1-1 About Us

On December 16, 1959, a group of Republic of China Air Force veterans co-founded Taiwan's first private airlines-- China Airlines (CAL), and changed the country's civil aviation industry which was previously monopolized by foreigners. CAL is currently Taiwan's largest civilian airlines, and has the most international destinations and number of passengers. CAL’s headquarters and transit center are located in Taoyuan International Airport. CAL is mainly engaged in international air passenger and freight routes, but also operates side businesses such as Taiwan’s airport ground operation, air freight, airline catering, aircraft maintenance, hotel management and in-flight duty-free shopping. In addition, all domestic routes have been operated by CAL subsidiary Mandarin Airlines since 1998. At the same time, to compete with low-cost carriers (LCC) and meet different customer needs, CAL jointly established the Tigerair Taiwan with Singapore’s Tigerair, which has begun operations since 2014.

In 2016, after 56 years of operation, CAL has a strong sense of mission as the pioneer of Taiwan's aviation industry. CAL continues to strengthen flight safety, improve service quality and operational efficiency, and uphold the corporate mission of trustworthiness, customer first and forever pursuit of excellence so that the world may see Taiwan and the New Face of CAL.

<table>
<thead>
<tr>
<th>Corporate Mission</th>
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<tbody>
<tr>
<td><strong>Pursuit of Excellence</strong></td>
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<td><strong>Customer First</strong></td>
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<td><strong>Trustworthiness</strong></td>
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### About CAL

- **$54.7 Billion in registered capital**
  - At the end of 2015

- **2,610**
  - On February 26, 1993, CAL became publicly listed company on the Taiwan Stock Exchange.

- **12,437 Employees**
  - At the end of 2015

- **92 Aircraft**
  - CAL has 71 passenger fleet and 21 cargo fleet.
  - (March 2016)

- **28 Destination countries**
  - (March, 2016)

- **134 Destinations**
  - (March, 2016)

- **29.4%**
  - Passenger Market Share

- **29.5%**
  - Freight Market Share
Cal expects to introduce 4 Airbus A350-900 passenger aircraft by the end of 2016, and further reduce fleet age and environmental impact. By then, CAL will have a total of 84 aircraft comprising 66 passenger aircraft and 18 freighters, and an average fleet age of 8.6 years. CAL also cooperates with other airlines to provide travel to four continents, 28 countries and 134 passenger and freight destinations, including 5 destinations in Taiwan, 77 destinations in Asia, 36 destinations in the Americas, 9 destinations in Europe and 7 destinations in Oceania.

Statistics show that CAL not only leads the domestic industry in passenger and freight performance, but also ranks among the top 5 in the Asia-Pacific region. The 2015 report released by the International Air Transport Association (IATA) indicates that CAL passenger traffic ranked 24th in the world, 4th in Asia-Pacific and top in Taiwan, and has an overall capacity of 13.37 million passengers. CAL's freight capacity is 6th in the world, 3rd in Asia-Pacific, and top in Taiwan, and has an overall capacity of 1.296 million tons.

The Tourism Bureau, M.O.T.C., R.O.C., (Taiwan) statistics show that the 2015 passenger transport market in Taiwan has about 10.44 million foreigners visiting Taiwan (5.34% growth) and 13.18 million nationals traveling abroad (11.30% growth), and a total overall growth rate of 8.59%. Compared to 2014, regional routes were impacted by regional economic growth and long-term depreciation of the Japanese yen, resulting in a growth of 14.28% and 13.96% for Southeast Asia and Northeast Asia, respectively. The cross-strait and Hong Kong markets were impacted by China's economic slowdown and changes in the cross-strait political situation, resulting in a growth of only 4.60% and 4.16%, respectively. Long-haul routes were impacted by national and foreign operators' entry into the market, stable growth in the US economy and continual depreciation of the euro, resulting in a growth of 14.28% for the North America market and 9.29% growth for the European market.

In 2015, despite demand boom in the regional route market, a large influx of low-cost carriers penetrated the Taiwan market. In 2015, low-cost carriers accounts for 15% of the overall passenger market in Northeast Asia, which represents a 6.2% increase compared to 2013 that means market competition is increasingly intense. Although the growth in long-haul route market is gradual, national/foreign operators are vigorously expanding transport capacity to increase supply and enhance their competitiveness. Despite today's Red Ocean condition in the greater environment, the CAL Group continues to maintain its leadership, and shows a slight growing trend in the overall market share (includes CAL, Mandarin Airlines and Tigerair Taiwan).

