

Stock Code : 2618

EVA Airways Corporation

2020 Annual General Shareholders' Meeting

Meeting Handbook

May 27, 2020

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EVA Airways Corporation

2020 Annual General Shareholders' Meeting

Meeting Time: 9:00 AM on May 27 (Wednesday), 2020

Meeting Location: Conference Hall on the 17th floor
EVA AIRWAYS CORPORATION
No.376, Sec.1, Hsin-Nan Road, Luchu District, Taoyuan City,
Taiwan (R.O.C.)

Attendance: There are _____ shares representing shareholders attending, reaching ____% of 4,853,569,490 shares total issued by the Company.

Chairman: Lin, Bou-Shiu, the Chairman of the Board

I. Report the total number of shares represented at this AGM and announce commencement of the meeting.

II. Chairman's Address.

III. Report Items:

- A. Business Report of the year 2019 (Handbook pages 6-10).
- B. Audit Committee's Review Report of the year 2019. (Handbook page 30).
- C. 2019 Employees' Compensation and Directors' Remuneration Report: The Board of Directors appropriated NT\$170,475,000 as Employees' Compensation in cash and NT\$9,500,000 as Directors' Remuneration pursuant to the Articles of Incorporation.
- D. 2019 Cash Dividends Report:
 - 1. The Board of Directors has resolved to distribute cash dividend NT\$0.25 per share pursuant to the Articles of Incorporation. The total of cash dividends shall be NT\$1,213,392,373. The cash dividend distribution will be calculated to the nearest NT dollar, the remainder will be recognized as "Other Non-Operating Income" of the Company.
 - 2. The ex-dividend date and payment date for the cash dividend

distribution will be decided by the Chairman of the Board. Besides, if the number of total shares outstanding change, prior to the ex-dividend date for the distribution, such that the ratio of the cash dividends is affected, the Chairman of the Board will deal relative matters.

- E. Corporate Bond Report: In order to repay the loans and reinforce the financial structure of the Company, the Board Meeting held on Aug. 10, 2017 resolved to issue the 3rd Domestic Unsecured Convertible Bond. The Corporate Bond was issued with total amount of par value NT\$7,000,000,000, period of 5 years, and Coupon rate of 0%. The registration of Corporate Bond issuance has become effective after being approved by Financial Supervisory Commission R.O.C (Taiwan) and has completed listing and trading on Taipei Exchange dated Oct. 27, 2017. As of March 29, 2020, the date of suspension of bond transfer, the 3rd Unsecured Convertible Bond amounts to NT\$451,100,000 has been converted into 30,829,218 common shares. The current conversion price is NT\$13.7.

IV. Ratification and Discussion Items

Proposed by the Board of Directors

Proposal 1: Ratification of the 2019 Business Report and Audited Financial Report. (Handbook pages 6-28) Please ratify.

Description: The 2019 Financial Report of the Company has been audited by Mr. Tang, Chia-Chien and Mr. Su, Yen-Ta, the CPA of KPMG Taiwan.

Resolution:

Proposed by the Board of Directors

Proposal 2: Ratification of 2019 earnings distribution. (Handbook page 29) Please ratify.

Description: The 2019 earnings distribution (including cash dividends and the distribution of net earnings) of the Company has been resolved by the Audit Committee and the Board of Directors.

Resolution:

Proposal 3: Proposal to amend the Company’s “Articles of Incorporation.” Amendments shown in a comparison table on the Handbook (Handbook pages 31-33). Please discuss.

Description:

1. In accordance with “Regulations Governing Compliance Matters for Civil Air Transport Enterprise to Appoint Independent Directors Undertaking Public Welfare” announced on Nov. 19, 2018 by Order No. 10750153771 of the Ministry of Transportation and Communications, the civil air transport enterprise shall appoint at least one Independent Director Undertaking Public Welfare upon the expiry of the current term of the directors.
2. The Company will appoint an Independent Director Undertaking Public Welfare in accordance with the above regulation. And Article 15-1, Article 16 and Article 17 are amended to specify the quota, re-election restrictions and the solution to shortfall of Independent Directors Undertaking Public Welfare.

Resolution:

Proposal 4: Proposal to amend the Company’s “Regulations for Electing Directors.” Amendments shown in a comparison table on the Handbook (Handbook pages 34-35). Please discuss.

Description: To cope that the Company will appoint an independent director undertaking public welfare in the election of directors, Article 2-1 and Article 4 are amended to specify the election method for Independent Directors Undertaking Public Welfare.

Resolution:

V. Election Item:

Proposed by the Board of Directors

Proposal: Proposal to elect the Directors of the Company.

Description:

1. Since the term of office of the current Directors will expire on June 25, 2020, it is proposed to elect nine Directors (including three Independent Directors and one of them shall be an Independent Director Undertaking Public Welfare) according to Article 15 of the Articles of Incorporation of the Company. The new Directors, whose term of office shall be three years from May 27, 2020 to May 26, 2023, shall take office after Annual General Shareholders' Meeting, and the current Directors shall be discharged simultaneously.
2. The election of the Directors is conducted under the "candidate nomination system". The list and relevant information of the Director Candidates nominated by the Board of Directors of the Company are as Handbook Pages 36-41.

Election Results:

VI. Other Item:

Proposed by the Board of Directors

Proposal: Discussion on approving the release of restrictions of competitive activities of Directors. Please discuss.

Description:

1. Directors who, for themselves or others run businesses which are similar to the business of the Company, shall report to and obtain permission from the shareholders' meeting.

2. The competitive activities of the Director Candidates are as shown in the following table. Therefore, the release of restrictions of competitive activities of Directors is proposed to the Shareholders' Meeting for approval. (Exhaustive list of Concurrent Positions in Other Companies as Handbook pages 36-41.)

Director Candidate	Concurrent Positions in Other Companies	The Business which is similar to the Company's
Evergreen Marine Corp. (Taiwan) Ltd. Representative : Lin, Bou-Shiu	The Director of Uni Airways Corp.	Civil Air Transport Enterprise
Evergreen International Corp. Representative: Tai, Jiin-Chyuan	The Director of Uni Airways Corp.	Civil Air Transport Enterprise

Resolution:

I. Extraordinary Motions

II. Meeting Adjournment

EVA AIRWAYS CORPORATION

BUSINESS REPORT OF THE YEAR 2019

The year 2019 marked the 30th anniversary of EVA Air. Since our establishment, our flight safety and services have won approval from our customers in addition to various international awards all over the globe. It is because of our philosophy of “Enjoy Flying” that we have been able to give full scope to our team spirit and guarantee passengers the safest and most comfortable journeys. Compared to 2018, our annual revenue in 2019 reached a plateau with NT\$135.6 billion, while 12.83 million passenger were carried, hitting another record high.

