		
Foreign investments		
Unlisted shares	$ 47,997	$ 37,640
Listed shares	368	-
Domestic investments		
Unlisted shares	23,095	22,785
	$ 71,460	$ 60,425

These investments in equity instruments are not held for trading. Instead, they are held for medium- to long-term strategic purposes and are expected to profit through long-term investment. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair values in profit or loss would not be consistent with the Company's strategy of holding these investments for long-term purposes.

8. FINANCIAL ASSETS AT AMORTIZED COST

	December 31	
	2024	**2023**
Current		
Time deposits with original maturities of more than 3 months	$ 10,000	$ 3,086,923

The ranges of interest rates for time deposits with original maturities of more than 3 months were 1.46% and 1.33%-5.89% per annum as of December 31, 2024 and 2023, respectively.

9. NOTES RECEIVABLE AND ACCOUNTS RECEIVABLE, NET

	December 31	
	2024	**2023**
Notes receivable	$ 207,030	$ 175,824
Accounts receivable		
At amortized cost		
Gross carrying amount	10,104,159	9,073,475
Less: Allowance for impairment loss	(228,310)	(225,830)
	9,875,849	8,847,645
	$ 10,082,879	$ 9,023,469

The average credit period is 7 to 55 days. In determining the recoverability of an accounts receivable, the Company considers any change in the credit quality of the receivable since the date credit is initially granted to the end of the reporting period, and any allowance for impairment loss is based on the estimated irrecoverable amounts determined by reference to the Company's past default experience with the counterparty and an analysis of the counterparty's current financial position. The Company adopts a policy of only dealing with entities that are rated the equivalent of investment grade or higher and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. Credit rating information is obtained from independent rating agencies where available or, if not available, the Company uses other publicly available financial information or its own trading records to rate its major customers. The Company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually.

The Company applies the simplified approach to allowing for expected credit losses prescribed by IFRS 9, which permits the use of lifetime expected loss allowance for all account receivable. The expected credit losses on accounts receivable are estimated using a provision matrix by reference to past default experience with the debtors and an analysis of the debtors' current financial position, adjusted for general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecasted direction of economic conditions at the reporting date. As the Company's historical credit loss experience does not show significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished according to the different segments of the Company's customer base.

The Company writes off accounts receivable when there is information indicating that the debtor is experiencing severe financial difficulty and there is no realistic prospect of recovery. For accounts receivable that have been written off, the Company continues to engage in enforcement activity to attempt to recover the past due receivables. Where recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of accounts receivable based on the Company's provision matrix:

December 31, 2024

	Not Past Due	1 to 30 Days Past Due	31 to 60 Days Past Due	61 to 90 Days Past Due	Over 90 Days Past Due	Total
Expected credit loss rate	0.18%	10.06%	51.01%	100.00%	100.00%	
Gross carrying amount	$ 9,776,451	$ 30,851	$ 181,934	$ 457	$ 114,466	$10,104,159
Loss allowance (lifetime ECLs)	(17,482)	(3,103)	(92,802)	(457)	(114,466)	(228,310)
Amortized cost	$ 9,758,969	$ 27,748	$ 89,132	$ -	$ -	$ 9,875,849

December 31, 2023

	Not Past Due	1 to 30 Days Past Due	31 to 60 Days Past Due	61 to 90 Days Past Due	Over 90 Days Past Due	Total
Expected credit loss rate	0.95%	14.72%	52.36%	100.00%	100.00%	
Gross carrying amount	$ 8,866,351	$ 69,196	$ 13,362	$ 9,648	$ 114,918	$ 9,073,475
Loss allowance (lifetime ECLs)	(84,082)	(10,186)	(6,996)	(9,648)	(114,918)	(225,830)
Amortized cost	$ 8,782,269	$ 59,010	$ 6,366	$ -	$ -	$ 8,847,645

The movements of the loss allowance of accounts receivable were as follows:

	For the Year Ended December 31	
	2024	2023
Balance at January 1	$ 225,830	$ 230,350
Add: Amounts recovered	3,396	35
Less: Amounts written off	(916)	(4,555)
Balance at December 31	$ 228,310	$ 225,830

10. INVENTORIES, NET

	December 31	
	2024	2023
Aircraft spare parts	$ 9,732,934	$ 9,428,795
Items for in-flight sale	746,347	659,584
Work in process - maintenance services	1,527,240	388,582
	$ 12,006,521	$ 10,476,961

The operating costs for the years ended December 31, 2024 and 2023 included losses from inventory write-downs of $842,879 thousand and $1,171,779 thousand, respectively.

11. NON-CURRENT ASSETS HELD FOR SALE

	December 31	
	2024	2023
Aircraft held for sale	$ -	$ 1,290,581

To enhance its competitiveness, the Company plans to introduce new aircraft and retire old aircraft according to a planned schedule. Such aircraft, classified as non-current assets held for sale, had an original carrying amount which was higher than the expected sale price and which was recognized as an impairment loss, and would be continuously assessed whether there are further impairments in subsequent periods. However, the actual loss shall be identified by the actual sale price. The Company recognized gain on reversal of impairment of $310,605 thousand and the impairment losses of $979,459 thousands for the years ended December 31, 2024 and 2023, respectively.

The fair value measurement is classified as Level 3, and the fair value was determined according to similar transactions of the related markets. The proposed sale prices were based on the current status of the aircraft.

The Company disposed of the aircraft held for sale for the years ended December 31, 2024 and 2023, and recognized a gain of $9,753 thousand and a loss of $2,364 thousand, respectively.

12. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31	
	2024	2023
Investments in subsidiaries	$ 14,723,552	$ 12,032,238
Investments in joint ventures	1,473,667	869,320
	$ 16,197,219	$ 12,901,558

a. Investment in subsidiaries

	December 31	
	2024	**2023**
Tigerair Taiwan Co., Ltd.	$ 4,993,997	$ 3,179,817
Cal Park	1,844,037	1,786,823
Mandarin Airlines	2,074,749	1,664,600
Cal-Dynasty International	1,559,788	1,418,175
Taiwan Air Cargo Terminal	1,418,805	1,376,778
Taoyuan International Airport Services	397,118	414,674
Cal-Asia Investment	720,382	622,487
Sabre Travel Network (Taiwan)	275,251	237,347
Cal Hotel	308,630	340,162
Taiwan Airport Services	174,077	65,256
Dynasty Aerotech International	136,866	124,583
Taiwan Aircraft Maintenance and Engineering	336,612	377,137
Global Sky Express	5,524	6,421
Kaohsiung Catering Services	477,716	417,978
	$ 14,723,552	$ 12,032,238

At the end of the reporting period, the proportion of ownership and voting rights of subsidiaries held by the Company were as follows:

	December 31	
	2024	**2023**
Tigerair Taiwan Co., Ltd.	65%	75%
Taiwan Air Cargo Terminal	54%	54%
Cal Park	100%	100%
Mandarin Airlines	97%	97%
Cal-Dynasty International	100%	100%
Taoyuan International Airport Services	49%	49%
Cal-Asia Investment	100%	100%
Sabre Travel Network (Taiwan)	94%	94%
Taiwan Airport Services	47%	47%
Cal Hotel	100%	100%
Dynasty Aerotech International	100%	100%
Taiwan Aircraft Maintenance and Engineering	100%	100%
Global Sky Express	25%	25%
Kaohsiung Catering Services	54%	54%

The Company has control over Taoyuan International Airport Service, Taiwan Airport Service and Global Sky Express despite its ownership of less than 50%. Therefore, they were listed as subsidiaries.

On February 13, 2023, the board of directors of Tigerair Taiwan Co., Ltd. resolved to issue 36,000 thousand ordinary shares for cash to strengthen its capital structure. On March 9, 2023, the board of directors of the Company approved the subscription plan at $25 per share. In April 2023, the Company subscribed for 23,993 thousand shares. The Group's comprehensive ownership percentage dropped to 81%. Because the shares were subscribed at a percentage different from its existing ownership percentage, the Company's capital surplus increased by $85,930 thousand. In addition, Tigerair Taiwan Co., Ltd. reserves 15% of the total of issuances for employees to subscribe to in accordance with article 267, item 1 of the Company Act. As a result, the Company's capital surplus increased by $24,055 thousand.

Tigerair Taiwan Co., Ltd. applied for a listing on the Taiwan Innovation Board of the Taiwan Stock Exchange on December 21, 2022. The board of directors of the Taiwan Stock Exchange approved the listing application on February 21, 2023, and it was reported to the authority. To cooperate with the public underwriting before the initial listing on the Taiwan Innovation Board, the board of directors of Tigerair Taiwan Co., Ltd. approved the issuance of 13,000 thousand ordinary shares for cash on May 5, 2023, and the issuance was approved by the authority in July 2023. In addition, due to relevant regulations, the Group did not participate in ordinary shares for cash; therefore, the Group's comprehensive ownership percentage dropped to 79%. Because the shares were subscribed at a rate different from its existing ownership percentage, the Company's capital surplus increased by $366,180 thousand.

To align with the listing of Tigerair Taiwan Co., Ltd. on the main board, the Company disposed of 36,745 thousand shares of Tigerair Taiwan Co., Ltd. in September 2024, with a disposal amount of $1,958,844 thousand. After the disposal, the Group's comprehensive ownership percentage dropped to 71%. Since the transaction did not change the authority the Company has over the subsidiaries, it was treated as an equity transaction. The net asset carrying amount of the subsidiaries, in accordance with the change in relative equity, was transferred to non-controlling interests in the amount of $533,510 thousand. The difference between the actual disposal price of the subsidiary's shares and the carrying amount was $1,425,334 thousand, which was recognized as an increase in capital reserve.

Additionally, Tigerair Taiwan Co., Ltd. applied for the listing of its shares on the main board on August 16, 2024, and the application was approved by the Taiwan Stock Exchange on September 13, 2024. To align with the public offering prior to the board transfer, Taiwan Tigerair's board of directors approved a cash capital increase on September 27, 2024, with a total planned issuance of 10,530 thousand shares. In addition, due to relevant regulations, the Group did not participate in ordinary shares for cash; therefore, the Group's comprehensive ownership percentage dropped to 69%. Because the shares were subscribed at a rate different from its existing ownership percentage, the Company's capital surplus increased by $285,416 thousand. In addition, Tigerair Taiwan Co., Ltd. reserves 15% of the total issuances for employees to subscribe to in accordance with article 267, item 1 of the Company Act. As a result, the Company's capital surplus increased by $43,216 thousand.

Taiwan Air Cargo Terminal carried out a capital reduction to return investment to shareholders by $500,000 thousand. The reduction date was in August 2023. After the capital deduction, the proportion of ownership in the Company remained unchanged.

In July 2024 and June 2023, Cal Park gained of $18,370 thousand and $28,896 thousand by capital increase out of retained earnings; the proportion of ownership of the Company remained unchanged.

The board of directors of the Company passed the resolution to dissolve Global Sky Express on August 9, 2024. Global Sky Express is currently undergoing the dissolution and liquidation process after passing a resolution for its dissolution at its extraordinary shareholders' meeting on September 5, 2024.

Dynasty Holidays was classified as an associate accounted and uses the equity method. On May 31, 2022, the provisional shareholders' meeting has resolved to dissolve Dynasty Holidays, and the liquidation process was completed in June 2023. The Company increased its income from the liquidation by $2,523 thousand.

The share of profit or loss of subsidiaries accounted for using the equity method was as follows:

	For the Year Ended December 31	
	2024	**2023**
Share of profit	$ 3,150,439	$ 2,355,442

b. Investment in joint ventures

The investments in joint ventures were as follows:

	December 31	
	2024	2023
China Pacific Catering Services	$ 1,353,902	$ 767,615
China Pacific Laundry Services	119,765	101,705
NORDAM Asia	-	-
	$ 1,473,667	$ 869,320

At the end of the reporting period, the proportion of ownership and voting rights in joint ventures held by the Company were as follows:

	December 31	
	2024	2023
China Pacific Catering Services	51%	51%
China Pacific Laundry Services	55%	55%
NORDAM Asia	49%	49%

The Company entered into a joint venture agreement with the Swire Company to invest in China Pacific Catering Services and China Pacific Laundry Services. According to the agreement, both parties have the right to make motion votes on the board of directors, and therefore, the Company does not have control.

NORDAM Asia was classified as an associate accounted for using the equity method. On October 27, 2023, the provisional shareholders' meeting resolved to dissolve NORDAM Asia, and the liquidation process has been in progress.

In June 2024, China Pacific Catering Services Company had a capital increase from earnings by $560,000 thousand. After the capital increase, the Company's ownership percentage remained.