Air freight transport grew in regional market share due mainly to effective control of market demand and adjustments in transport capability, including the opening of the new freight route to Shenzhen at the end of March and integrating the advantages of the Shenzhen, Guangzhou, Xiamen and Hong Kong flights to increase freight supply from us in the South China region. To meet the growing demand of Japan and ASEAN markets, a 5th cargo flight to Tokyo has been added since April, and a 4th cargo flight to Hanoi has been added since May. In addition, stable flight schedules in the long-haul route market are maintained through flexible freight rate and cargo hold management. Freight volume is also increased by changing the stopping points for European freighter (by replacing the original Abu Dhabi stop with the larger Dubai market). However, market share slid down due to slowing demand for air export and market competitiveness. On the other hand, CAL serves 91 freight destinations (including 32 destination of all-cargo aircraft service) by integrating freighters with passenger aircraft's belly space. The intensive freight network built by CAL provides customers with high efficiency, high-quality and customized professional transportation services that hold CAL in the lead in Taiwan's market share.

Number of Taiwan's inbound &outbound passengers by Region

China Airlines Fleet

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<tr>
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<tbody>
<tr>
<td>A350-900</td>
<td>-</td>
<td>-</td>
<td>4</td>
</tr>
<tr>
<td>747-400</td>
<td>11</td>
<td>9</td>
<td>6</td>
</tr>
<tr>
<td>737-800</td>
<td>16</td>
<td>18</td>
<td>19</td>
</tr>
<tr>
<td>777-300</td>
<td>3</td>
<td>8</td>
<td>10</td>
</tr>
<tr>
<td>A330-300</td>
<td>24</td>
<td>24</td>
<td>24</td>
</tr>
<tr>
<td>A340-300</td>
<td>6</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>747-400F (Cargo Fleet)</td>
<td>18</td>
<td>18</td>
<td>18</td>
</tr>
</tbody>
</table>

※ Four Airbus A350-900 passenger aircraft are expected to be successively introduced in the second half of 2016. The above fleet excludes aircraft in storage.

Aircraft History

Average fleet age as of Dec. 31, 2014: 9.8 years
Average fleet age as of Dec. 31, 2015: 9.6 years
Average fleet age as of Dec. 31, 2016: 8.6 years
### CAL Global Destinations

<table>
<thead>
<tr>
<th>Americas 36</th>
<th>Europe 9</th>
<th>Oceania 7</th>
<th>Asia 77</th>
<th>Taiwan 5</th>
</tr>
</thead>
</table>

☆ Mandarin Airlines Flights  @Destinations with code-shared Airlines  #Freight Only Destinations

Updated by March 2016
Corporate vision, mission, core values and corporate culture

CAL hopes to become a model of sustainable company for Taiwan. Confronted with increasingly intense competitiveness in the aviation industry and unpredictable external environment, CAL organizes internal Consensus Camp to solidify employee cohesiveness, establish the vision, mission and goals for CAL’s future development and create an employee friendly work environment. CAL cultivates a corporate culture of safer, more reliable and more customer-oriented services and fulfills its social responsibility as a corporate citizenship so that CAL can become an outstanding model of corporate sustainability and a benchmark in the aviation industry.

Six Consensus Camps were conducted in 2015, and hundreds of elite CAL employees participated enthusiastically, including grassroots employees, pilots, frontline service personnel, logistics, and maintenance staff. Through these activities, employees shared their thoughts, pointed out current core issues in the company, and shared expectations and suggestions for the future, and together formulated the vision and mission for CAL’s future development and the attributes and corporate culture expected of CAL employees.

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i Love CAL

The lower case letter “i” at the beginning symbolizes the passion and love of CAL employees towards CAL. We hope that this symbol of i Love CAL can spread the love and warmth of CAL to the community so that our trustworthy, united, innovative and sustainable team of professionals can continue to motivate CAL toward excellence and long term sustainable development.

Reliable: CAL is a warm, reliable home to all CAL employees, and an important place that bears the marks of growth of its people. With one heart and mind, CAL strives to be a great enterprise worthy of employee dedication and passenger trust!

One Team: A good cooperation is like a beautiful concerto. Although different instruments are played, they abide by a common theme to deliver the best performance. Let all the employees unite in dedication to deliver the most beautiful music!