In 2018, the first 787-9 Dreamliner joined our fleet. In 2019, we continued to introduce the 787-10 passenger aircraft from the same series in response to the environmental objectives of energy conservation, carbon reduction and greenhouse gas emission reduction. At the same time, our service quality was also improved. To brace for the AI era, we launched our text-based chatbot for customer service. Passengers can receive customer support anytime and anywhere. As one of the digital service channels in the new era, the chatbot has effectively enhanced the efficiency of our customer service. As for our Cargo service, all newly 777 freighters came into service and optimized our fleet by replacing the 747-400 freighters, drastically increasing the overall airfreight operating performance.

EVA Air has upheld the fundamental goals of “Safety, Service, and Sustainability.” In 2019, we won a variety of domestic and international awards. We were selected as one of “The World’s 20 Safest Airlines” by [AirlineRatings.com](#) for the seventh consecutive years and named as one of the “Top 20 Airlines”. We were also rated favorably in “Corporate Governance Evaluation” by Taiwan Stock Exchange Corporation for the fifth consecutive years, and listed in its “Corporate Governance 100 Index”, “Taiwan High Compensation 100 Index”, “Taiwan Employment Creation 99 Index” and “TIP Smart Multi-Factor 30 Index.” We were named as one of “The World’s 5-Star Airlines” by SKYTRAX for the fourth consecutive years and ranked sixth in “The World’s Top 10 Airlines”, “The World’s Best Airline Cabin Cleanliness” and “Best Economy Class Food” in 2019. Other awards including third place in TripAdvisor’s “The World’s Best Airlines”, “Top Airlines in Asia”, “Asia’s Best Business Class” and “Asia’s Best Premium Economy Class”.

Furthermore, we were named as one of the “Five Star Global Airlines” by APEX & FTE and “The Best Overall In Eastern Asia” on 2020 APEX Regional Passenger Choice Awards. The results showed that we won the recognition from our passengers worldwide.

2019 Results

- **Passenger revenue grew 1.6% to NT\$ 100.6 billion, a NT\$ 1.5 billion increase compared to 2018.**

The passenger load factor was 81.6% in 2019, while the number of passengers we carried increased by 2.3% and the yield increased by 0.9%. In the first half of the year, we were impacted by a strike. Our passenger revenue in June and July decreased by 18.5% compared to the same period of the previous year. In the second half of the year, due to the anti-extradition bill movement in Hong Kong and China’s Taiwan travel ban, the demands for flights from Taiwan to Hong Kong and China decreased. By proactively adjusting capacity and developing potential flight routes, the overall revenue maintained growing though the growth rate was not as expected.

- **Cargo revenue dropped 8.2% to NT\$25.4 billion, a NT2.3 billion decrease compared to 2018.**

The cargo load factor was 78.2% in 2019, while the cargo we carried decreased by 6.0% and the yield decreased by 2.3%. We were influenced by the stagnation in the US-China trade negotiations, low global investor confidence and weak market demand. Except for a surge in exports before the lunar new year, there were no significant difference between the high and low season in the first half of the year. In the second half of the year, the cargo volume increased by 12.8%, compared to the first half of the year. The cargo capacity supply exceeded demand, resulting in a 1.1% decrease in yield compared to the first half.

- **A total of 84 aircraft with ongoing fleet renewal**

EVA operated 84 aircraft by the end of 2019, including 79 passenger aircraft and 5 freighters. The last two 747-400F freighters were retired from the fleet. Seven

new aircraft, including one 777F freighter, two 787-9s and four 787-10s were delivered throughout the year to facilitate the renewal of the fleet. One 777-300ER leased to Air New Zealand was extended.

Aircraft Type	Quantity
777-300ER	33
A330-300	9
A330-200	3
A321-200	24
ATR72-600	2
777F (Freighter)	5
787-9	4
787-10	4
Total	84

■ **Affiliated companies**

EVA has invested in 11 affiliates including Evergreen Aviation Technologies Corporation, Evergreen Sky Catering Corporation, Evergreen Airline Services Corporation, Evergreen Air Cargo Services Corporation and EVA Flight Training Academy, etc. These companies construct a complete downstream aviation service network and upstream supply chain. The annual investment income was NT\$2.24 billion in 2019.

Results vs. Projections

EVA and subsidiaries estimated total consolidated operating revenue of NT\$191.66 billion for 2019 and actually achieved NT\$181.28 billion, surpassing our goal with 94.58%. Expected net profit before taxes was NT\$4.88 billion and actual profit before taxes amounted to NT\$6.06 billion.

Analysis of Financial Results and Profitability

EVA and subsidiaries reported consolidated operating revenue of NT\$181.28 billion for 2019, a 0.8% increase over the previous year. Consolidated operating expense was NT\$171.83 billion, a 0.5% increase over the previous year.

Profitability analysis (consolidated):

Return on assets: 3.1%

Return on equity: 6.6%

Profit margin: 2.7%

Earnings per share: NT\$0.83

Research and Development

1. Customer Service Chatbot Solution

The Company introduced diversified customer service channels by launching AI-powered conversational Chatbot(Chat-Robot) and live chat service to interact with our passengers, in addition to traditional voice telephony. This Chatbot leverages powerful AI backend and integrates with all service channels to interact with passengers swiftly and it certainly enhances customer experience by seamlessly integrating conversations between Chatbot and human agents.

2. EVA Mobile service enhancement

EVA Mobile has established 26 languages in different markets and has continued increasing the markets for new languages in order to serve larger customer base. At the same time, in order to provide users with a friendlier and intimate travel experience, EVA Mobile has successively launched Infinity Miles membership applications, real-time baggage message pushing, prepaid baggage purchase, passport scanning, and integration of Google pay boarding pass, etc. EVA Mobile takes responsibility for continuously providing passengers with more complete services.

3. Enhancing Cyber Security and Cyber Defense

In order to cope with the emerging global cyber threats, the Company has continued to build up a defense-in-depth Information Security mechanism based on risk management in 2019. In addition, we have achieved these main targets including Proactive Defense, Precise Detection, Efficient Incident

Response, and Sustainable Continuous Improvement. The synergy of these pillars would benefit the Company to maintain a high standard of cyber security.

4. Air-cargo Pricing Management System Project

The Company's new cargo system has been launched in 2017 to provide stable and rapid system services for our cargo business. It helps the Company to manage market changes and met the needs of customer service. The upgrade of air-cargo pricing management system can provide cargo management department to administer the real-time air-cargo market freight and volume changes more efficiently, and to maximize the profit of each flight.

5. Development of New Mail Revenue Accounting System

The Company has successfully migrated its Mail Revenue Accounting (MRA) System from mainframe-based legacy platform to open architecture with modern technologies in 2019. New MRA System takes advantage of innovative technologies to re-engineer all interface and working flows more efficiently and effectively. New MRA System will be beneficial to both operation efficiency and agile software development.

6. Intelligent Logistics for New Bonded Warehouse

The IoT technology has matured tremendously in the past decade with extensive implementations in logistics industry, the Company plans to introduce the smart logistics in the new bonded warehouse. EVA had completed the project in 2019 by applying wearable devices and electronic tags. Through cloud computing and image recognition technology, the Company integrates various information in real time and enhances the loading efficiency of commissary supplies and optimize the allocation of storage space.