The share of profit or loss of joint ventures accounted for using the equity method was as follows:

	December 31	
	2024	2023
China Pacific Catering Services	$ 572,365	$ 371,539
China Pacific Laundry Services	17,205	12,514
NORDAM Asia	-	(19,196)
	$ 589,570	$ 364,857

The Company's shares of other comprehensive income of subsidiaries, associates and joint ventures accounted for using the equity method for the years ended December 31, 2024 and 2023 were $(114,447) thousand and $(205,239) thousand, respectively.

Except for NORDAM Asia and DELICA International, the investments accounted for using the equity method and the share of profit or loss and other comprehensive income of subsidiaries, associates, and joint ventures were based on these investees' parent company only financial statements which have been audited. However, the management of the Company determined that there would have been no significant adjustments had these investees' parent company only financial statements been independently audited.

For information on the major businesses and products and the locations of registration for the major business offices of the above entities, refer to Table 7 (names, locations, and related information of investees on which the Company exercises significant influence) and Table 8 (investment in mainland China) following the notes to the parent company only financial statements.

13. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land	Buildings	Flight Equipment	Others	Total
Cost					
Balance at January 1, 2023	$ 181,593	$ 7,285,912	$ 249,641,035	$ 7,287,636	$ 264,396,176
Additions	-	72,412	1,316,191	254,949	1,643,552
Disposals	-	(1,143)	(22,809,087)	(407,960)	(23,218,190)
Reclassification	-	731	(6,818,886)	16,013	(6,802,142)
Balance at December 31, 2023	$ 181,593	$ 7,357,912	$ 221,329,253	$ 7,150,638	$ 236,019,396
Accumulated depreciation and impairment					
Balance at January 1, 2023	$ -	$ (4,210,876)	$ (139,370,311)	$ (6,044,637)	$ (149,625,824)
Depreciation expense	-	(185,577)	(14,873,312)	(323,892)	(15,382,781)
Disposals	-	1,144	20,438,662	407,512	20,847,318
Reclassification	-	-	19,996,072	94	19,996,166
Impairment losses recognized	-	-	(921,991)	-	(921,991)
Balance at December 31, 2023	$ -	$ (4,395,309)	$ (114,730,880)	$ (5,960,923)	$ (125,087,112)
Balance at December 31, 2023, net value	$ 181,593	$ 2,962,603	$ 106,598,373	$ 1,189,715	$ 110,932,284
Cost					
Balance at January 1, 2024	$ 181,593	$ 7,357,912	$ 221,329,253	$ 7,150,638	$ 236,019,396
Additions	-	247,132	3,442,128	444,239	4,133,499
Disposals	-	(956)	(3,948,695)	(281,768)	(4,231,419)
Reclassification	-	266	(12,928,303)	13,018	(12,915,019)
Balance at December 31, 2024	$ 181,593	$ 7,604,354	$ 207,894,383	$ 7,326,127	$ 223,006,457
Accumulated depreciation and impairment					
Balance at January 1, 2024	$ -	$ (4,395,309)	$ (114,730,880)	$ (5,960,923)	$ (125,087,112)
Depreciation expense	-	(199,920)	(13,784,869)	(314,240)	(14,299,029)
Disposals	-	956	3,633,731	281,295	3,915,982
Reclassification	-	-	25,166,726	223	25,166,949
Impairment losses recognized	-	-	(121,175)	-	(121,175)
Balance at December 31, 2024	$ -	$ (4,594,273)	$ (99,836,467)	$ (5,993,645)	$ (110,424,385)
Balance at December 31, 2024, net value	$ 181,593	$ 3,010,081	$ 108,057,916	$ 1,332,482	$ 112,582,072

Reclassification is mainly resulted from the transfer of prepayments for equipment and adaption of non-current assets held for sale.

Property, plant and equipment are depreciated on a straight-line basis over the estimated useful life of the assets as follows:

Buildings	
Main buildings	45-55 years
Others	10-25 years
Machinery and equipment	
Electro-mechanical equipment	25 years
Others	3-13 years
Office equipment	3-15 years
Leasehold improvements	
Building improvements	5 years
Others	3-5 years
Leased assets	3-5 years
Flight equipment and equipment under finance leases	
Airframes	18-22 years
Aircraft cabins	10-13 years
Engines	12-20 years
Heavy maintenance on aircraft	6-8 years
Engine overhauls	3-7 years
Landing gear overhauls	8-12 years
Repairable spare parts	6-15 years
Leased aircraft improvements	5-12 years
Flight simulation training equipment.	18-25 years
Nonexpendable apparatus of flight simulation training equipment.	8 years

To replace aging aircraft and revitalize the fleet, the Company's board of directors resolved the sale of five, two and five 747-400F aircraft on May 10, August 9, 2023 and March 8, 2024, respectively.

Considering the changes in model mix and phase-out plans, the Company used the fair value (Level 3) deducting transaction costs as the recoverable amount of some flight equipment and recognized impairment losses of $121,175 thousand and $921,991 thousand for the years ended December 31, 2024 and 2023, respectively. The fair value was determined with reference to factors such as the condition of the flight equipment and possible market estimates.

Refer to Note 31 for the carrying amounts of flight equipment pledged by the Company.

Based on the particularity of risk in the aviation industry, all of the Company's assets such as aircraft, real estate, and movable property are adequately insured to diversify the potential risk related to operations.

14. INVESTMENT PROPERTIES

	December 31	
	2024	**2023**
Carrying amount		
Investment properties	$ 2,047,448	$ 2,047,448

The investment properties held by the Company were land located in Nankan, which were leased to other parties.

The fair values of the investment properties held by the Company both were $3,105,185 thousand as of December 31, 2024 and 2023, respectively. The fair value valuations were performed by independent qualified professional valuers, and the future income evaluated by management was based on market transactions. All of the Company's investment properties were held under freehold interests.

15. OTHER INTANGIBLE ASSETS

	Computer Software Costs	Accumulated Amortization	Net Value
Balance at January 1, 2023	$ 1,635,741	$ (981,145)	$ 654,596
Additions	131,597	-	131,597
Amortization expense	-	(181,471)	(181,471)
Reclassification	(85,245)	65,279	(19,966)
Balance at December 31, 2023	$ 1,682,093	$ (1,097,337)	$ 584,756
Balance at January 1, 2024	$ 1,682,093	$ (1,097,337)	$ 584,756
Additions	192,286	-	192,286
Amortization expense	-	(169,120)	(169,120)
Reclassification	(206,984)	206,966	(18)
Balance at December 31, 2024	$ 1,667,395	$ (1,059,491)	$ 607,904

The above items of other intangible assets are amortized on a straight-line basis over 2-10 years.

16. OTHER ASSETS

	December 31	
	2024	2023
Current		
Temporary payments	$ 292,261	$ 128,081
Prepayments	645,536	481,688
Others	343,274	354,803
	$ 1,281,071	$ 964,572
Non-current		
Prepayments for aircraft	$ 28,726,377	$ 26,931,965
Prepayments - long-term	1,828,454	2,495,267
Refundable deposits	313,292	401,393
Restricted Assets	35,812	48,432
Other financial assets	9,101	11,815
	$ 30,913,036	$ 29,888,872

The prepayments for aircraft are comprised of prepaid deposits and capitalized interest from the purchase of A321neo, B777F, B787-9, B787-10, 777-9 and 777-8F aircraft. For details of the contract for the purchase of the aircraft, refer to Note 32.

17. BORROWINGS

Long-term Borrowings

	December 31	
	2024	2023
Unsecured bank loans	$ 2,000,000	$ 4,000,000
Secured bank loans	41,189,270	37,592,590
Commercial paper		
Proceeds from issuance	20,200,000	16,200,000
Less: Unamortized discounts	45,391	40,385
	63,343,879	57,752,205
Less: Current portion	9,450,715	17,297,086
	$ 53,893,164	$ 40,455,119
Interest rates	1.92%-2.30%	1.74%-2.15%

Secured bank loans are secured by flight equipment, refer to Note 31.

Bank loans (denominated in New Taiwan dollars) are repayable quarterly, semiannually or in lump sum upon maturity. The related information is summarized as follows:

	December 31	
	2024	2023
Periods	2016/10/18-2036/11/28	2016/10/18-2035/12/14

The Company has note issuance facilities (NIFs) obtained from certain financial institutions. The NIFs, with various maturities until December 2029, were used by the Company to guarantee commercial papers issued. As of December 31, 2024 and 2023, such commercial papers were issued at discount rates of 2.0853%-2.2220% and 1.994%-2.0477%, respectively.

In accordance with the “Regulations on Relief and Revitalization Measures for Industries and Enterprises Affected by Severe Pneumonia with Novel Pathogens” endorsed by the Ministry of Transportation and Communications and the “Operational Guides on Relief Loan Guarantees for Ailing Aviation Industry Affected by Severe Pneumonia with Novel Pathogens”, the Company applied for a special loan project to maintain its operations, and the fund along with subsidized interest rates were provided by the government. The total amount of the loans is $29,350 million, which shall be repaid within 2 to 4 years from the date of initial drawdown. As of December 31, 2024, the Company had made a drawdown in the amount of $29,350 million and had fully repaid.

18. BONDS PAYABLE

	December 31	
	2024	2023
Unsecured corporate bonds first-time issued in 2017	$ -	$ 1,000,000
Unsecured corporate bonds first-time issued in 2018	1,025,000	2,050,000
Unsecured corporate bonds first-time issued in 2019	1,250,000	2,375,000
Unsecured corporate bonds first-time issued in 2023	2,650,000	2,650,000
Convertible bonds seventh-time issued	1,144,339	1,573,814
	6,069,339	9,648,814
Less: Current portion and put option of convertible bonds	1,650,000	4,723,814
	$ 4,419,339	$ 4,925,000

Category	Period	Conditions	Rate (%)
Seven-year private unsecured bonds - issued at par in May 2017; repayable on due date; interest of 1.75% p.a., payable annually	2017.05.19-2024.05.19	Principal repayable on due date; indicator rate; payable annually	1.75
Seven-year private unsecured bonds - issued at par in November 2018; repayable in November 2024 and 2025; 1.45% interest p.a., payable annually	2018.11.30-2025.11.30	Principal repayable in November of 2024 and 2025; indicator rate; payable annually	1.45
Five-year private unsecured bonds - issued at par in June 2019; repayable in June 2023 and 2024; 1.10% interest p.a., payable annually	2019.06.21-2024.06.21	Principal repayable in June of 2023 and 2024; indicator rate; payable annually	1.10
Seven-year private unsecured bonds - issued at par in June 2019; repayable in June 2025 and 2026; 1.32% interest p.a., payable annually	2019.06.21-2026.06.21	Principal repayable in June of 2025 and 2026; indicator rate; payable annually	1.32
Five-year private unsecured bonds - issued at par in May 2023; repayable in May 2027 and 2028; 1.90% interest p.a., payable annually	2023.05.22-2028.05.22	Principal repayable in May of 2027 and 2028; indicator rate; payable annually	1.90
Five-year convertible bonds - issued at discount in April 2021; repayable in lump sum upon maturity; 0.8612% discount rate p.a.	2021.04.28-2026.04.28	Unless bonds are converted to share capital or redeemed, principal repayable one time in April of 2026; 0.8612% discount rate p.a.	-

a. The Company issued the seventh issue of its unsecured convertible bonds, and the issuance conditions were as follows:

1) The holders may demand a lump-sum payment for the bonds upon maturity.

2) The holders can request that the Company repurchase their bonds at face value on the third anniversary of the offering date. The holders can exercise the right to sell on April 28, 2024.

3) The Company may redeem the bonds at face value between July 28, 2021 and March 18, 2026 under certain conditions.

4) Between July 28, 2021 and April 28, 2026 (except for the period between the former dividend date and the date of the dividend declaration on record), holders may convert their bonds into the Company's ordinary shares. The initial conversion price was set at NT$19 per share, which is subject to adjustment if there is a capital injection by cash or share dividend distribution. Because the Company distributed cash dividends on July 24, 2024, the conversion price was adjusted to NT$17.5. As of December 31, 2024, a total face value of $3,342,800 thousand of convertible bonds was converted into 179,776 thousand ordinary shares of the Company.

The convertible bonds contain both liability and equity components. The equity component was presented in equity under the heading of capital surplus - options. The effective interest rate of the liability component was 0.8612% per annum on initial recognition.