Visionary: The eagle, the king of the sky, overcomes all barriers and soars with the wind to great heights to overlook the big, wide earth. CAL employees must broaden their horizon, pay attention to the market trend and remain innovative to become innovative leaders.

Expertise: The CAL family is built from the past dedication of countless people. Together with a grateful heart, CAL must honor our glorious heritage and continue to advance so that CAL may stand firm on this land!
Mandarin Airlines was founded in 1991. The Hai Tung Ching (gyrfalcon) logo identifies the company, symbolizes “Eagle’s Flight”, and reflects Mandarin Airlines belief in perseverance under all circumstances with “Head Held High”. Mandarin Airlines is a subsidiary of CAL. Between 1991-2000, opened up flights to Canada and Australia, and has extensive experience in international routes and an excellent management team. On August 8, 1999, Mandarin Airlines merged with Formosa Airlines, and gradually transformed into an airline that operates regional international routes and domestic routes. The staff of Mandarin Airlines consistently believe in “Flight Safety” and “Comfortable Flight Service”, and was awarded “Best Airline Award” by the Civil Aviation Safety Authority of Australia and excellent flight safety award by the Civil Aviation Administration. In 2003, Mandarin Airline received its first Golden Flyer Award from the Civil Aviation Administration, and again in 2014 for its excellent flight safety, innovative services and community outreach. Mandarin Airlines achieved the IATA IOSA certification, and also became Taiwan's first airliner to achieve the ISO-9002 certification for quality flight services. In addition to complying with international flight safety standards and pursuit of service quality, Mandarin Airlines joined the International Air Transport Association (IATA) in June 2015 to integrate with international airlines, which symbolizes international recognition of Mandarin Airline's safety. In addition, Mandarin Airlines also shares flight safety information with other member airlines to strengthen airline risk identification and risk management in order to enhance the flight safety quality.

Under shared resources and mutual benefits with its parent CAL, Mandarin Airlines has gradually been growing stronger. CAL and Mandarin Airlines maintain close cooperation in their fleets, operations and management to create maximum benefit for the CAL Group. As of the end of 2015, in addition to domestic routes in Taiwan, Mandarin Airlines has focused on departures from Taichung and Songshan to international destinations such as SE Asia, Japan and Korea and direct cross-strait flights to provide convenient and comfortable travel and business services. Mandarin Airlines offers 150 flights per week to 7 domestic destinations, namely Taipei, Taichung, Kinmen, Magong, Taitung, Kaohsiung and Hualien, and up to 251 flights per week in 35 cross-strait and international routes.

The Mandarin Airlines fleet consists of eight Brazilian Embraer E190 short and mid haul models, and leases the B747-400 / A340-300 / A330-300 / B737-800 models from its parent company, CAL, for its cross-strait and Asia routes.
To compete with low-cost carriers (LCC) and meet different customer needs, the CAL Group officially announced its entry into the LCC market when welcoming its 55th year. CAL Group jointly established the Tigerair Taiwan with Singapore’s Tigerair to provide more options for the civil aviation market in Taiwan. During the preparation phase, experienced elites recruited by CAL began developing various operations and job preparedness. On April 21, 2014, Tigerair Taiwan obtained the establishment registration certificate from the Ministry of Economic Affairs, and started recruiting the first recruitment of flight attendants. Now Tigerair Taiwan has completed its 7th flight crew training, and has reached 150 flight attendants.

Flight safety is the cornerstone of airline operations. It is also the utmost belief and core value of all Tigerair Taiwan employees. The Tigerair corporate logo with a “Taiwan” liveried on the aircraft, the spirit of Tigerair Taiwan conveys both international standards and local brand positioning.

Until the end of March, 2016, Tigerair Taiwan fleet consisted of 8 A320 aircraft in service (In 2017 : 12 A320 aircraft as expected) and 14 international routes distributed throughout NE Asia and SE Asia, with more destinations expected to open. To date, Tigerair Taiwan has been operating for more than a year, and passenger volume has exceed 1 million. Tigerair Taiwan is committed to delivering practical services so that every passenger traveling with Tigerair Taiwan can always enjoy a relaxing and fun trip.
China Airlines Milestone

1959
China Airlines was founded with TWD 400,000 in registered capital, 26 employees, one C54 aircraft and two PBY aircraft.

1961
Undertook delivery of military supplies to Laos.

1986
Business Department was divided into Cabin Crew Division and Cargo Division to expand operations.

1988
27 shareholders donated their shares to establish the China Aviation Development Foundation, and transferred supervision and management rights to society.