7. New virtual server infrastructure design and implementation

To enhance the Company's virtual server security, resource utilization and management efficiency, we invested in a new Hyper-converged infrastructure for virtual server operation. By the new infrastructure, the company is able to shorten virtual server deployment process for application systems, and further accelerate our information system development.

EVA AIRWAYS CORP. AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2019 and 2018

(Expressed in Thousands of New Taiwan Dollars)

Assets		2019.12.31		2018.12.31		Liabilities and Equity		2019.12.31		2018.12.31							
		Amount	%	Amount	%			Amount	%	Amount	%						
Current assets:																	
1100	Cash and cash equivalents	\$ 51,534,519	15	48,278,874	20	2100	Short-term borrowings	\$ 150,000	-	-	-						
1110	Financial assets at fair value through profit or loss—current	961,356	-	769,039	-	2120	Financial liabilities at fair value through profit or loss—current	3,274	-	-	-						
1139	Financial assets for hedging—current	37,428	-	36	-	2126	Financial liabilities for hedging—current	11,558,692	3	136,731	-						
1140	Contract assets—current	345,016	-	3,850,796	2	2130	Contract liabilities—current	19,958,937	6	18,317,646	8						
1150	Notes receivable, net	843,311	-	933,730	-	2170	Notes and accounts payable	9,620,809	3	10,296,938	4						
1170	Accounts receivable, net	17,194,658	5	8,434,458	4	2180	Accounts payable—related parties	105,230	-	96,293	-						
1180	Notes and Accounts receivable—related parties	677,696	-	6,719,914	3	2200	Other payables	9,666,770	3	9,735,356	4						
130x	Inventories	3,352,358	1	4,934,205	2	2230	Current tax liabilities	910,148	-	1,045,402	-						
1460	Non-current assets or disposal group classified as held for sale, net	1,233,824	1	-	-	2260	Liabilities related to non-current assets or disposal group classified as held for sale	140,810	-	-	-						
1470	Other current assets	1,019,610	-	2,075,381	1	2280	Lease liabilities—current	387,924	-	-	-						
Total current assets		77,199,776	22	75,996,433	32	2320	Current portion of long-term liabilities	24,867,998	7	15,637,144	7						
Non-current assets:																	
1517	Financial assets at fair value through other comprehensive income—non-current	2,646,323	1	2,402,997	1	2399	Other current liabilities	5,071,123	1	5,657,366	2						
1550	Investments accounted for using equity method	2,055,220	1	710,002	-	Total current liabilities		82,441,715	23	60,922,876	25						
1600	Property, plant and equipment	138,646,890	39	143,960,512	59	Non-current liabilities:											
1755	Right-of-use assets	116,946,873	33	-	-	2500	Financial liabilities at fair value through profit or loss—non-current	-	-	6,234	-						
1760	Investment property, net	-	-	183,054	-	2511	Financial liabilities for hedging—non-current	86,744,021	24	-	-						
1780	Intangible assets	1,977,277	-	2,123,769	1	2527	Contract liabilities—non-current	3,220,551	1	2,908,958	1						
1840	Deferred tax assets	4,697,601	1	4,086,084	2	2530	Bonds payable	4,250,000	1	15,107,923	6						
1900	Other non-current assets	12,081,734	3	11,731,052	5	2540	Long-term borrowings	70,616,943	20	65,035,258	27						
Total non-current assets		279,051,918	78	165,197,470	68	2570	Deferred tax liabilities	638,563	-	98,159	-						
						2580	Lease liabilities—non-current	4,851,030	1	-	-						
						2613	Lease obligations payable—non-current	-	-	1,279,618	1						
						2640	Net defined benefit liabilities—non-current	4,905,439	2	5,166,835	2						
						2670	Other non-current liabilities	20,441,416	6	20,548,307	9						
						Total non-current liabilities		195,667,963	55	110,151,292	46						
						Total liabilities		278,109,678	78	171,074,168	71						
Equity :																	
3110	Ordinary share	48,535,695	14	43,821,215	18												
3140	Advance receipts for share capital	-	-	230,642	-												
3200	Capital surplus	7,849,700	2	6,751,945	3												
3300	Retained earnings	12,117,248	3	12,344,382	5												
3400	Other equity interest	2,749,539	1	434,085	-												
Total equity attributable to owners of parent		71,252,182	20	63,582,269	26												
36XX	Non-controlling interests	6,889,834	2	6,537,466	3												
Total equity		78,142,016	22	70,119,735	29												
Total liabilities and equity		\$ 356,251,694	100	241,193,903	100												

EVA AIRWAYS CORP. AND SUBSIDIARIES
Consolidated Statements of Comprehensive Income
For the years ended December 31, 2019 and 2018
(Expressed in Thousands of New Taiwan Dollars, except Earnings Per Share)

		2019		2018	
		Amount	%	Amount	%
4000	Operating revenue	\$ 181,275,258	100	179,907,332	100
5000	Operating costs	(158,448,123)	(88)	(157,789,642)	(88)
	Gross profit from operations	22,827,135	12	22,117,690	12
6000	Operating expenses	(13,384,408)	(7)	(13,228,562)	(7)
	Net operating income	9,442,727	5	8,889,128	5
	Non-operating income and expenses :				
7010	Other income	1,008,149	1	865,385	-
7020	Other gains and losses	871,520	-	1,202,071	1
7050	Finance costs	(5,398,838)	(3)	(2,002,227)	(1)
7060	Shares of profit of associates accounted for using equity method	134,791	-	201,574	-
	Total non-operating income and expenses	(3,384,378)	(2)	266,803	-
7900	Profit before tax	6,058,349	3	9,155,931	5
7950	Income tax expenses	(1,206,474)	-	(1,941,418)	(1)
	Profit	4,851,875	3	7,214,513	4
8300	Other comprehensive income :				
8310	Components of other comprehensive income that will not be reclassified to profit or loss:				
8311	Remeasurements of defined benefit plans	(641,530)	-	(734,889)	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	175,455	-	156,743	-
8317	Gains (losses) on hedging instruments that will not be reclassified to profit or loss	(11,451)	-	366	-
8320	Share of other comprehensive income of associates accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	(1,942)	-	(1,034)	-
8349	Income tax benefit (expenses) related to components of other comprehensive income that will not be reclassified to profit or loss	130,082	-	304,730	-
	Components of other comprehensive income that will not be reclassified to profit or loss	(349,386)	-	(274,084)	-
8360	Components of other comprehensive income that will be reclassified to profit or loss:				
8361	Exchange differences on translation of foreign financial statements	(35,663)	-	(14,806)	-
8368	Gains (losses) on hedging instruments	2,735,417	1	(320,961)	-
8370	Share of other comprehensive income of associates accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	(3,182)	-	7,698	-
8399	Income tax benefit (expenses) related to components of other comprehensive income that will be reclassified to profit or loss	(547,083)	-	58,658	-
	Components of other comprehensive income that will be reclassified to profit or loss	2,149,489	1	(269,411)	-
8300	Other comprehensive income, net of tax	1,800,103	1	(543,495)	-
8500	Total comprehensive income	\$ <u>6,651,978</u>	<u>4</u>	<u>6,671,018</u>	<u>4</u>
	Profit, attributable to:				
8610	Owners of parent	\$ 3,982,467	3	6,552,827	4
8620	Non-controlling interests	869,408	-	661,686	-
		\$ <u>4,851,875</u>	<u>3</u>	<u>7,214,513</u>	<u>4</u>
	Comprehensive income attributable to:				
8710	Owners of parent	\$ 5,838,155	4	6,059,260	4
8720	Non-controlling interests	813,823	-	611,758	-
		\$ <u>6,651,978</u>	<u>4</u>	<u>6,671,018</u>	<u>4</u>
	Earnings per share				
9750	Basic earnings per share (in New Taiwan Dollars)	\$ <u>0.83</u>		<u>1.45</u>	
9850	Diluted earnings per share (in New Taiwan Dollars)	\$ <u>0.76</u>		<u>1.32</u>	