Proceeds from issuance	$ 4,500,000
Equity component	(188,862)
Liability component at the date of issuance	4,311,138
Interest charged at an effective interest rate	62,436
Convertible bonds converted into ordinary shares	(2,799,760)
Liability component at December 31, 2023	1,573,814
Interest charged at an effective interest rate	13,502
Convertible bonds converted into ordinary shares	(442,977)
Liability component at December 31, 2024	$ 1,144,339

b. On March 9, 2023, the board of directors of the Company resolved to issue unsecured corporate bonds. The unsecured corporate bonds may be issued in installments throughout 2023 with a limited total face value of $8,000 million. The face value of a bond is $1,000 thousand. As of December 31, 2024, $2,650 million had been issued.

c. On March 8, 2024, the board of directors of the Company resolved to issue unsecured corporate bonds. The unsecured corporate bonds may be issued in installments throughout 2024 with a limited total face value of $8,000 million and has not yet been issued as of December 31, 2024.

d. On March 10, 2025, the board of directors of the Company resolved to issue unsecured corporate bonds. The unsecured corporate bonds may be issued in installments throughout 2025 with a limited total face value of $8,000 million.

19. LEASE AGREEMENTS

a. Right-of-use assets

	December 31	
	2024	**2023**
Carrying amount		
Land	$ 4,173,068	$ 3,210,220
Buildings	6,776,235	7,062,389
Flight equipment	40,006,253	35,290,060
Other equipment	38,703	7,163
	$ 50,994,259	$ 45,569,832

	For the Year Ended December 31	
	2024	**2023**
Additions to right-of-use assets	$ 17,180,504	$ 4,900,695
Depreciation for right-of-use assets		
Land	$ 216,815	$ 189,197
Buildings	774,224	758,619
Flight equipment	10,396,355	10,727,839
Other equipment	5,260	2,125
	$ 11,392,654	$ 11,677,780

b. Lease liabilities

	December 31	
	2024	**2023**
Carrying amount		
Current	$ 1,457,772	$ 1,351,737
Non-current	$ 12,200,785	$ 10,789,864

Range of discount rates for lease liabilities (include leases denominated in USD designated as hedging instruments):

	December 31	
	2024	**2023**
Land	0%-1.92%	0%-1.65%
Buildings	0%-4.65%	0%-4.65%
Flight equipment	0.74%-5.73%	0.68%-5.73%
Other equipment	0%-1.74%	0%-1.34%

c. Financial instruments under hedge accounting

The Company specifies a part of aircraft leases denominated in USD as hedging instruments to avoid exchange rate fluctuations in passenger revenue and applies the accounting treatment of cash flow hedging. The lease information is as follows:

	Maturity Date	**Subject**	**Carrying Value**
December 31, 2024	2025.8.23-2036.7.4	Financial liabilities for hedging - current	$ 9,649,668
		Financial liabilities for hedging - non-current	31,970,060
December 31, 2023	2024.5.1-2034.12.31	Financial liabilities for hedging - current	8,766,634
		Financial liabilities for hedging - non-current	26,094,250

Influence of comprehensive income (loss)

	Recognized in Other Comprehensive Income (Loss)	Reclassified to Income
For the year ended December 31, 2024	$ (2,002,745)	$ (425,264)
For the year ended December 31, 2023	127,327	(329,884)

d. Material leasing activities and terms

China Airlines leased one A350-900 plane, ten 777-300ER planes, thirteen A330-300 planes, ten 737-800 planes and thirteen A321neo planes for operation, lease periods are 4 to 16 years from September 2019 to July 2036. The rental pricing method is partly a fixed amount of funds, and some of them are floating rents; floating rents are according to benchmark ratio, and the rent is revised every half year. When the lease expires, the lessee does not have purchase rights.

The information of refundable deposits and letter of credit due to rental of planes:

	December 31	
	2024	2023
Refundable deposits	$ 53,803	$ 121,846
Credit guarantees	1,769,270	1,537,903

e. Lease agreement signed but not yet delivered

In October 2019, the Company signed a rental contract for eight A321neo with CALC Lease Corporation, which is expected to be introduced between 2022 and 2025. As of December 31, 2024, seven A321neo have been delivered.

The Company also signed related aircraft purchase agreement, please refer to Note 32 for details.

f. Aircraft leases

In order to revitalize assets, the Company signed a lease agreement for two 747-400F aircraft with US Cargo Company in August 2021 and September 2021, respectively. The lease commencement dates were on July 15 and October 10, 2022, respectively. Due to early termination of the lease agreements, these two cargo aircraft were sold to Icelandic owner Air Atlanta Icelandic in August 2023. One of the cargo aircraft was sold on a finance lease basis, and ownership can only be obtained after the payment is paid in accordance with the 24-installment payment schedule.

Finance lease receivables

	For the Year Ended December 31	
	2024	2023
Undiscounted lease payments		
Year 1	$ 205,513	$ 289,300
Year 2	-	192,866
	205,513	482,166
Less: Unearned finance income	(5,291)	(28,310)
Net investment in leases presented as finance lease receivables	$ 200,222	$ 453,856
Current	$ 200,222	$ 265,955
Non-current	$ -	$ 187,901

The Company measures the loss allowance for finance lease receivables at an amount equals to lifetime ECLs. As of the date of balance sheet, no finance lease receivable was past due. The Company has not recognized a loss allowance for finance lease receivables after considering the historical default experience and the future prospects of the industries in which the lessees operate, together with the value of collateral held over these finance lease receivables.

g. Other lease information

The Company use operating lease agreement for investment properties, refer to Note 14.

	For the Year Ended December 31	
	2024	2023
Short-term leases and low-value asset leases	$ 75,297	$ 58,523
Total cash outflow for leases	$ (12,743,451)	$ (12,980,436)

The Company chooses to waive the recognition of the contract provisions for short-term leases and low-value asset leases and does not recognize the related right-of-use assets and lease liabilities for such leases.

20. OTHER PAYABLES

	December 31	
	2024	2023
Short-term employee benefits	$ 8,313,954	$ 4,882,140
Fuel costs	3,626,690	4,477,752
Repair expenses	1,884,594	1,800,550
Ground service expenses	803,039	814,676
Terminal surcharges	784,640	689,430
Commission expenses	239,947	277,089
Finance cost	154,841	156,502
Others	2,194,413	1,879,397
	$ 18,002,118	$ 14,977,536

21. CONTRACT LIABILITIES

	December 31	
	2024	2023
Frequent flyer program	$ 5,810,530	$ 3,915,165
Advance ticket sales	24,812,172	22,156,512
	$ 30,622,702	$ 26,071,677
Current	$ 25,772,773	$ 23,107,378
Non-current	4,849,929	2,964,299
	$ 30,622,702	$ 26,071,677

22. PROVISIONS

	December 31	
	2024	2023
Leases - aircraft	$ 19,548,593	$ 18,883,876
Current	$ 1,497,724	$ 2,591,751
Non-current	18,050,869	16,292,125
	$ 19,548,593	$ 18,883,876

The Company leased flight equipment under operating lease agreements. Under the contracts, when the leases expire and the equipment is returned to the lessor, the flight equipment has to be repaired according to the expected years of use, number of flight hours, flight cycles and the number of engine revolution. The Company had existing obligations to recognize provisions when signing a lease or during the lease term.

	Aircraft Lease Contracts
Balance at January 1, 2023	$ 20,418,602
Additional provisions recognized	5,802,208
Usage	(7,260,306)
Effect of foreign currency exchange differences	(76,628)
Balance at December 31, 2023	$ 18,883,876
Balance at January 1, 2024	$ 18,883,876
Additional provisions recognized	4,048,349
Usage	(4,200,272)
Effect of foreign currency exchange differences	816,640
Balance at December 31, 2024	$ 19,548,593

23. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The Company adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, the Company makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

b. Defined benefit plans

The defined benefit plans adopted by the Company in accordance with the Labor Standards Act is operated by the government of the ROC. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the 6 months before retirement. The Company contribute amounts equal to 15% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Company assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Company is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Company has no right to influence the investment policy and strategy.

The amounts included in the parent company only balance sheets in respect of the Company's defined benefit plans were as follows:

	December 31	
	2024	2023
Present value of defined benefit obligation	$ 16,990,181	$ 16,349,379
Fair value of plan assets	(8,469,401)	(7,745,247)
Net defined benefit liabilities	$ 8,520,780	$ 8,604,132

Movements in net defined benefit liabilities were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities (Assets)
Balance at January 1, 2023	$ 15,802,396	$ (7,454,233)	$ 8,348,163
Service cost			
Current service cost	1,018,015	-	1,018,015
Net interest expense (income)	194,678	(92,238)	102,440
Recognized in profit or loss	1,212,693	(92,238)	1,120,455
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(66,553)	(66,553)
Actuarial loss - changes in financial assumptions	118,258	-	118,258
Actuarial loss - experience adjustments	271,203	-	271,203
Recognized in other comprehensive income	389,461	(66,553)	322,908
Contributions from the employer	-	(1,026,895)	(1,026,895)
Benefits paid	(894,672)	894,672	-

(Continued)

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities (Assets)
Direct payment to employees	$ (160,721)	$ -	$ (160,721)
Exchange differences on foreign plans	222	-	222
Balance at December 31, 2023	$ 16,349,379	$ (7,745,247)	$ 8,604,132
Balance at January 1, 2024	$ 16,349,379	$ (7,745,247)	$ 8,604,132
Service cost			
Current service cost	1,003,624	-	1,003,624
Net interest expense (income)	186,825	(89,512)	97,313
Recognized in profit or loss	1,190,449	(89,512)	1,100,937
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(694,245)	(694,245)
Actuarial loss - changes in financial assumptions	657,930	-	657,930
Actuarial loss - experience adjustments	30,922	-	30,922
Recognized in other comprehensive income	688,852	(694,245)	(5,393)
Contributions from the employer	-	(1,096,411)	(1,096,411)
Benefits paid	(1,156,014)	1,156,014	-
Direct payment to employees	(97,072)	-	(97,072)
Exchange differences on foreign plans	14,587	-	14,587
Balance at December 31, 2024	$ 16,990,181	$ (8,469,401)	$ 8,520,780

(Concluded)

Through the defined benefit plans under the Labor Standards Act, the Company is exposed to the following risks:

1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.

2) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.

3) Salary risk: The present value of the defined benefit obligation is calculated using to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations were as follows:

	December 31	
	2024	2023
Discount rate	1.59%	1.19%
Expected rate of salary increase	2.00%	1.00%

If possible reasonable changes in each of the significant actuarial assumptions occur and all other assumptions remain constant, the present value of the defined benefit obligation will increase (decrease) as follows:

	December 31	
	2024	**2023**
Discount rate		
0.25% increase	$ (314,084)	$ (317,990)
0.25% decrease	$ 330,614	$ 317,990
Expected rate of salary increase		
0.5% increase	$ 628,167	$ 635,979
0.5% decrease	$ (595,106)	$ (604,180)

The sensitivity analysis presented above may not be representative of the actual changes in the present value of the defined benefit obligation as it is unlikely that changes in assumptions will occur in isolation of one another as some of the assumptions may be correlated.

	December 31	
	2024	**2023**
Expected contributions to the plan for the next year	$ 888,967	$ 891,625
Average duration of the defined benefit obligation	7.6 years	8.1 years

24. EQUITY

a. Share capital

Ordinary shares

	December 31	
	2024	**2023**
Number of shares authorized (in thousands of shares)	7,000,000	7,000,000
Amount of shares authorized	$ 70,000,000	$ 70,000,000
Amount of shares issued	$ 60,769,350	$ 60,513,407

The Company issued the 7th domestic unsecured convertible bonds, and the holders of the convertible bonds applied for conversion in the amount of $448,100 thousand and $683,500 thousand, respectively, for the years ended December 31, 2024 and 2023. The number of ordinary shares exchanged was 25,594 thousand and 37,803 thousand, respectively and completed the registration of the change in equity after the issuance of new shares.

b. Capital surplus

	December 31	
	2024	2023
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)		
Issuance of convertible bonds in excess of par value and conversion premium	$ 2,569,080	$ 2,382,046
Dividend distributed to subsidiaries	4,111	2,680
Expired equity component of convertible bonds	977,041	958,221
Difference between consideration and carrying amount arising from the disposal of subsidiaries' stock	1,425,334	-
May only be used to offset a deficit (2)		
Long-term investments	805,344	476,712
May not be used for any purpose		
Equity component of convertible bonds	48,567	67,387
	$ 5,829,477	$ 3,887,046

1) Such capital surplus may be used to offset deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and to once a year).