1991
Became privatized and prepared for IPO application. Mandarin Airlines has been established officially.

1993
Officially listed on the Taiwan Stock Exchange and became the first international airlines listed in the Taiwan stock market.

1995
Updated the Company Identification System (CIS) to the Plum Blossom Logo.

1998
Completed the new version of the China Airlines Strategy Plan, and announced the new company vision of The Most Reliable Airline.

2000
Established the Shanghai office in Mainland China. Received the ISO-9001 certificate, and began online ticketing service. Established branch offices in Canada, Australia, New Zealand and Guam.

2001
Introduced the A340-300 aircraft.

2004
Introduced three A330-300 passenger aircraft, two B747-400 passenger aircraft and two B747-400 freighters.

2005
Launched code-sharing services with Deutsche Bahn AG for land-air transport. Helped promote Taiwan's agriculture and launched the world's butterfly orchid livery aircraft.

2006
Jointly created the first fruit liveried aircraft with the Council of Agriculture. Began the Airline Business Operation Center Plan for Taoyuan International Airport. Three years of construction and 47 years of operations are expected.

2007
Announced the signing of the airport hotel contract with AccorHotels (France). Launched the mobile counter at Taoyuan International Airport to shorten passenger check-in time at designated counters.

2008
Signed the Memorandum of Cooperation with China Southern Airlines.

2009
Became an official member of IATA e-Freight. Launched the use of Taiwan's largest 120,000-pound engine testing bed.

2010

2011
Launched code-sharing with China Eastern Airlines and Shanghai Airlines. Signed Strategic Framework Agreement with Zhejiang Tourism Group. Became the first Taiwan airliner to officially join the SkyTeam, an international aviation alliance.
2012
Launched SkyPriority services and joined the SkyTeam Cargo.
Signed the OnPoint Fuel Carbon Solutions Agreement with GE Aviation.
Launched the e-boarding pass, and ticket booking and purchase, pre-boarding and customs through smart phones.
Launched the world's first trans-Pacific climate observation aircraft. Became the world's first airlines to display carbon footprint and calories in in-flight menus.
Refitted nine 747 passenger aircraft with new cabin seats and video systems.

2013
Formed the Greater China Connection alliance with China Southern Airlines, China Easter Airlines and Xiamen Airlines.
Launched code-sharing with Russia's Transaero Airlines and Hawaii Airlines, and expanded code-sharing with China Southern Airlines.
Launched freight services for thermal-controlled products.

2014
Launched the general framework for Next Generation services.
Officially established the Corporate Sustainability Committee.
Tigerair Taiwan officially joined the Group operations.
Purchased three 737-800 passenger aircraft, one A330-300 passenger aircraft and three 777-300ER passenger aircraft.
passed the Enhanced IOSA (E-IOSA) evaluation standards to become Taiwan's first E-IOSA certified airline.
The NexGen 777 cabin won Germany's Red Dot Design Award.
Became the first airline in Taiwan to install braille In-Flight Safety instructions for the convenience of visually impaired passengers.
New uniform presented.
Established Taiwan's first aircraft maintenance training center, Training Center (CTC).
Launched code-sharing with Philippines Airlines.
Joint ventures with Chunchwa Post and Yang Ming Marine Transport Corporation to create innovative business opportunities in sea, land and air cooperation.

2015
The NexGen 777 cabin won Germany's Red Dot Design Award.
Became the first airline in Taiwan to install braille In-Flight Safety instructions for the convenience of visually impaired passengers.

Participation in External Organization

<table>
<thead>
<tr>
<th>Organization</th>
<th>Membership</th>
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<tbody>
<tr>
<td>International Air Transport Association (IATA)</td>
<td>4 core committee members and 1 committee observer</td>
</tr>
<tr>
<td>Association of Asia Pacific Airlines (AAPA)</td>
<td>Executive Committee Member</td>
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<tr>
<td>SKYTEAM</td>
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<td>SkyTeam Cargo</td>
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<td>Taipei Airlines Association (TAA)</td>
<td>Executive Director</td>
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<tr>
<td>Euromoney</td>
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<tr>
<td>Environmental Protection Administration- Clean Development and Carbon Credit Management Alliance</td>
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<td>Association of Atmosphere Protection in Taiwan (AAPT)</td>
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<td>Centers for Corporate Sustainability</td>
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