EVA AIRWAYS CORP. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the years ended December 31, 2019 and 2018

(Expressed in Thousands of New Taiwan Dollars)

	Attributable to owners of parent														
	Retained earnings						Other equity interest								
	Ordinary share	Advance receipts for share capital	Capital surplus	Legal reserve	Unappropriated retained earnings	Total	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Unrealized gains (losses) on available-for-sale financial assets	Gains (losses) on effective portion of cash flow hedges	Gains (losses) on hedging instruments	Total	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance on January 1, 2018	\$ 41,734,490	-	6,639,940	991,243	7,681,006	8,672,249	(10,851)	-	819,258	152,637	-	961,044	58,007,723	6,201,785	64,209,508
Effects of retrospective application	-	-	-	-	454,662	454,662	-	371,924	(819,258)	(152,637)	152,637	(447,334)	7,328	12	7,340
Balance on January 1, 2018 after adjustments	41,734,490	-	6,639,940	991,243	8,135,668	9,126,911	(10,851)	371,924	-	-	152,637	513,710	58,015,051	6,201,797	64,216,848
Appropriation of prior year's earnings:															
Legal reserve appropriated	-	-	-	575,207	(575,207)	-	-	-	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(834,689)	(834,689)	-	-	-	-	-	-	(834,689)	-	(834,689)
Stock dividends of ordinary share	2,086,725	-	-	-	(2,086,725)	(2,086,725)	-	-	-	-	-	-	-	-	-
Profit	-	-	-	-	6,552,827	6,552,827	-	-	-	-	-	-	6,552,827	661,686	7,214,513
Other comprehensive income	-	-	-	-	(395,610)	(395,610)	7,091	156,945	-	-	(261,993)	(97,957)	(493,567)	(49,928)	(543,495)
Total comprehensive income	-	-	-	-	6,157,217	6,157,217	7,091	156,945	-	-	(261,993)	(97,957)	6,059,260	611,758	6,671,018
Issue of shares	-	180,980	91,500	-	-	-	-	-	-	-	-	-	272,480	-	272,480
Conversion of convertible bonds	-	49,662	20,505	-	-	-	-	-	-	-	-	-	70,167	-	70,167
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	(276,089)	(276,089)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	(18,332)	(18,332)	-	18,332	-	-	-	18,332	-	-	-
Balance on December 31, 2018	43,821,215	230,642	6,751,945	1,566,450	10,777,932	12,344,382	(3,760)	547,201	-	-	(109,356)	434,085	63,582,269	6,537,466	70,119,735
Appropriation of prior year's earnings:															
Legal reserve appropriated	-	-	-	655,282	(655,282)	-	-	-	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(2,343,647)	(2,343,647)	-	-	-	-	-	-	(2,343,647)	-	(2,343,647)
Stock dividends of ordinary share	1,406,188	-	-	-	(1,406,188)	(1,406,188)	-	-	-	-	-	-	-	-	-
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	-	90,713	-	-	-	-	-	-	-	-	-	90,713	-	90,713
Changes in equity of associates accounted for using equity method	-	-	3,757	-	-	-	-	-	-	-	-	-	3,757	-	3,757
Profit	-	-	-	-	3,982,467	3,982,467	-	-	-	-	-	-	3,982,467	869,408	4,851,875
Other comprehensive income	-	-	-	-	(459,755)	(459,755)	(39,013)	175,283	-	-	2,179,173	2,315,443	1,855,688	(55,585)	1,800,103
Total comprehensive income	-	-	-	-	3,522,712	3,522,712	(39,013)	175,283	-	-	2,179,173	2,315,443	5,838,155	813,823	6,651,978
Issue of shares	3,000,000	(180,980)	900,000	-	-	-	-	-	-	-	-	-	3,719,020	-	3,719,020
Conversion of convertible bonds	308,292	(49,662)	103,285	-	-	-	-	-	-	-	-	-	361,915	-	361,915
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	(461,455)	(461,455)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	(11)	(11)	-	11	-	-	-	11	-	-	-
Balance on December 31, 2019	\$ 48,535,695	-	7,849,700	2,221,732	9,895,516	12,117,248	(42,773)	722,495	-	-	2,069,817	2,749,539	71,252,182	6,889,834	78,142,016

EVA AIRWAYS CORP. AND SUBSIDIARIES
Consolidated Statements of Cash Flows
For the years ended December 31, 2019 and 2018
(Expressed in Thousands of New Taiwan Dollars)

	<u>2019</u>	<u>2018</u>
Cash flows from (used in) operating activities:		
Profit before tax	\$ 6,058,349	9,155,931
Adjustments:		
Adjustments to reconcile profit:		
Expected credit loss	21,014	70,019
Depreciation expense	26,671,354	12,908,942
Amortization expense	443,418	416,158
Net gains on financial assets or liabilities at fair value through profit or loss	(7,774)	(16,571)
Interest expense	5,398,838	2,002,227
Interest income	(839,836)	(705,399)
Dividend income	(146,759)	(147,692)
Share-based payments transactions	-	91,500
Shares of profit of associates accounted for using equity method	(134,791)	(201,574)
Gains on disposal of property, plant and equipment	(1,132,468)	(678,229)
Unrealized foreign exchange losses (gains)	(201,367)	441,832
Others	(285,021)	(221,917)
Total adjustments to reconcile profit	<u>29,786,608</u>	<u>13,959,296</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Contract assets	3,505,780	(3,850,796)
Notes receivable, net	90,419	(181,146)
Accounts receivable, net	(8,781,214)	(416,915)
Notes and accounts receivable—related parties	6,031,730	(1,681,438)
Inventories	1,486,541	4,295,361
Other current assets	<u>124,417</u>	<u>(17,648)</u>
Total changes in operating assets	<u>2,457,673</u>	<u>(1,852,582)</u>
Changes in operating liabilities:		
Contract liabilities	1,952,938	21,226,604
Notes and accounts payable	(676,124)	1,300,298
Accounts payable—related parties	21,101	(98,427)
Other payables	69,480	920,648
Unearned revenue	-	(16,811,281)
Other current liabilities	25,803	356,334
Net defined benefit liabilities—non-current	(893,861)	(857,435)
Other non-current liabilities	<u>61,285</u>	<u>(2,324,337)</u>
Total changes in operating liabilities	<u>560,622</u>	<u>3,712,404</u>
Total changes in operating assets and liabilities	<u>3,018,295</u>	<u>1,859,822</u>
Total adjustments	<u>32,804,903</u>	<u>15,819,118</u>
Cash inflow generated from operations	38,863,252	24,975,049
Income taxes paid	<u>(1,709,221)</u>	<u>(884,425)</u>
Net cash flows from operating activities	<u>37,154,031</u>	<u>24,090,624</u>