2) Such capital surplus arises from the effects of changes in ownership interests in subsidiaries resulting from equity transactions other than actual disposals or acquisitions or from changes in capital surplus of subsidiaries accounted for using the equity method.

c. Appropriation of earnings and dividend policy

The Company resolved and recognized to amend the Company Act in the shareholders' meeting on May 30, 2024. Under the dividend policy as set forth in the amended Company Act, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan. The profit can be distributed in the form of new shares or cash, and the cash dividends should be no less than 30% of the total dividends.

Under the Company Act before the amendments, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations. Then, if any remaining profit together with any undistributed retained earnings, it shall be used by the Company's board of directors as the basis for proposing a distribution plan that dividends and bonus shall be no less than 50% of the remaining profit and undistributed retained earnings. The dividends and bonus mentioned above can be distributed in the form of new shares or cash, and the cash dividends should be no less than 30% of the total dividends. If surplus earnings are distributed in the form of new shares, the distribution of shares shall be resolved in the shareholders' meeting; if such earnings are distributed in the form of cash, the cash distribution shall be authorized after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors; in addition, a report of such distribution shall be submitted to the shareholders' meeting. If the Company has no loss, according to laws and regulations, the Company can distribute its capital reserve, in whole or in part, by issuing new shares or cash based on financial, business and management considerations. If such capital reserve is distributed in the form of new shares, it shall be resolved by a meeting of the shareholders; if such capital reserve is distributed in the form of cash, it shall be authorized after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors; in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.

The distribution of dividends should be resolved and recognized in the shareholders' meeting in the current year.

1) Appropriation of earnings in 2022

The appropriation of earnings in 2022 which was resolved and recognized in the shareholders' meeting on May 31, 2023 is as follows:

	Appropriation of Earnings	**Dividends Per Share (NT$)**
Legal reserve	$ 305,592	-
Special reserve	534,375	-
Cash dividends	2,772,207	0.4602191

2) Appropriation of earnings in 2023

The appropriation of earnings in 2023 which was resolved and recognized in the shareholders' meeting on May 30, 2024 is as follows:

	Appropriation of Earnings	**Dividends Per Share (NT$)**
Legal reserve	$ 637,399	$ -
Special reserve	155,639	-
Cash dividends	4,176,580	0.69016808

The cash dividend per share for 2023 was adjusted from NT$0.69016808 to NT$0.69014527 per share. The adjustment was due to the net increase of outstanding common shares from the Company issued the 7th domestic unsecured convertible bonds of the convertible bonds applied for conversion.

d. Other equity items

The movement of other equity items is as follows:

	Exchange Differences on the Translation of the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at FVTOCI	Gain (Loss) on Hedging Instruments	Total
Balance at January 1, 2023	$ (4,298)	$ 40,918	$ (570,995)	$ (534,375)
Exchange differences on the translation of the financial statements of foreign operations	(7,093)	-	-	(7,093)
Cumulative gain (loss) on changes in fair value of hedging instruments	-	-	(621,571)	(621,571)
Cumulative gain (loss) on changes in fair value of hedging instruments reclassified to profit or loss	-	-	340,206	340,206
Unrealized gain (loss) on financial assets at FVTOCI	-	(3,603)	-	(3,603)
Share of other comprehensive income (loss) of associates and joint ventures accounted for using the equity method	(2,993)	(14,551)	(1,562)	(19,106)
Effects of income tax	1,419	(38)	(14,697)	(13,316)
Other comprehensive income (loss) recognized in the period	(8,667)	(18,192)	(297,624)	(324,483)
Transferred to initial carrying amount of hedged items	-	-	168,844	168,844
Balance at December 31, 2023	$ (12,965)	$ 22,726	$ (699,775)	$ (690,014)
Balance at January 1, 2024	$ (12,965)	$ 22,726	$ (699,775)	$ (690,014)
Exchange differences on the translation of the financial statements of foreign operations	119,621	-	-	119,621
Cumulative gain (loss) on changes in fair value of hedging instruments	-	-	(1,487,267)	(1,487,267)
Cumulative gain (loss) on changes in fair value of hedging instruments reclassified to profit or loss	-	-	409,482	409,482
Unrealized gain (loss) on financial assets at FVTOCI	-	10,757	-	10,757
Share of other comprehensive income (loss) of associates and joint ventures accounted for using the equity method	5,950	24,024	712	30,686
Effects of income tax	(23,925)	(6,894)	385,671	354,852
Other comprehensive income (loss) recognized in the period	101,646	27,887	(691,402)	(561,869)
Transferred to initial carrying amount of hedged items	-	-	(292,936)	(292,936)
Balance at December 31, 2024	$ 88,681	$ 50,613	$ (1,684,113)	$ (1,544,819)

e. Treasury shares

Treasury shares are the Company's shares held by its subsidiaries as of the reporting date and were as follows:

(In Thousands of Shares)

Period of Treasury Shares	Number of Shares, Beginning of Year	Reduction During the Year	Number of Shares, End of Year
For the year ended December 31, 2024	2,075	-	2,075
For the year ended December 31, 2023	2,075	-	2,075

Name of Subsidiary	Number of Shares (In Thousands of Shares)	Carrying Amount	Market Value
December 31, 2024			
Mandarin Airlines	2,075	$ 53,214	$ 53,214
December 31, 2023			
Mandarin Airlines	2,075	$ 44,916	$ 44,916

The above acquisitions by subsidiaries of the Company's shares in previous years was due to investment planning. The shares of the Company held by its subsidiaries were treated as treasury shares. The subsidiaries can exercise shareholders' right on these treasury shares, except for the right to subscribe for the Company's new shares and voting rights.

25. NET INCOME

a. Revenue

	For the Year Ended December 31	
	2024	2023
Passenger	$ 107,420,017	$ 99,058,956
Cargo	60,444,475	56,851,792
Others	7,317,963	5,764,785
	$ 175,182,455	$ 161,675,533

b. Other income

	For the Year Ended December 31	
	2024	2023
Interest income	$ 1,788,003	$ 1,570,722
Dividend income	15,863	14,713
Others	447,433	286,745
	$ 2,251,299	$ 1,872,180

c. Other gains and losses

	For the Year Ended December 31	
	2024	2023
Gain on disposal of property, plant and equipment	$ 337,738	$ 499,881
Net foreign exchange gain	400,254	832,999
Reversal of (impairment loss) recognized on flight equipment	189,430	(1,901,450)
Gain on disposal of investments	-	2,523
Gain (loss) on disposal of non-current assets held for sale	9,753	(2,364)
Others	(299,938)	(320,201)
	$ 637,237	$ (888,612)

d. Finance costs

	For the Year Ended December 31	
	2024	2023
Interest expense		
Bonds payable	$ 121,310	$ 144,279
Bank loans	647,363	799,010
Interest on lease liabilities	1,553,913	1,298,972
(Loss) gain arising from derivatives designated as hedging instruments in cash flow hedge accounting relationships reclassified from equity to profit or loss	(831)	515
	$ 2,321,755	$ 2,242,776
Capitalization interest	$ 588,876	$ 392,969
Capitalization rate	1.84%-2.21%	1.64%-2.06%

e. Depreciation and amortization expense

	For the Year Ended December 31	
	2024	2023
Property, plant and equipment	$ 14,299,029	$ 15,382,781
Right-of-use assets	11,392,654	11,677,780
Intangible assets	169,120	181,471
	$ 25,860,803	$ 27,242,032

(Continued)

	For the Year Ended December 31	
	2024	2023
An analysis of depreciation by function		
Operating costs	$ 24,651,387	$ 26,034,269
Operating expenses	1,040,296	1,026,292
	$ 25,691,683	$ 27,060,561
An analysis of amortization by function		
Operating expenses	$ 169,120	$ 181,471

(Concluded)

f. Employee benefits expense

	For the Year Ended December 31	
	2024	2023
Post-employment benefits		
Defined contribution plan	$ 438,090	$ 355,652
Defined benefit plan	1,100,937	1,120,455
	$ 1,539,027	$ 1,476,107
Other employee benefits		
Salary expenses	$ 21,373,147	$ 16,837,377
Labor and health insurance expenses	1,370,263	1,280,125
Personnel service expenses	6,215,420	4,864,852
	$ 28,958,830	$ 22,982,354
An analysis of employee benefits expense by function		
Operating costs	$ 25,024,899	$ 19,887,973
Operating expenses	5,472,958	4,570,488
	$ 30,497,857	$ 24,458,461

According to the Company’s articles, the Company accrues compensation of employees at rates of no less than 3% of the net profit before income tax and compensation of employees. When the Company has an accumulated deficit, the Company shall set aside some amounts to offset the deficit in advance. For the years ended December 31, 2024 and 2023, the estimated amount of compensation of employees were $711,954 thousand and $249,138 thousand, respectively.

Material differences between such estimated amounts and the amounts proposed by the board of directors on or before the date that the annual parent company only financial statements are authorized for issue are adjusted in the year that the compensation and remuneration are recognized. If there is a change in the proposed amounts after the annual parent company only financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate.

There was no difference between the actual appropriated amounts of compensation of employees and the amounts recognized in the parent company only financial statements for the years ended December 31, 2023 and 2022.

Information on the compensation of employees resolved by the Company’s board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

26. INCOME TAX

a. Income tax expense recognized in profit or loss

The major components of tax expense are as follows:

	For the Year Ended December 31	
	2024	**2023**
Current tax		
In respect of the current year	$ 2,731,837	$ 1,307,597
Adjustments for prior year	(25,984)	(247)
Deferred tax		
In respect of the current year	(26,116)	(276,611)
Adjustments for prior year	23,818	206,163
Income tax expense recognized in profit or loss	$ 2,703,555	$ 1,236,902

A reconciliation of accounting profit and income tax expense was as follows:

	For the Year Ended December 31	
	2024	**2023**
Profit before tax from continuing operations	$ 17,086,900	$ 8,055,454
Income tax expense calculated at the statutory rate (20%)	$ 3,417,380	$ 1,611,091
Effects of adjustments to income tax:		
Non-deductible expenses in determining taxable income	11,168	11,508
Tax-exempt income	(730,247)	(528,544)
Overseas income tax expense	7,420	15,600
Unrecognized deductible temporary differences	-	(78,669)
Adjustments for prior years’ tax	(25,984)	(247)
Adjustments for prior years’ deferred tax	23,818	206,163
Income tax expense recognized in profit or loss	$ 2,703,555	$ 1,236,902

b. Income tax recognized in other comprehensive income

	For the Year Ended December 31	
	2024	**2023**
Deferred tax		
Recognized in other comprehensive income		
Translation of foreign operations	$ (23,925)	$ 1,419
Fair value changes of hedging instruments for cash flow hedges	385,671	(14,697)
Remeasurement of defined benefit plans	(1,079)	64,581
Fair value changes of financial assets at FVTOCI	(6,894)	(38)
Total income tax recognized in other comprehensive income	$ 353,773	$ 51,265

c. Deferred tax assets and liabilities

For the year ended December 31, 2024

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Compre-hensive Income	Closing Balance
Deferred tax assets				
Temporary differences				
Defined benefit obligations	$ 1,734,657	$ (30,501)	$ (1,079)	$ 1,703,077
Frequent flyer programs	791,198	385,407	-	1,176,605
Maintenance reserve	2,636,774	132,944	-	2,769,718
Allowance for impairment loss of inventories	492,510	3,977	-	496,487
Others	549,411	(335,128)	354,852	569,135
	$ 6,204,550	$ 156,699	$ 353,773	$ 6,715,022
Deferred tax liabilities				
Temporary differences				
Unrealized foreign exchange gains	$ 27,025	$ 154,401	$ -	$ 181,426
Others	8,260	-	-	8,260
	$ 35,285	$ 154,401	$ -	$ 189,686

For the year ended December 31, 2023

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Compre-hensive Income	Closing Balance
Deferred tax assets				
Temporary differences				
Defined benefit obligations	$ 1,682,495	$ (12,419)	$ 64,581	$ 1,734,657
Frequent flyer programs	650,350	140,848	-	791,198
Maintenance reserve	2,396,129	240,645	-	2,636,774
Allowance for impairment loss of inventories	294,857	197,653	-	492,510
Unrealized foreign exchange losses	340,127	(340,127)	-	-
Others	691,853	(129,126)	(13,316)	549,411
	$ 6,055,811	$ 97,474	$ 51,265	$ 6,204,550

(Continued)

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Compre-hensive Income	Closing Balance
Deferred tax liabilities				
Temporary differences				
Unrealized foreign exchange gains	$ -	$ 27,025	$ -	$ 27,025
Others	8,259	1	-	8,260
	$ 8,259	$ 27,026	$ -	$ 35,285

(Concluded)

Deductible temporary differences for which no deferred tax assets have been recognized in the parent company only balance sheets were as follows:

	December 31 2024	December 31 2023
Other temporary differences	$ 5,700,000	$ 5,700,000

d. As of December 31, 2024, the Company has no unused tax loss carryforwards.

e. Income tax assessment

The income tax returns of the Company through 2022 have been examined by the tax authorities.

27. EARNINGS PER SHARE

	For the Year Ended December 31 2024	For the Year Ended December 31 2023
Basic earnings per share (NT$ per share)	$ 2.38	$ 1.13
Diluted earnings per share (NT$ per share)	$ 2.33	$ 1.11
Net income for the year		
Earnings used in the computation of basic earnings per share	$ 14,383,345	$ 6,818,552
Effect of potentially dilutive ordinary shares:		
Interest on convertible bonds (after tax)	13,275	16,466
Earnings used in the computation of diluted earnings per share	$ 14,396,620	$ 6,835,018

	For the Year Ended December 31	
	2024	2023
In thousands of shares		
Weighted average number of ordinary shares used in the computation of basic earnings per share	6,051,387	6,029,240
Effect of potentially dilutive ordinary shares:		
Convertible bonds	87,922	108,167
Compensation of employees	30,094	12,580
Weighted average number of ordinary shares used in the computation of diluted earnings per share	6,169,403	6,149,987

The Company may settle the compensation of employees in cash or shares; therefore, the Company assumes that the entire amount of the compensation will be settled in shares, and the resulting potential shares will be included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares was included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

28. CAPITAL MANAGEMENT

The Company manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance. The capital structure of the Company consists of net debt (borrowings offset by cash and cash equivalents) and equity of the Company (comprising issued capital, reserves, retained earnings and other equity items).

To support operating activities and purchase of aircraft, the Company needs to maintain sufficient capital. Therefore, the goal of capital management is to ensure that financial resources and operating plan is able to support the future working capital, capital expenditures, debt repayment, dividend payments and other needs in the next 12 months.

29. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments not measured at fair value

	December 31			
	2024		2023	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial liabilities				
Bonds payable	$ 6,069,339	$ 6,616,629	$ 9,648,814	$ 10,076,215

Lease liabilities and long-term borrowings are floating-rate financial liabilities, so their carrying amounts are their fair values. Fair values of bonds payable trading in OTC are based on quoted market prices (Level 1).

b. Fair value of financial instruments measured at fair value on a recurring basis

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

1) Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

2) Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

3) Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

December 31, 2024

	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets at FVTOCI				
Investments in equity instruments				
Unlisted shares - domestic	$ -	$ -	$ 23,095	$ 23,095
Unlisted shares - foreign	-	-	47,997	47,997
Listed shares - foreign	368	-	-	368
	$ 368	$ -	$ 71,092	$ 71,460
Financial assets for hedging	$ 2,950,820	$ 37,664	$ 348	$ 2,988,832
Financial liabilities for hedging	$ 41,619,728	$ -	$ 9,717	$ 41,629,445

December 31, 2023

	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets at FVTOCI				
Investments in equity instruments				
Unlisted shares - domestic	$ -	$ -	$ 22,785	$ 22,785
Unlisted shares - foreign	-	-	37,640	37,640
	$ -	$ -	$ 60,425	$ 60,425
Financial assets for hedging	$ 10,307,692	$ 40,796	$ 5,455	$ 10,353,943
Financial liabilities for hedging	$ 34,860,884	$ 47,878	$ 77,481	$ 34,986,243

There were no transfers between Levels 1 and 2 in the current period.

4) Valuation techniques and inputs applied for Level 2 fair value measurement

Financial Instruments	Valuation Techniques and Inputs
Derivatives	The fair values of derivatives (except for options) have been determined based on discounted cash flow analyses using interest yield curves applicable for the duration of the derivatives. The estimates and assumptions that the Company used to determine the fair values are identical to those used in the pricing of financial instruments for market participants.

5) Valuation techniques and inputs applied for Level 3 fair value measurement

The fair values of fuel options and swap are determined using option pricing models. Changes in the implied fluctuations used in isolation would result in an increase or decrease in the fair value of the fuel options and swap.

The domestic and foreign unlisted equity investment are based on the comparative company valuation to estimate the fair value. The main assumptions are based on the multiplier of the market price of the comparable listed company and the net value per share, which have considered the liquidity discount. The higher the multiplier or the lower the liquidity discount, the higher the fair value of the relevant financial instruments.

The multiplier and liquidity discount of financial instruments based on Level 3 fair value measurement were as follows:

	Multiplier	Liquidity Discount
December 31, 2024	1.05	80%
December 31, 2023	1.07	80%

	Derivative Instruments	Equity Instruments
Balance at January 1, 2024	$ (72,026)	$ 60,425
Recognized in other comprehensive income	62,657	10,667
Balance at December 31, 2024	$ (9,369)	$ 71,092
Balance at January 1, 2023	$ (16,761)	$ 64,028
Recognized in other comprehensive income	(55,265)	(3,603)
Balance at December 31, 2023	$ (72,026)	$ 60,425

Because some financial instruments and nonfinancial instruments may not have their fair values disclosed, the total fair value disclosed herein is not the total value of the Company's collective instruments.

c. Categories of financial instruments

	December 31	
	2024	2023
Financial assets		
Financial assets for hedging	$ 2,988,832	$ 10,353,943
Financial assets at amortized cost (Note 1)	61,338,919	34,152,264
Financial assets at FVTOCI - investments in equity instruments	71,460	60,425
Financial liabilities		
Financial liabilities for hedging	41,629,445	34,986,243
Financial liabilities at amortized cost (Note 2)	124,203,942	116,053,175

Note 1: The balances include financial assets measured at amortized cost, which comprise cash and cash equivalents, time deposits with original maturities of more than 3 months, notes and accounts receivable, accounts receivable - related parties, finance lease receivables, other receivables, refundable deposits, restricted assets and other financial assets.

Note 2: The balances include financial liabilities measured at amortized cost, which comprise notes and accounts payable, accounts payable - related parties, other payables, bonds payable, long-term borrowings, lease liabilities, provisions, parts of other current liabilities and parts of other non-current liabilities.

d. Financial risk management objectives and policies

The Company has risk management and hedging strategies to respond to changes in the economic and financial environment and in the fuel market. To reduce the financial risks from changes in interest exchange rates and in fuel prices, the Company has its operating costs stay within a specified range by using appropriate financial hedging instruments and hedging percentages in accordance with the “Processing Program of Derivative Financial Instrument Transactions” approved by the Company’s shareholders to reduce the impact of market price changes on earnings. These risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

In addition, the Company has a risk committee, which meets periodically to evaluate the performance of derivative instruments and determine the appropriate hedging percentage. The committee informs the Company of global economic and financial conditions, controls the entire financial risk resulting from changes in the financial environment and fuel prices, and develops the strategy and response to avoid financial risk with the assistance of financial risk experts to effect risk management.

1) Market risk

The Company is primarily exposed to the financial risks of changes in foreign currency exchange rates and interest rates. The Company entered into derivative financial instruments to manage its exposure to foreign currency risk and interest rate risk. The Company enters into foreign exchange forward contracts, foreign currency option contracts, and interest swap contracts with fair values that are highly negatively correlated to the fair values of hedged items and evaluates the hedging effectiveness of these instruments periodically.

a) Foreign currency risk

The Company enters into foreign currency option contracts to hedge against the risks on change in related exchange rates, enters into forward contracts to hedge against the risks on changes in foreign-currency assets, liabilities and commitments in the related exchange rates.

Sensitivity analysis

The Company was mainly exposed to the U.S. dollar.

An increase/decrease in U.S. dollars one dollar against New Taiwan dollars when reporting foreign currency risk internally to key management personnel represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis included only outstanding foreign currency denominated monetary items at the end of the reporting period for U.S. dollars increase/decrease by one dollar against New Taiwan dollars in foreign currency rates.

When New Taiwan dollars increased by one dollar against U.S. dollars and all other variables were held constant, there would be a decrease in pre-tax profit and an increase in pre-tax other comprehensive income for the year ended December 31, 2024 of $439,888 thousand and $1,143,402 thousand, respectively; and a decrease in pre-tax profit and an increase in other comprehensive income for the year ended December 31, 2023 of $17,542 thousand and $681,979 thousand, respectively.

The Company's hedging strategy is to enter into foreign exchange forward contracts to avoid exchange rate exposure of its foreign currency denominated receipts and payments and to manage exchange rate exposure of its aircraft, and managing the mix of U.S. dollar revenue and U.S. dollar lease expenses those transactions are designated as cash flow hedges. When forecasted purchases actually take place, basis adjustments are made to the initial carrying amounts of hedged items.

For the hedges of highly probable aircraft prepayments, as the critical terms (i.e., the notional amount, useful life and underlying asset) of the foreign currency option contracts and foreign exchange forward contracts and their corresponding hedged items are the same. The Company performs a qualitative assessment of the effectiveness. The value of the foreign exchange forward contracts and the value of the corresponding hedged items are expected to change systematically in the opposite direction in response to movements in the underlying exchange rates.

The following table summarizes the information relating to the hedging of foreign currency risk.

Refer to Note 19 for rental contract for hedging.

December 31, 2024

Hedging Instruments	Currency	Notional Amount	Maturity	Forward Rate	Line Item in Balance Sheet	Carrying Amount	
						Asset	Liability
Cash flow hedge							
Aircraft prepayment - forward exchange contracts	NTD/USD	NTD1,180,328/ USD36,000	2025.1.24-2025.9.30	30.993-32.277	Financial assets for hedging - current/liabilities for hedging - current	$ 31,437	$ -

The abovementioned hedging instruments applied hedge accounting. The book value of other equity for each hedging item (aircraft prepayments in U.S. dollars) was $31,437 thousand.

For the year ended December 31, 2024

Comprehensive Income	Hedging Gain (Loss) Recognized in Other Comprehensive Income	Amount Reclassified to Profit and Loss and the Adjusted Line Item
Cash flow hedge		
Aircraft prepayment	$ 277,871	$ -

For the year ended December 31, 2024, the amount of hedging instrument settlements recognized as a decrease of aircraft prepayments were $244,859 thousand.

December 31, 2023

Hedging Instruments	Currency	Notional Amount	Maturity	Forward Rate	Line Item in Balance Sheet	Carrying Amount	
						Asset	Liability
Cash flow hedge							
Aircraft prepayment - forward exchange contracts	NTD/USD	NTD3,569,231/ USD116,000	2024.1.31- 2024.10.31	29.37-31.581	Financial assets for hedging - current/liabilities for hedging - current	$ 40,796	$ 42,370

The abovementioned hedging instruments applied hedge accounting. The book value of other equity for each hedging item (aircraft prepayments in U.S. dollars) was $(1,574) thousand.

For the year ended December 31, 2023

Comprehensive Income	Hedging Gain (Loss) Recognized in Other Comprehensive Income	Amount Reclassified to Profit and Loss and the Adjusted Line Item
Cash flow hedge		
Aircraft prepayments	$ 94,893	$ -

For the year ended December 31, 2023, the amount of hedging instrument settlements recognized as a increase of aircraft prepayments were $9,161 thousand.

b) Interest rate risk

The Company enters into interest swap contracts to hedge against the risks on change in interest rates on long-term borrowings. The Company was exposed to interest rate risk because the Company borrowed funds at both fixed and floating interest rates. The risk is managed by the Company by maintaining an appropriate mix of fixed and floating rate borrowings and using interest rate swap contracts.

The carrying amounts of the Company's financial liabilities with exposure to interest rates at the end of the reporting period were as follows:

	December 31	
	2024	2023
Fair value interest rate risk	$ 47,689,067	$ 44,509,698
Cash flow interest rate risk	77,002,436	69,893,806

Sensitivity analysis

The sensitivity analysis below was determined based on the Company’s exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A one yard (25 basis points) increase or decrease was used when reporting interest rate risk internally to key management personnel and represents management’s assessment of the reasonably possible change in interest rates.

Had interest rates increased by one yard (25 basis points) and all other variables been held constant, the Company’s pre-tax profit for the years ended December 31, 2024 and 2023 would have decreased by $192,506 thousand and $174,735 thousand, respectively.

The following tables summarize the information relating to the hedges for interest rate risk.