EVA AIRWAYS CORP. AND SUBSIDIARIES
Consolidated Statements of Cash Flows (continued)
For the years ended December 31, 2019 and 2018
(Expressed in Thousands of New Taiwan Dollars)

	2019	2018
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	\$ (67,890)	(321)
Proceeds from disposal of financial assets at fair value through other comprehensive income	-	323,402
Acquisition of financial assets at fair value through profit or loss	(1,630,000)	(4,710,000)
Proceeds from disposal of financial assets at fair value through profit or loss	1,442,876	5,792,255
Acquisition of investments accounted for using equity method	(1,997,424)	-
Acquisition of property, plant and equipment	(15,585,412)	(13,197,697)
Proceeds from disposal of property, plant and equipment	3,161,490	2,827,577
Acquisition of intangible assets	(294,746)	(461,254)
Decrease in other non-current assets	48,835	76,788
Increase in prepayments for business facilities	(8,373,543)	(6,565,083)
Interest received	845,088	673,194
Dividends received	358,164	207,862
Net cash flows used in investing activities	(22,092,562)	(15,033,277)
Cash flows from (used in) financing activities:		
Increase in short-term borrowings	1,232,072	380,000
Decrease in short-term borrowings	(1,082,072)	(480,000)
Repayments of bonds payable	-	(4,500,000)
Proceeds from long-term borrowings	27,580,300	26,708,900
Repayments of long-term borrowings	(23,350,643)	(21,183,756)
Decrease in lease obligations payable	-	(1,275,885)
Payments of lease liabilities	(12,508,129)	-
Increase (decrease) in other non-current liabilities	(22,462)	77,154
Cash dividends paid	(2,343,647)	(834,689)
Proceeds from issuing shares	3,719,020	180,980
Interest paid	(4,650,298)	(1,317,351)
Changes in non-controlling interests	(372,195)	(290,430)
Net cash flows used in financing activities	(11,798,054)	(2,535,077)
Effect of exchange rate changes on cash and cash equivalents	(7,770)	70,824
Net increase in cash and cash equivalents	3,255,645	6,593,094
Cash and cash equivalents at beginning of year	48,278,874	41,685,780
Cash and cash equivalents at end of year	\$ 51,534,519	48,278,874



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Independent Auditors' Report

To the Board of Directors of EVA Airways Corp.:

Opinion

We have audited the consolidated financial statements of EVA Airways Corp. and subsidiaries ("the Group"), which comprise the consolidated balance sheets as of December 31, 2019 and 2018, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2019 and 2018, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

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

1. Contract liabilities — mileage redemption revenue

Please refer to note 4(q) "Revenue recognition", note 5 "Significant accounting assumptions and judgments, and major sources of estimation uncertainty" of the consolidated financial statements, and note 6(y) "Revenue from contracts with customers".

Description of key audit matter:

The member who joins the "Infinity MileageLands" ("the Program") can earn mileage by flying any of the EVA Airways Corp.'s flights or through other consumption. Contract liabilities will be converted into reverses when the member actually redeems the mileage or it is expected that the right is probable not to be redeemed.



The Group maintains information technology systems in order to calculate its mileage redemption revenue. And the Group also uses the systems to estimate the unit fair value of the mileage. Therefore, the cut off test of contract liabilities — mileage redemption revenue is one of the key judgment areas for our audit.

How the matter was addressed in our audit:

Our principal audit procedures included: testing the design and implementation of the relevant controls over the mileage redemption revenue systems related to the Program; engaging the internal specialist to assess the quantity of the mileage, fair value of the redemption of the Program and the historical redemption probability of the Program to examine the unit fair value of the mileage for verifying the accuracy of recognition of the contract liabilities — mileage redemption revenue.

2. The restoration obligation of leased aircraft

Please refer to note 4(o) “Provision”, note 5 “Significant accounting assumptions and judgments, and major sources of estimation uncertainty” of the consolidated financial statements, and note 6(r) “Restoration obligations”.

Description of key audit matter:

The estimated recovery costs are incurred through the lease of aircraft. The Group’s restoration obligations are based on the necessary maintenance expenses under the lease contracts of the aircraft, in which the Group expects all of the maintenance expenses to be reimbursed when the Group returns back all its rented aircraft. The accuracy of restoration obligation is one of the key judgmental areas for our audit.

How the matter was addressed in our audit:

Our principal audit procedures included: understanding the accounting policy of the restoration obligation; examining the methodology and key assumptions of the restoration obligation adopted by the Group’s management, including lease terms and discount rates, as well as the assessing the accuracy of recognition of restoration obligation by understanding the using condition of the leased aircraft; comparing past assumptions made by the Group’s management with actual recovery costs and analyzing their significant differences.

Other Matter

EVA Airways Corp. has prepared its parent-company-only financial statements as of and for the years ended December 31, 2019 and 2018, on which we have issued an unmodified opinion.

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

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

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

Those charged with governance (including the Audit Committee) are responsible for overseeing the Group’s financial reporting process.



Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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



From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period 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 audit resulting in this independent auditors' report are Chia-Chien Tang and Yen-Ta Su.

A handwritten signature of the KPMG firm, written in a cursive, stylized font.

KPMG

Taipei, Taiwan (Republic of China)
March 19, 2020

Notes to Readers

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

EVA AIRWAYS CORP.
Balance Sheets
December 31, 2019 and 2018
(Expressed in Thousands of New Taiwan Dollars)

		2019.12.31		2018.12.31				2019.12.31		2018.12.31	
		Amount	%	Amount	%			Amount	%	Amount	%
Assets						Liabilities and Equity					
Current assets:						Current liabilities:					
1100	Cash and cash equivalents	\$ 41,856,135	13	39,930,700	19	2120	Financial liabilities at fair value through profit or loss	\$	3,274	-	-
1110	Financial assets at fair value through profit or loss—current	502,455	-	501,757	-		— current				
1139	Financial assets for hedging—current	37,428	-	36	-	2126	Financial liabilities for hedging—current	11,558,692	4	136,731	-
1150	Notes receivable, net	842,287	-	933,343	-	2130	Contract liabilities—current	19,820,043	6	18,201,266	9
1170	Accounts receivable, net	5,515,785	2	6,178,314	3	2170	Accounts payable	4,727,977	1	6,735,360	3
1180	Notes and Accounts receivable—related parties	512,325	-	273,750	-	2180	Accounts payable—related parties	1,681,507	1	1,800,672	1
130x	Inventories	1,427,891	1	1,576,677	1	2200	Other payables	7,953,863	2	8,087,355	4
1460	Non-current assets or disposal group classified as held for sale, net	1,233,824	-	-	-	2230	Current tax liabilities	755,149	-	434,201	-
1470	Other current assets	772,709	-	1,593,355	1	2260	Liabilities related to non-current assets or disposal group classified as held for sale	140,810	-	-	-
	Total current assets	<u>52,700,839</u>	<u>16</u>	<u>50,987,932</u>	<u>24</u>	2280	Lease liabilities—current	172,500	-	-	-
Non-current assets:						2320	Current portion of long-term liabilities	21,431,599	7	12,699,748	6
1517	Financial assets at fair value through other comprehensive income—non-current	2,581,505	1	2,346,285	1	2399	Other current liabilities	4,942,707	2	5,498,552	3
1550	Investments accounted for using equity method	17,048,090	5	15,879,855	8		Total current liabilities	<u>73,188,121</u>	<u>23</u>	<u>53,593,885</u>	<u>26</u>
1600	Property, plant and equipment	120,612,684	38	125,704,145	60	Non-current liabilities:					
1755	Right-of-use assets	112,467,687	35	-	-	2500	Financial liabilities at fair value through profit or loss—non-current	-	-	6,234	-
1760	Investment property, net	-	-	183,054	-	2511	Financial liabilities for hedging—non-current	86,744,021	27	-	-
1780	Intangible assets	642,155	-	600,856	-	2527	Contract liabilities—non-current	3,220,551	1	2,908,958	1
1840	Deferred tax assets	3,960,637	1	3,305,511	2	2530	Bonds payable	4,250,000	1	15,107,923	7
1900	Other non-current assets	11,849,736	4	11,279,779	5	2540	Long-term borrowings	57,511,755	18	49,021,219	23
	Total non-current assets	<u>269,162,494</u>	<u>84</u>	<u>159,299,485</u>	<u>76</u>	2570	Deferred tax liabilities	634,146	-	83,345	-
						2580	Lease liabilities—non-current	547,793	-	-	-
						2613	Lease obligations payable—non-current	-	-	1,279,618	1
						2640	Net defined benefit liabilities—non-current	4,104,856	1	4,184,512	2
						2670	Other non-current liabilities	20,409,908	7	20,519,454	10
							Total non-current liabilities	<u>177,423,030</u>	<u>55</u>	<u>93,111,263</u>	<u>44</u>
							Total liabilities	<u>250,611,151</u>	<u>78</u>	<u>146,705,148</u>	<u>70</u>
						Equity :					
						3110	Ordinary share	48,535,695	15	43,821,215	21
						3140	Advance receipts for share capital	-	-	230,642	-
						3200	Capital surplus	7,849,700	2	6,751,945	3
						3300	Retained earnings	12,117,248	4	12,344,382	6
						3400	Other equity interest	2,749,539	1	434,085	-
							Total equity	<u>71,252,182</u>	<u>22</u>	<u>63,582,269</u>	<u>30</u>
						Total liabilities and equity		<u>\$ 321,863,333</u>	<u>100</u>	<u>210,287,417</u>	<u>100</u>
Total assets		<u>\$ 321,863,333</u>	<u>100</u>	<u>210,287,417</u>	<u>100</u>						

EVA AIRWAYS CORP.
Statements of Comprehensive Income
For the years ended December 31, 2019 and 2018
(Expressed in Thousands of New Taiwan Dollars, except Earnings Per Share)

		2019		2018	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
4000	Operating revenue	\$ 135,621,151	100	135,620,650	100
5000	Operating costs	<u>(117,477,282)</u>	<u>(87)</u>	<u>(117,631,167)</u>	<u>(87)</u>
	Gross profit from operations	18,143,869	13	17,989,483	13
6000	Operating expenses	<u>(12,027,003)</u>	<u>(9)</u>	<u>(11,994,341)</u>	<u>(9)</u>
	Net operating income	<u>6,116,866</u>	<u>4</u>	<u>5,995,142</u>	<u>4</u>
	Non-operating income and expenses :				
7010	Other income	800,315	1	757,444	1
7020	Other gains and losses	469,232	-	724,667	-
7050	Finance costs	(5,101,704)	(4)	(1,798,071)	(1)
7375	Share of profit of subsidiaries and associates accounted for using equity method	<u>2,243,419</u>	<u>2</u>	<u>1,988,335</u>	<u>1</u>
	Total non-operating income and expenses	<u>(1,588,738)</u>	<u>(1)</u>	<u>1,672,375</u>	<u>1</u>
7900	Profit before tax	4,528,128	3	7,667,517	5
7950	Income tax expenses	<u>(545,661)</u>	<u>-</u>	<u>(1,114,690)</u>	<u>-</u>
	Profit	<u>3,982,467</u>	<u>3</u>	<u>6,552,827</u>	<u>5</u>
8300	Other comprehensive income:				
8310	Components of other comprehensive income that will not be reclassified to profit or loss:				
8311	Remeasurements of defined benefit plans	(461,849)	-	(551,659)	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	167,319	-	157,677	-
8317	Gains (losses) on hedging instrument that will not be reclassified to profit or loss	(11,451)	-	366	-
8330	Share of other comprehensive income of subsidiaries and associates accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	(82,321)	-	(58,057)	-
8349	Income tax benefit (expenses) related to components of other comprehensive income that will not be reclassified to profit or loss	<u>94,669</u>	<u>-</u>	<u>213,318</u>	<u>-</u>
	Components of other comprehensive income that will not be reclassified to profit or loss	<u>(293,633)</u>	<u>-</u>	<u>(238,355)</u>	<u>-</u>
8360	Components of other comprehensive income that will be reclassified to profit or loss:				
8361	Exchange differences on translation of foreign financial statements	(36,486)	-	933	-
8368	Gains (losses) on hedging instrument	2,735,417	1	(320,961)	-
8380	Share of other comprehensive income of subsidiaries and associates accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	(2,527)	-	6,158	-
8399	Income tax benefit (expenses) related to components of other comprehensive income that will be reclassified to profit or loss	<u>(547,083)</u>	<u>-</u>	<u>58,658</u>	<u>-</u>
	Components of other comprehensive income that will be reclassified to profit or loss	<u>2,149,321</u>	<u>1</u>	<u>(255,212)</u>	<u>-</u>
8300	Other comprehensive income, net of tax	<u>1,855,688</u>	<u>1</u>	<u>(493,567)</u>	<u>-</u>
8500	Total comprehensive income	<u>\$ 5,838,155</u>	<u>4</u>	<u>6,059,260</u>	<u>5</u>
	Earnings per share				
9750	Basic earnings per share (in New Taiwan Dollars)	<u>\$ 0.83</u>		<u>1.45</u>	
9850	Diluted earnings per share (in New Taiwan Dollars)	<u>\$ 0.76</u>		<u>1.32</u>	