December 31, 2024

Hedging Instruments	Currency	Notional Amount	Maturity	Forward Rate	Line Item in Balance Sheet	Carrying Amount	
						Asset	Liability
Cash flow hedge							
Interest expense on long-term borrowings - interest rate swaps	NTD	NTD900,000	2027.4.1-2027.5.24	1.39-1.58	Financial assets for hedging - current/liabilities for hedging - non-current	$ 6,227	$ -

Note: The Company recognized interest receivable for $307 thousand.

The abovementioned hedging instruments applied hedge accounting. The book value of other equity for each hedging item (interest expense on long-term borrowings) was $6,227 thousand.

For the year ended December 31, 2024

Comprehensive Income	Hedging Gain (Loss) Recognized in Other Comprehensive Income	Amount Reclassified to Profit and Loss and the Adjusted Line Item	
Cash flow hedge			
Interest expense on long-term borrowings	$ 11,735	$ 831	(Note)

Note: Decrease in financial costs or other losses.

December 31, 2023

Hedging Instruments	Currency	Amount	Maturity	Forward Rate	Balance Sheet	Asset	Liability
Cash flow hedge							
Interest expense on long-term borrowings - interest rate swaps	NTD	NTD900,000	2027.4.1-2027.5.24	1.39-1.58	Financial assets for hedging - current/liabilities for hedging - non-current	$ -	$ 5,508

Note: The Company recognized interest receivable and interest payable for $76 thousand and $(46) thousand, respectively.

The abovementioned hedging instruments applied hedge accounting. The book value of other equity for each hedging item (interest expense on long-term borrowings) was $(5,508) thousand.

For the year ended December 31, 2023

Comprehensive Income	Hedging Gain (Loss) Recognized in Other Comprehensive Income	Amount Reclassified to Profit and Loss and the Adjusted Line Item	
Cash flow hedge			
Interest expense on long-term borrowings	$ 1,424	$ (516)	(Note)

Note: Increase in financial costs or other losses.

c) Other price risk

The Company was exposed to fuel price risk on its purchase of aviation fuel. The Company enters into fuel options and swap contracts to hedge against adverse risks on fuel price changes.

December 31, 2024

Hedging Instrument	Currency	Notional Amount	Maturity	Forward Rate	Line Item in Balance Sheet	Carrying Amount	
						Asset	Liability
Cash flow hedges							
Aviation fuel - fuel options	USD	NTD3,758	2025.3.31-2025.9.30	USD65-USD92.2	Financial assets for hedging - current/liabilities for hedging - current	$ 348	$ 4,106
Aviation fuel - swap	USD	NTD5,611	2025.3.31-2025.6.30	USD76.5-USD76.76	Financial assets for hedging - current/liabilities for hedging - current	-	5,611

Hedge accounting continues to be applied to the abovementioned hedging instruments. The carrying amount of other equity for each hedging item (fuel payments in U.S. dollars) was $(9,369) thousand.

For the year ended December 31, 2024

Comprehensive Income	Hedging Gain (Loss) Recognized in Other Comprehensive Income	Amount Reclassified to Profit and Loss and the Adjusted Line Item	
Cash flow hedge			
Fuel options	$ 62,657	$ 14,951	(Note)

Note: Decrease in operating costs.

December 31, 2023

Hedging Instrument	Currency	Notional Amount	Maturity	Forward Rate	Line Item in Balance Sheet	Carrying Amount	
						Asset	Liability
Cash flow hedges							
Aviation fuel - fuel options	USD	NTD7,553	2024.3.31-2024.9.30	USD60-USD102.50	Financial assets for hedging - current/liabilities for hedging - current	$ 4,036	$ 11,590
Aviation fuel - swap	USD	NTD64,472	2024.3.31-2024.12.31	USD74.04-USD87.50	Financial assets for hedging - current/liabilities for hedging - current	1,419	65,891

Hedge accounting continues to be applied to the abovementioned hedging instruments. The carrying amount of other equity for each hedging item (fuel payments in U.S. dollars) was $(72,026) thousand.

For the year ended December 31, 2023

Comprehensive Income	Hedging Gain (Loss) Recognized in Other Comprehensive Income	Amount Reclassified to Profit and Loss and the Adjusted Line Item	
Cash flow hedge			
Fuel options	$ (55,265)	$ (9,806)	(Note)

Note: Increase in operating costs.

Sensitivity analysis

The sensitivity analysis below was determined based on the exposure to fuel price risks at the end of the reporting period.

	For the Year Ended December 31			
	2024		2023	
	Pre-tax Profit Increase (Decrease)	Other Comprehensive Income Increase (Decrease)	Pre-tax Profit Increase (Decrease)	Other Comprehensive Income Increase (Decrease)
Fuel price increase 5%	$ 2,374	$ 468	$ 980	$ 3,601
Fuel price decrease 5%	(2,551)	(468)	(1,435)	(3,601)

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company. The Company's credit risk primarily comes from accounts receivable generated from operating activities and bank deposits generated from investing activities, fixed income investments and other financial instruments, operation related credit risk and financial credit risk are managed separately.

Operation - related credit risk

The Company has established procedures to manage operations related credit risk to maintain the quality of accounts receivable.

To assess the risk of individual customers, the Company consider into the financial condition of the customers, the credit rating agency rating, the Company's internal credit rating, transaction history and current economic conditions and many other factors that may affect the repayment. Sometimes, the Company uses certain credit enhancement tools to reduce the credit risk of specific customers.

Since the customers of the aviation industry are dispersed and non-related, the credit risk concentration is not critical.

Financial credit risk

Credit risk on bank deposits, fixed income investments and other financial instruments are measured and monitor by the Company's finance department. The Company's trading partners and other parties are well-performing banks and financial institutions, corporations, and government agencies, and so the risk of counterparties failing to discharge an obligation is low; therefore, there is no significant credit risk.

Endorsements given by the Company on behalf of its subsidiaries can be found in Note 30(g).

3) Liquidity risk

The objective of the Company's management of liquidity is to maintain cash and cash equivalents sufficient for operating purposes, marketable securities with high liquidity and loan commitments that are sufficient to ensure that the Company has adequate financial flexibility.

Liquidity and interest rate risk table

The following table shows the remaining contractual maturity analysis of the Company's financial liabilities with agreed-upon repayment periods, which were based on the date the Company may be required to pay the first repayment and financial liabilities is evaluated based on undiscounted cash flows, including cash flows of interest and principal.

Bank loans with a repayment on demand clause were included in the second column of the table below regardless of whether or not the banks would choose to exercise early their rights to repayment. The maturity dates for other non-derivative financial liabilities were based on the agreed-upon repayment dates. The Company's liquidity analysis for its derivative financial instruments is also shown in the following table. The table was based on the undiscounted contractual net cash inflows and outflows on derivative instruments that settle on a net basis, and the undiscounted gross cash inflows and outflows on those derivatives that require gross settlement. When the amount payable or receivable is not fixed, the amount disclosed has been determined by reference to the projected interest rates as illustrated by yield curves at the end of the reporting period.

December 31, 2024

	The Weighted Average Effective Interest Rate (%)	**Less than 1 Year**	**1 to 5 Years**	**Over 5 Years**
Lease liabilities	2.1225	$ 1,674,515	$ 4,622,492	$ 9,963,613
Floating interest rate liabilities	2.1325	10,801,549	40,572,638	14,778,395
Hedging instruments	3.7460	19,718,864	40,435,829	17,572,550
Bonds payable	1.3463	1,731,713	4,478,837	-
		$ 33,926,641	$ 90,109,796	$ 42,314,558

December 31, 2023

	The Weighted Average Effective Interest Rate (%)	Less than 1 Year	1 to 5 Years	Over 5 Years
Lease liabilities	1.8740	$ 935,660	$ 3,741,952	$ 9,343,859
Floating interest rate liabilities	2.0093	18,457,514	27,756,417	13,783,067
Hedging instruments	3.0686	15,014,436	30,633,991	10,022,879
Bonds payable	1.3105	4,850,264	4,989,543	-
		$ 39,257,874	$ 67,121,903	$ 33,149,805

Loan commitments

	December 31	
	2024	2023
Undrawn bank loan commitments (unsecured)	$ 31,023,377	$ 30,082,707

30. TRANSACTIONS WITH RELATED PARTIES

Besides information disclosed elsewhere in other notes, details of transactions between the Company and other related parties are as follows:

a. Related party name and relationships

Related Party Name	Relationship with the Company
Taiwan Aircargo Terminal Company	Subsidiary
Taoyuan International Airport Service Co., Ltd.	Subsidiary
Sabre Travel Network (Taiwan), Ltd.	Subsidiary
Taiwan Airport Service Co., Ltd.	Subsidiary
Taiwan Airport Service (Samoa)	Subsidiary
Dynasty Aerotech International Corp.	Subsidiary
Global Sky Express	Subsidiary (the resolution to dissolve was held at the provisional shareholders' meeting in September 2024, and the liquidation process has been currently in progress)
Mandarin Airlines	Subsidiary
Cal Park	Subsidiary
Cal Hotel Co., Ltd.	Subsidiary
Cal-Asia Investment	Subsidiary
Cal-Dynasty International Inc.	Subsidiary
Tigerair Taiwan Co., Ltd.	Subsidiary
Taiwan Aircraft Maintenance and Engineering Co., Ltd.	Subsidiary
Kaohsiung Catering Services	Subsidiary
Airport Air Cargo Terminal (Xiamen) Co., Ltd.	Associate

(Continued)

Related Party Name	Relationship with the Company
Airport Air Cargo Service (Xiamen) Co., Ltd.	Associate
Eastern United International Logistics (Hong Kong)	Associate
Dynasty Holidays, Inc.	Associate (completed the dissolution and liquidation procedures in June 2023)
China Pacific Catering Services	Joint venture
China Pacific Laundry Services	Joint venture
NORDAM Asia Ltd.	Joint venture (the provisional shareholders' meeting was held in October 2023, and the shareholders resolved to dissolve. And, the liquidation process is in progress in accordance)
Delica International Co., Ltd.	Joint venture (completed the dissolution and liquidation procedures in October 2024)
China Aviation Development Foundation (CADF)	Director of the Company and major shareholder
Others	Director, key management personnel, chairman, general manager of the Company, spouse and second-degree relative

(Concluded)

b. Operating income

Account Items	Related Party Type	For the Year Ended December 31 2024	2023
Other operating income	Subsidiary	$ 1,806,839	$ 1,638,162
	Major shareholder of the Company	$ 18,402	$ 18,553
	Joint venture	$ 31,395	$ 50,999

c. Purchases

Related Party Type	For the Year Ended December 31 2024	2023
Subsidiary	$ 3,898,835	$ 3,317,572
Major shareholders of the Company	$ 40,191	$ 40,705
Associate	$ 221,913	$ 266,826
Joint venture	$ 3,124,963	$ 2,558,012

d. Accounts receivable - related parties (generated by operations)

Related Party Type	December 31 2024	2023
Subsidiary	$ 261,150	$ 156,650
Major shareholders of the Company	3,472	2,210
Joint venture	2,750	13,966
	$ 267,372	$ 172,826

The receivables are not guaranteed, and there is no allowance for doubtful accounts related to accounts receivable - related parties. The payment periods of such accounts were within 30 to 90 days, and there are no overdue payments.

e. Accounts payable - related parties (generated by operations)

Related Party Type	December 31 2024	December 31 2023
Subsidiary	$ 770,009	$ 627,136
Major shareholder of the Company	8,040	5,100
Associates	18,681	19,980
Joint venture	784,468	645,734
	$ 1,581,198	$ 1,297,950

The remaining balance of accounts payable - related parties will be paid in cash if they are not secured.

f. Lease arrangements (operating leases)

The Company rented out planes to Mandarin Airlines under an operating lease contract. The monthly rental received is based on flight hours. For the years ended December 31, 2024 and 2023, the rentals received amounted to $955,627 thousand and $873,998 thousand, respectively.

Under an operating lease agreement, the Company rented flight training machines and flight simulators from the China Aviation Development Foundation to train pilots, and the Company paid the rental based on usage hours. For the years ended December 31, 2024 and 2023, the Company paid rentals of $40,191 thousand and $40,705 thousand, respectively.