EVA AIRWAYS CORP.
Statements of Changes in Equity
For the years ended December 31, 2019 and 2018
(Expressed in Thousands of New Taiwan Dollars)

	Retained earnings						Other equity interest						
	Ordinary share	Advanced receipt for share capital	Capital surplus	Legal reserve	Unappropriated retained earnings	Total	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Unrealized gains (losses) on available-for-sale financial assets	Gains (losses) on effective portion of cash flow hedges	Gains (losses) on hedging instruments	Total	Total equity
Balance on January 1, 2018	\$ 41,734,490	-	6,639,940	991,243	7,681,006	8,672,249	(10,851)	-	819,258	152,637	-	961,044	58,007,723
Effects of retrospective application	-	-	-	-	454,662	454,662	-	371,924	(819,258)	(152,637)	152,637	(447,334)	7,328
Balance on January 1, 2018 after adjustments	41,734,490	-	6,639,940	991,243	8,135,668	9,126,911	(10,851)	371,924	-	-	152,637	513,710	58,015,051
Appropriation of prior year's earnings:													
Legal reserve appropriated	-	-	-	575,207	(575,207)	-	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(834,689)	(834,689)	-	-	-	-	-	-	(834,689)
Stock dividends of ordinary share	2,086,725	-	-	-	(2,086,725)	(2,086,725)	-	-	-	-	-	-	-
Profit	-	-	-	-	6,552,827	6,552,827	-	-	-	-	-	-	6,552,827
Other comprehensive income	-	-	-	-	(395,610)	(395,610)	7,091	156,945	-	-	(261,993)	(97,957)	(493,567)
Total comprehensive income	-	-	-	-	6,157,217	6,157,217	7,091	156,945	-	-	(261,993)	(97,957)	6,059,260
Issue of shares	-	180,980	91,500	-	-	-	-	-	-	-	-	-	272,480
Conversion of convertible bonds	-	49,662	20,505	-	-	-	-	-	-	-	-	-	70,167
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	(18,332)	(18,332)	-	18,332	-	-	-	18,332	-
Balance on December 31, 2018	43,821,215	230,642	6,751,945	1,566,450	10,777,932	12,344,382	(3,760)	547,201	-	-	(109,356)	434,085	63,582,269
Appropriation of prior year's earnings:													
Legal reserve appropriated	-	-	-	655,282	(655,282)	-	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(2,343,647)	(2,343,647)	-	-	-	-	-	-	(2,343,647)
Stock dividends of ordinary share	1,406,188	-	-	-	(1,406,188)	(1,406,188)	-	-	-	-	-	-	-
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	-	90,713	-	-	-	-	-	-	-	-	-	90,713
Changes in equity of associates accounted for using equity method	-	-	3,757	-	-	-	-	-	-	-	-	-	3,757
Profit	-	-	-	-	3,982,467	3,982,467	-	-	-	-	-	-	3,982,467
Other comprehensive income	-	-	-	-	(459,755)	(459,755)	(39,013)	175,283	-	-	2,179,173	2,315,443	1,855,688
Total comprehensive income	-	-	-	-	3,522,712	3,522,712	(39,013)	175,283	-	-	2,179,173	2,315,443	5,838,155
Issue of shares	3,000,000	(180,980)	900,000	-	-	-	-	-	-	-	-	-	3,719,020
Conversion of convertible bonds	308,292	(49,662)	103,285	-	-	-	-	-	-	-	-	-	361,915
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	(11)	(11)	-	11	-	-	-	11	-
Balance on December 31, 2019	\$ 48,535,695	-	7,849,700	2,221,732	9,895,516	12,117,248	(42,773)	722,495	-	-	2,069,817	2,749,539	71,252,182

EVA AIRWAYS CORP.
Statements of Cash Flows
For the years ended December 31, 2019 and 2018
(Expressed in Thousands of New Taiwan Dollars)

	<u>2019</u>	<u>2018</u>
Cash flows from (used in) operating activities:		
Profit before tax	\$ 4,528,128	7,667,517
Adjustments:		
Adjustments to reconcile profit:		
Expected credit loss (gain)	(9,000)	70,000
Depreciation expense	25,004,434	11,706,048
Amortization expense	237,627	225,600
Net gains on financial assets or liabilities at fair value through profit or loss	(6,106)	(15,050)
Interest expense	5,101,704	1,798,071
Interest income	(656,137)	(612,624)
Dividend income	(144,178)	(144,820)
Share-based payments transactions	-	91,500
Shares of profit of subsidiaries and associates accounted for using equity method	(2,243,419)	(1,988,335)
Gains on disposal of property, plant and equipment	(494,796)	(548,970)
Gains on disposal of investments	-	(14,612)
Unrealized foreign exchange losses (gains)	(201,367)	441,832
Others	(300,507)	(199,483)
Total adjustments to reconcile profit	<u>26,288,255</u>	<u>10,809,157</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Notes receivable, net	91,056	(181,809)
Accounts receivable, net	671,529	(455,886)
Notes and accounts receivable—related parties	(238,575)	204,994
Inventories	47,359	(374,741)
Other current assets	(59,519)	(91,721)
Total changes in operating assets	<u>511,850</u>	<u>(899,163)</u>
Changes in operating liabilities:		
Contract liabilities	1,930,370	21,110,224
Accounts payable	(2,007,383)	961,562
Accounts payable—related parties	(119,165)	(102,626)
Other payables	(200,656)	744,576
Unearned revenue	-	(16,316,960)
Other current liabilities	56,124	339,937
Net defined benefit liabilities—non-current	(531,937)	(742,221)
Other non-current liabilities	61,721	(2,305,238)
Total changes in operating liabilities	<u>(810,926)</u>	<u>3,689,254</u>
Total changes in operating assets and liabilities	<u>(299,076)</u>	<u>2,790,091</u>
Total adjustments	<u>25,989,179</u>	<u>13,599,248</u>
Cash inflow generated from operations	30,517,307	21,266,765
Income taxes paid	(681,401)	(282,384)
Net cash flows from operating activities	<u>29,835,906</u>	<u>20,984,381</u>

EVA AIRWAYS CORP.
Statements of Cash Flows (continued)
For the years ended December 31, 2019 and 2018
(Expressed in Thousands of New Taiwan Dollars)