In March 2010, the Company signed a yearly renewable operating lease agreement to use the Operating and Aviation Headquarters building of the Taiwan Taoyuan International Airport with CAL Park. For the years ended December 31, 2024 and 2023, the Company paid right-of-use assets of $5,389,571 thousand and $5,563,429 thousand, respectively, and paid associated expenses of $231,288 thousand and $231,514 thousand, respectively.

g. Endorsements and guarantees

	December 31			
	2024		2023	
	Amount Endorsed	Amount Utilized	Amount Endorsed	Amount Utilized
The Company				
Tigerair Taiwan Co., Ltd	$ 2,131,148	$ 84,907	$ 2,877,292	$ 289,059
Cal Park	3,400,000	1,005,960	3,400,000	1,225,080
Taiwan Aircraft Maintenance and Engineering Co., Ltd	2,000,000	1,586,500	2,000,000	1,675,500

h. Remuneration of key management personnel

The compensation to directors and other key management personnel were as follows:

	For the Year Ended December 31	
	2024	2023
Short-term employee benefits	$ 66,618	$ 62,766
Post-employment benefits	3,030	16,982
	$ 69,648	$ 79,748

The remuneration of directors and key executives, as determined by the remuneration committee, is based on the performance of individuals and market trends.

31. ASSETS PLEDGED AS COLLATERAL OR SECURITY

The following assets were pledged or mortgaged as collateral for long-term bank loans and business transactions:

	December 31	
	2024	2023
Property, plant and equipment	$ 51,043,644	$ 43,277,793
Restricted Assets	35,812	48,432
	$ 51,079,456	$ 43,326,225

32. SIGNIFICANT COMMITMENTS AND CONTINGENT LIABILITIES

In addition to those disclosed in the other notes, significant commitments and contingent liabilities of the Company at December 31, 2024 were as follows:

a. In October 2019, the Company signed a contract with Airbus S.A.S. to purchase eleven A321neo aircraft and an option to purchase five A321neo aircrafts. The total listed price of the eleven aircraft is US$1,687,810 thousand, and the listed price of the option to purchase five aircraft is US$769,922 thousand. The expected delivery periods of the eleven aircraft are from 2024 to 2026. As of December 31, 2024, one out of the eleven aircraft have been delivered. The total listed price of the last remaining ten aircraft is US$1,539,845 thousand, and the list price had been paid in the amount of US$118,150 thousand (recognized as prepayments for aircraft). In October 2019, the Company signed a contract with International Aero Engines Company to purchase four backup engines for its A321neo. The total list price of the four engines was US$60,289 thousand. As of December 31, 2024, three out of the four backup engines have been delivered. The Company also signed related aircraft lease agreement; refer to Note 19.

b. In July 2019 and August 2019, the Company signed a contract with Boeing Company to purchase three 777F aircraft and exercised the option to purchase three 777F aircraft. In January 2022, the Company signed an additional contract with Boeing Company to purchase another four 777F aircraft. The expected delivery periods are from 2023 to 2025. The total listed price of the ten aircraft is US$3,905,142 thousand. As of December 31, 2024, nine out of the ten aircraft have been delivered. The total list price of the last remaining aircraft is US$408,729 thousand, and the list price has been paid in the amount of US$81,746 thousand (recognized as prepayments for aircraft).

c. On September 28, 2022, the Company signed a contract with the Boeing Company to purchase sixteen 787-9 aircraft and the option to purchase eight 787-9 aircraft. On May 23 and June 20, 2023, the Company exercised the option to purchase eight aircraft, six of its 787-9 aircraft were converted to 787-10, with a total of twenty-four aircraft (include eighteen 787-9 aircraft and six 787-10 aircraft). The total list price is approximately US$9,246,181 thousand. The expected delivery periods are from 2025 to 2028. As of December 31, 2024, the list price has been paid in the amount of US$666,938 thousand (recognized as prepayments for aircraft).

d. On December 19, 2024, the board of directors of Company approved to purchase ten 777-9 aircraft, four 777-8F and ten A350-1000 with the Boeing Company and Airbus S.A.S. The expected delivery periods are from 2029. The total list price of the ten 777-9 aircraft is US$5,300,000 thousand, the list price of the four 777-8F aircraft is US$2,076,000 thousand and the list price of the ten A350-1000 aircraft is US$4,480,000 thousand. The list price of ten 777-9 aircraft and four 777-8F aircraft has been paid in the amount of US$2,500 thousand and US$1,000 thousand.

33. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The following information was aggregated by the foreign currencies other than functional currencies of the Company, and the exchange rates between foreign currencies and respective functional currencies were disclosed. The significant assets and liabilities denominated in foreign currencies were as follows:

December 31, 2024

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 1,148,838	32.7869	$ 37,666,837
EUR	20,504	34.1297	699,795
HKD	328,472	4.2230	1,387,137
JPY	4,062,086	0.2096	851,413
RMB	493,826	4.4924	2,218,464
Financial liabilities			
Monetary items			
USD	1,888,352	32.7869	61,913,208
EUR	10,413	34.1297	355,393
HKD	76,815	4.2230	324,390
JPY	5,505,384	0.2096	1,153,928
RMB	96,732	4.4924	434,559

December 31, 2023

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 955,758	30.7692	$ 29,407,918
EUR	20,145	34.0136	685,202
HKD	290,865	3.9324	1,143,798
JPY	2,634,833	0.2173	572,549
RMB	411,286	4.3290	1,780,457
Financial liabilities			
Monetary items			
USD	1,736,196	30.7692	53,421,352
EUR	9,519	34.0136	323,772
HKD	72,559	3.9324	285,330
JPY	4,159,738	0.2173	903,911
RMB	97,650	4.3290	422,725

For the years ended December 31, 2024 and 2023, the Company's net foreign exchange gains were $400,254 thousand and $832,999 thousand, respectively. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of the foreign currency transactions.

34. ADDITIONAL DISCLOSURES

a. Following are the additional disclosures required by the Securities and Futures Bureau for the Company and its investees:

1) Financing provided to others: Table 1 (attached)

2) Endorsements/guarantees provided: Table 2 (attached)

3) Marketable securities held: Table 3 (attached)

4) Marketable securities acquired and disposed of at costs or prices of at least NT$300 million or 20% of the paid-in capital: Table 4 (attached)

5) Acquisitions of individual real estates at costs of at least NT$100 million or 20% of the paid-in capital: None

6) Disposals of individual real estates at prices of at least NT$100 million or 20% of the paid-in capital: None

7) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital: Table 5 (attached)

8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: Table 6 (attached)

9) Names, locations, and related information of investees over which the Company exercises significant influence: Table 7 (attached)

10) Trading in derivative instruments (Notes 6 and 29)

b. Information on investments in mainland China: Table 8 (attached)

c. Information of major shareholders: Table 9 (attached)

35. SEGMENT INFORMATION

The Company mainly engages in air transportation services for passengers, cargo and others. The major revenue-generating asset is its aircraft fleet, which is jointly used for passenger and cargo services. Thus, the Company's sole reportable segment is flight segment. For the disclosure of operating segment in the consolidated financial statements, the reportable segment of the Group comprises flight and non-flight business departments. The related information of reportable segment has been disclosed in the consolidated financial statements.

CHINA AIRLINES, LTD. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limit	Note
													Item	Value			
1	Cal-Dynasty International	Dynasty Hotel of Hawaii, Inc.	Notes receivable	Y	$ 114,754	$ 114,754	$ 114,754	2.25	Short-term financing facility is necessary	$ -	Operating cycle capital expenditure	$ -	-	$ -	$ 168,909	$ 337,819	

Cal-Dynasty International's operational procedures for financing provided to others or legal requirements:

Note 1: The maximum amount of loans provided to others by the Company is up to 40% of the Company's net worth as stated in its latest financial statements.

Note 2: The maximum amount of loans provided to an individual counterparty by the Company is up to 20% of the Company's net worth as stated in its latest financial statements.

CHINA AIRLINES, LTD. AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Endorser/ Guarantor	Endorsee/Guarantee		Limits on Endorsement/ Guarantee Given on Behalf of Each Party (Note 1)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Amount Borrowed	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statement (%)	Aggregate Endorsement/ Guarantee Limit (Note 2)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China
		Name	Relationship										
0	China Airlines (the “Company”)	Cal Park	100% owned subsidiary	$ 17,200,126	$ 3,400,000	$ 3,400,000	$ 1,005,960	$ -	3.95	$ 43,000,315	Yes	No	No
		Tigerair Taiwan Co., Ltd.	69.10% owned subsidiary by direct and indirect shareholdings	17,200,126	2,987,604	2,131,148	84,907	-	2.48	43,000,315	Yes	No	No
		Taiwan Aircraft Maintenance and Engineering Co., Ltd.	100% owned subsidiary	17,200,126	2,000,000	2,000,000	1,586,500	-	2.33	43,000,315	Yes	No	No

Note 1: Based on the Company’s operational procedures for endorsements/guarantees, the maximum amount of guarantee to an individual counterparty is up to 20% of the Company’s shareholders’ equity.

Note 2: Based on the Company’s operational procedures for endorsements/guarantees, the maximum amount of collateral guarantee is up to 50% of the Company’s shareholders’ equity.

CHINA AIRLINES, LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2024				Note
				Number of Shares/Units	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value	
China Airlines (the "Company")	Shares							
	Everest Investment Holdings Ltd. - ordinary shares	-	Financial assets at FVTOCI - non-current	16,724	$ 43,634	13.59	$ 47,997	Note 1
	Everest Investment Holdings Ltd. - preferred shares	-	Financial assets at FVTOCI - non-current	1,672	4,363	-	-	Note 1
	Chung Hua Express Co.	-	Financial assets at FVTOCI - non-current	1,100,000	23,095	11.00	23,095	-
	China Aircraft Services Limited	-	Financial assets at FVTOCI - non-current	28,400,000	-	4.00	-	-
	Manila Electric Company (MERALCO)		Financial assets at FVTOCI - non-current	1,330	368	-	368	-
	The Grand Hi Lai Hotel	-	Financial assets at FVTPL - current	357	-	0.02	-	-
Mandarin Airlines	Shares							
	China Airlines	Parent company	Financial assets at FVTOCI - non-current	2,074,628	53,214	-	53,214	-
Cal-Asia Investment	Shares							
	Taikoo (Xiamen) Landing Gear Services	-	Financial assets at FVTPL - current	-	-	2.59	-	Note 2
	Taikoo Spirit Aerospace Systems (Jinjiang) Composite	-	Financial assets at FVTOCI - non-current	-	69,426	5.45	69,426	Note 2
Sabre Travel Network (Taiwan)	Beneficiary certificates							
	FSITC Taiwan Money Market Fund	-	Financial assets at FVTPL - current	2,142,246	34,205	-	34,205	-
	FTSA Money Market Fund	-	Financial assets at FVTPL - current	3,441,025	37,099	-	37,099	-
	CAPITAL Money Market Fund	-	Financial assets at FVTPL - current	1,187,792	20,012	-	20,012	-
Taiwan Airport Services	Shares							
	TransAsia Airways	-	Financial assets at FVTPL - current	2,277,786	-	0.40	-	-
Kaohsiung Catering Services	Beneficiary certificates							
	Prudential Financial Money Market Fund	-	Financial assets at FVTPL - current	3,163,289	52,159	-	52,159	-
	Taishin 1699 Money Market Fund	-	Financial assets at FVTPL - current	3,728,020	52,742	-	52,742	-

Note 1: The subsidiary's net asset value was $47,997 thousand, which included ordinary shares and preference shares as of December 31, 2024.

Note 2: The Company does not issue shares because it is a limited company.

Note 3: The table only lists financial assets that are in accordance with IFRS 9.

CHINA AIRLINES, LTD. AND ITS REINVESTMENT COMPANIES

MARKETABLE SECURITIES ACQUIRED AND DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT$300 MILLION OR 20% OF THE PAID-IN CAPITAL
DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Type and Name of Marketable Securities (Note 1)	Financial Statement Account	Counterparty (Note 2)	Relationship (Note 2)	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Shares/Units (In Thousands)	Amount	Shares/Units (In Thousands)	Amount	Shares/Units (In Thousands)	Amount	Carrying Amount	Gain on Disposal	Shares/Units (In Thousands)	Amount
China Airlines (the "Company")	Tigerair Taiwan Co., Ltd.	Investments accounted for using the equity method	Note 5	Non-related parties	-	$ -	-	$ -	-	$ -	$ -	$ -	-	$ -

Note 1: Marketable securities in this table include shares, bonds, beneficiary certificates and securities derived from these items.

Note 2: Fill in the two columns if marketable securities are accounted for using the equity method.

Note 3: The accumulated buying and selling amount should be calculated separately at the market price, whether it reaches $300 million or 20% of the paid-in capital.

Note 4: Paid-in capital is the paid-in capital of the Company shares of issuers without par value, or NT$10 per share, calculated according to 10% of the total equity attributable to the owners of the Company based on the regulation on transaction amounts of 20% of paid-in capital.

Note 5: Subsidiary's listing plan to conduct a public offering of shares.

CHINA AIRLINES, LTD. AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable or Payable		Note
			Purchase/ Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
China Airlines, Ltd. (“China Airlines”)	Dynasty Aerotech International Corp.	Subsidiary	Purchase	$ 397,179	0.26	2 months	$ -	-	$ (75,674)	(2.56)	
	Cal Park	Subsidiary	Purchase	231,562	0.15	2 months	-	-	-	-	
	Cal Hotel Co., Ltd.	Subsidiary	Purchase	240,071	0.16	2 months	-	-	(20,465)	(0.69)	
	Mandarin Airlines	Subsidiary	Sale	(1,106,452)	(0.63)	2 months	-	-	193,271	1.74	
	Taiwan Air Cargo Terminal	Subsidiary	Purchase	525,701	0.35	30 days	-	-	(49,628)	(1.68)	
	Taoyuan International Airport Service	Subsidiary	Purchase	1,224,549	0.82	40 days	-	-	(357,365)	(12.10)	
	Taiwan Airport Services	Subsidiary	Purchase	303,333	0.20	40 days	-	-	(66,722)	(2.26)	
	Tigerair Taiwan Co., Ltd.	Subsidiary	Sale	(528,689)	(0.30)	1 month	-	-	45,998	0.41	
	Taiwan Aircraft Maintenance and Engineering Co., Ltd.	Subsidiary	Purchase	421,298	0.28	1 month	-	-	(30,063)	(1.02)	
	Kaohsiung Catering Services	Subsidiary	Purchase	431,264	0.29	90 days	-	-	(58,917)	(2.00)	
	Eastern United International Logistics (Holdings) Ltd.	Equity-method investee	Purchase	217,061	0.14	2 months	-	-	(17,969)	(0.61)	
	China Pacific Laundry Services	Equity-method investee	Purchase	178,499	0.12	90 days	-	-	(29,642)	(1.00)	
	China Pacific Catering Services	Equity-method investee	Purchase	2,946,464	1.97	90 days	-	-	(754,826)	(25.57)	
Mandarin Airlines	Taiwan Airport Services	Same parent company	Purchase	369,031	6.60	1 month	-	-	(22,113)	(2.55)	
Tigerair Taiwan Co,. Ltd.	Taoyuan International Airport Services	Same parent company	Purchase	317,314	2.81	40 days	-	-	(93,753)	(6.44)	
	Taiwan Airport Services	Same parent company	Purchase	207,794	1.84	40 days	-	-	(35,822)	(2.46)	
Cal Hotel	Cal Park	Same parent company	Purchase	114,508	27.60	1 month	-	-	-	-	

CHINA AIRLINES, LTD. AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Action Taken		
Taoyuan International Airport Service	China Airlines	Parent company	$ 357,365	3.83	$ -	-	$ 357,365	$ -
China Pacific Catering Services	China Airlines	Joint venture investment	754,826	4.30	-	-	498,662	-
Mandarin Airlines	China Airlines	Parent company	110,114	(Note)	-	-	110,114	-
China Airlines	Mandarin Airlines	Subsidiary	193,271	7.27	-	-	192,086	-

Note: Due to the nature of the industry, accounts receivable and operating revenue are not directly related, and the turnover rate is not applicable.

CHINA AIRLINES, LTD. AND SUBSIDIARIES

NAMES, LOCATIONS, AND OTHER INFORMATION OF INVESTEES OVER WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Business and Product	Original Investment Amount		As of December 31, 2024			Net Income (Loss) of the Investee	Share of profit (Loss)	Note
				December 31, 2024	December 31, 2023	Number of Shares	Percentage of Ownership (%)	Carrying Amount			
China Airlines, Ltd.	CAL Park	Taoyuan, Taiwan	Real estate lease and international trade	$ 1,500,000	$ 1,500,000	156,273,036	100.00	$ 1,844,037	$ 21,515	$ 57,214	Note 4
	Mandarin Airlines	Taipei, Taiwan	Air transportation and maintenance of aircraft	4,039,140	4,039,140	387,831,234	96.96	2,074,749	415,873	401,875	Notes 1 and 4
	Taiwan Air Cargo Terminal	Taoyuan, Taiwan	Air cargo and storage	1,080,000	1,080,000	108,000,000	54.00	1,418,805	382,516	206,598	Note 4
	Cal-Dynasty International	Los Angeles, USA	A holding company, real estate and hotel services	US$ 26,145	US$ 26,145	2,614,500	100.00	1,559,788	49,111	47,432	Notes 2 and 4
	China Pacific Catering Services	Taoyuan, Taiwan	In-flight catering	439,110	439,110	72,471,000	51.00	1,353,902	1,122,284	572,365	-
	Taoyuan International Airport Services	Taoyuan, Taiwan	Airport services	147,000	147,000	34,300,000	49.00	397,118	236,453	115,862	-
	CAL-Asia Investment	Territory of the British Virgin Islands	General investment	US$ 7,172	US$ 7,172	7,172,346	100.00	720,382	48,430	48,430	-
	Sabre Travel Network (Taiwan)	Taipei, Taiwan	Sale and maintenance of hardware and software	52,200	52,200	13,021,042	93.93	275,251	88,465	83,095	-
	Taiwan Airport Services	Taipei, Taiwan	Airport services	12,289	12,289	20,626,644	47.35	174,077	237,098	112,266	-
	Kaohsiung Catering Services	Kaohsiung, Taiwan	In-flight catering	383,846	383,846	21,494,637	53.67	477,716	155,952	81,134	Note 5
	Cal Hotel Co., Ltd.	Taoyuan, Taiwan	Hotel business	334,800	334,800	33,480,000	100.00	308,630	(36,582)	(31,532)	Note 4
	China Pacific Laundry Services	Taoyuan, Taiwan	Cleaning and leasing of the towel of airlines, hotels, restaurants and health clubs	137,500	137,500	13,750,000	55.00	119,765	31,282	17,205	-
	Dynasty Aerotech International Corp.	Taoyuan, Taiwan	Cleaning of aircraft and maintenance of machine and equipment	77,270	77,270	77,270	100.00	136,866	23,772	23,931	Note 4
	Global Sky Express	Taipei, Taiwan	Forwarding and storage of air cargo	2,500	2,500	250,000	25.00	5,524	(486)	(122)	-
	Tigerair Taiwan Co., Ltd.	Taipei, Taiwan	Air transportation and maintenance of aircraft	5,560,884	6,240,018	300,879,050	65.48	4,993,997	2,771,783	2,044,781	Note 4
	Taiwan Aircraft Maintenance and Engineering Co., Ltd.	Taoyuan, Taiwan	Aircraft maintenance	560,000	1,350,000	56,000,000	100.00	336,612	(40,525)	(40,525)	-
	NORDAM Asia Ltd.	Taoyuan, Taiwan	Composite repair and manufacturing business	37,975	37,975	3,797,500	49.00	-	-	-	-
Mandarin Airlines	Tigerair Taiwan Co., Ltd.	Taipei, Taiwan	Air transportation and maintenance of aircraft	183,846	183,846	16,613,624	3.61	276,086	2,771,783	102,564	-
	Taiwan Airport Services	Taipei, Taiwan	Airport services	11,658	11,658	469,755	1.08	3,960	237,098	2,554	-
CAL-Asia Investment	Eastern United International Logistics	Hong Kong	Forwarding and storage of air cargo	HK$ 3,329	HK$ 3,329	1,050,000	35.00	44,300	13,734	4,807	-
Taiwan Airport Services	Taiwan Airport Service (Samoa)	Samoa	Airport services and investment	US$ 5,877	US$ 5,877	-	100.00	456,067	34,678	34,678	Note 3

Note 1: Adopted the treasury share method in recognizing investment income or loss.

Note 2: Represents the consolidated financial information of the foreign holding company disclosed in accordance with local regulations.

Note 3: The Company does not issue shares because it is a limited company.

Note 4: The difference is due to lease arrangement between consolidated entities.

Note 5: The difference is due to acquisition.

TABLE 8

CHINA AIRLINES, LTD. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars/Renminbi/U.S. Dollars in Thousands, Unless Stated Otherwise)

China Airlines

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2024	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2024	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of December 31, 2024	Accumulated Repatriation of Investment Income as of December 31, 2024
					Outward	Inward						
Airport Air Cargo Terminal (Xiamen) Co., Ltd.	Forwarding and storage of air cargo	$ 1,143,226 (RMB 254,480)	Indirect (Note 1)	$ 137,245 (US$ 4,186)	$ -	$ -	$ 137,245 (US$ 4,186)	$ 157,417 (RMB 35,325)	14.00	$ 22,039 (RMB 4,945)	$ 288,137 (RMB 64,139)	$ 139,383 (US$ 4,251) (Note 2)
Airport Air Cargo Service (Xiamen) Co., Ltd.	Forwarding and storage of air cargo	62,894 (RMB 14,000)	Indirect (Note 1)	63,851 (US$ 1,947)	-	-	63,851 (US$ 1,947)	88,508 (RMB 19,862)	14.00	12,391 (RMB 2,781)	96,977 (RMB 21,587)	73,059 (US$ 2,228) (Note 2)
Taikoo (Xiamen) Landing Gear Services	Landing gear maintenance services	2,724,264 (US$ 83,090)	Indirect (Note 1)	70,531 (US$ 2,151)	-	-	70,531 (US$ 2,151)	-	2.59	-	-	-
Taikoo Spirit Aerospace Systems (Jinjang)	Composite material	382,394 (US$ 11,663)	Indirect (Note 1)	20,852 (US$ 636)	-	-	20,852 (US$ 636)	-	5.45	-	69,426 (RMB 15,454)	26,097 (US$ 796)

Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2024	Investment Amounts Authorized by the Investment Commission, MOEA	Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA
$292,479 (US$8,920)	$705,644 (Note 3)	$54,329,314 (Note 4)

(Continued)

Taiwan Airport Services

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2024	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2024	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of December 31, 2024	Accumulated Repatriation of Investment Income as of December 31, 2024
					Outward	Inward						
Airport Air Cargo Terminal (Xiamen) Co., Ltd.	Forwarding and storage of air cargo	$ 1,143,226 (RMB 254,480)	Indirect (Note 5)	$ 131,749 (US$ 4,018)	$ -	$ -	$ 131,749 (US$ 4,018)	$ 157,417 (RMB 35,325)	14.00	$ 22,038 (RMB 4,945)	$ 286,879 (RMB 63,859)	$ 172,231 (US$ 5,256)
Airport Air Cargo Service (Xiamen) Co., Ltd.	Forwarding and storage of air cargo	62,894 (RMB 14,000)	Indirect (Note 5)	63,172 (US$ 1,927)	-	-	63,172 (US$ 1,927)	88,508 (RMB 19,862)	14.00	12,391 (RMB 2,781)	97,193 (RMB 21,635)	90,478 (US$ 2,760)

Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2024	Investment Amounts Authorized by the Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
$194,922 (US$5,945)	$194,922 (US$5,945)	$220,610 (Note 4)

Note 1: The Company invested in CAL-Asia Investment, which invested in a company located in mainland China.

Note 2: As of December 31, 2024, the inward remittance of earnings amounted to US$4,251,192 and US$2,228,304.

Note 3: The amount comprised US$19,828,324, RMB4,200,000 and NT$36,666,667.

Note 4: The limit stated in the Investment Commission’s regulation “The Review Principle of Investment or Technical Cooperation in mainland China” is the larger of the Company’s net asset value or 60% of the consolidated net asset value.

Note 5: Taiwan Airport Services invested in Taiwan Airport Services (Samoa), which invested in a company located in mainland China.

Note 6: The RMB and U.S. dollar amounts of assets are converted at period-end rates and the gains (losses) are converted at the average of the period-end rates for the reporting period.

(Concluded)

TABLE 9

CHINA AIRLINES, LTD.

INFORMATION OF MAJOR STOCKHOLDERS
DECEMBER 31, 2024

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
China Aviation Development Foundation (CADF)	1,867,341,935	30.72
National Development Fund (NDF)	519,750,519	8.55

Note 1: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preference shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the Company as of the last business day for the current quarter. The share capital in the parent company only consolidated financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.

Note 2: If a shareholder delivers the shareholdings to the trust, the above information will be disclosed by the individual truster who opened the trust account. For shareholders who declare insider shareholdings with ownership greater than 10% in accordance with the Security and Exchange Act, the shareholdings include shares held by shareholders and those delivered to the trust over which shareholders have rights to determine the use of trust property. For information relating to insider shareholding declaration, refer to Market Observation Post System.