	2019	2018
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	\$ (67,890)	-
Proceeds from disposal of financial assets at fair value through other comprehensive income	-	323,402
Acquisition of financial assets at fair value through profit or loss	(1,000,000)	(3,975,000)
Proceeds from disposal of financial assets at fair value through profit or loss	1,002,826	5,003,589
Acquisition of investments accounted for using equity method	(55,061)	(307,201)
Proceeds from disposal of investments accounted for using equity method	-	21,189
Acquisition of property, plant and equipment	(14,222,781)	(10,743,741)
Proceeds from disposal of property, plant and equipment	1,229,149	2,671,559
Acquisition of intangible assets	(278,926)	(333,053)
Decrease (increase) in other non-current assets	17,475	(37,300)
Increase in prepayments for business facilities	(7,821,723)	(5,676,696)
Interest received	656,549	584,352
Dividends received	1,266,300	931,632
Net cash flows used in investing activities	(19,274,082)	(11,537,268)
Cash flows from (used in) financing activities:		
Increase in short-term borrowings	462,072	-
Decrease in short-term borrowings	(462,072)	-
Repayments of bonds payable	-	(4,500,000)
Proceeds from long-term borrowings	22,829,700	18,332,000
Repayments of long-term borrowings	(16,190,171)	(15,829,071)
Decrease in lease obligations payable	-	(1,275,885)
Payments of lease liabilities	(12,282,912)	-
Increase (decrease) in other non-current liabilities	(24,823)	73,079
Cash dividends paid	(2,343,647)	(834,689)
Proceeds from issuing shares	3,719,020	180,980
Interest paid	(4,343,556)	(1,095,560)
Net cash flows used in financing activities	(8,636,389)	(4,949,146)
Net increase in cash and cash equivalents	1,925,435	4,497,967
Cash and cash equivalents at beginning of year	39,930,700	35,432,733
Cash and cash equivalents at end of year	\$ 41,856,135	39,930,700



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Independent Auditors' Report

To the Board of Directors of EVA Airways Corp.:

Opinion

We have audited the parent-company-only financial statements of EVA Airways Corp. ("the Company"), which comprise the balance sheets as of December 31, 2019 and 2018, the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2019 and 2018, 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 Auditing and Certification of Financial Statements by Certified Public Accountants and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. 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 financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Contract liabilities — mileage redemption revenue

Please refer to note 4(q) "Revenue recognition", note 5 "Significant accounting assumptions and judgments, and major sources of estimation uncertainty" of the financial statements, and note 6(x) "Revenue from contracts with customers" .

Description of key audit matter:

The member who joins the "Infinity MileageLands" ("the Program") can earn mileage by flying any of the Company's flights or through other consumption. Contract liabilities will be converted into reverses when the member actually redeems the mileage or it is expected that the right is probable not to be redeemed.



The Company maintains information technology systems in order to calculate its mileage redemption revenue. And the Company also uses the systems to estimate the unit fair value of the mileage. Therefore, the cut off test of contract liabilities—mileage redemption revenue is one of the key judgment areas for our audit.

How the matter was addressed in our audit:

Our principal audit procedures included: testing the design and implementation of the relevant controls over the mileage redemption revenue systems related to the Program; engaging the internal specialist to assess the quantity of the mileage, fair value of the redemption of the Program and the historical redemption probability of the Program to examine the unit fair value of the mileage for verifying the accuracy of recognition of the contract liabilities—mileage redemption revenue.

2. The restoration obligation of leased aircraft

Please refer to note 4(o) “Provision”, note 5 “Significant accounting assumptions and judgments, and major sources of estimation uncertainty” of the financial statements, and note 6(q) “Restoration obligations”.

Description of key audit matter:

The estimated recovery costs are incurred through the lease of aircraft. The Company’s restoration obligations are based on the necessary maintenance expenses under the lease contracts of the aircraft, in which the Company expects all of the maintenance expenses to be reimbursed when the Company returns back all its rented aircraft. The accuracy of restoration obligation is one of the key judgmental areas for our audit.

How the matter was addressed in our audit:

Our principal audit procedures included: understanding the accounting policy of the restoration obligation; examining the methodology and key assumptions of the restoration obligation adopted by the Company’s management, including lease terms and discount rates, as well as the assessing the accuracy of recognition of restoration obligation by understanding the using condition of the leased aircraft; comparing past assumptions made by the Company’s management with actual recovery costs and analyzing their significant differences.

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

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 auditing standards generally accepted in 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 financial statements.

As part of an audit in accordance with auditing standards generally accepted in 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 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 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 financial statements, including the disclosures, and whether the 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 the investment in other entities accounted for using the equity method to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion of the Company.



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 financial statements of the current period 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 audit resulting in this independent auditors' report are Chia-Chien Tang and Yen-Ta Su.

A handwritten signature of the KPMG firm, written in a stylized, cursive font.

KPMG

Taipei, Taiwan (Republic of China)
March 19, 2020

Notes 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 the 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 accepted and applied in the Republic of China.

EVA AIRWAYS CORPORATION

2019 Profit Allocation Proposal

Unit: NT\$

Item	Amount
Unappropriated Retained Earnings at the Beginning of the Year	\$6,372,815,046
Subtract: Actuarial Loss of 2019	(459,756,041)
Subtract: Disposal of Investments in Equity Instruments Designated at Fair Value through Other Comprehensive Income	(11,000)
Add: Net Income of 2019	3,982,467,465
Subtract: Legal Reserve	(352,270,042)
Retained Earnings Available for Distribution as of December 31, 2019	9,543,245,428
Distribution Item:	
Cash Dividends of Ordinary Shares (NT\$0.25 per share)	1,213,392,373
Unappropriated Retained Earnings at the End of the Year	\$8,329,853,055

Note: The Company uses earnings of 2019 to distribute dividends.

Audit Committee's Review Report

TO : 2020 Annual General Shareholders' Meeting

EVA Airways Corporation (EVA)

The Board of Directors has prepared the Company's 2019 business report, financial report, and proposal for distribution of earnings. The CPA firm of KPMG, Taiwan has audited the financial report and issued the audit report.

The above business report, financial report, and proposal for distribution of earnings have been reviewed and determined to be correct and accurate by the Audit Committee members of EVA. In accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

EVA Airways Corporation

Convener of the Audit Committee: Hsu, Shun-Hsiung

March 19, 2020

EVA AIRWAYS CORPORATION

Comparison Table for the Articles of Incorporation Before and After Amendments

After amendment	Before amendment	Reason for amendment
<u>Article 15-1</u> The number of the Directors set forth in the preceding article shall include three(3) Independent Directors, <u>and one of them shall be an Independent Director Undertaking Public Welfare.</u> The Independent <u>Directors, Independent Directors Undertaking Public Welfare</u> and non-Independent Directors shall be elected at the same time, but the number of votes shall be calculated separately. The professional qualifications, restrictions on shareholdings and concurrent positions held, assessment of independence, method of nomination and election, and other matters for compliance with respect to Independent Directors shall be subject to the Securities and Exchange Act and other relevant regulations. <u>Besides the preceding paragraph, the Independent Directors Undertaking Public Welfare shall be governed by</u>	<u>Article 15-1</u> The number of the Directors set forth in the preceding article shall include three(3) Independent Directors. The independent and non-independent directors shall be elected at the same time, but the number of votes shall be calculated separately. The professional qualifications, restrictions on shareholdings and concurrent positions held, assessment of independence, method of nomination and election, and other matters for compliance with respect to Independent Directors shall be subject to the Securities and Exchange Act and other relevant regulations.	1. In accordance with Article 49-1 of “Civil Aviation Act”, the Company shall appoint at least one Independent Director Undertaking Public Welfare upon the expiry of the current term of the directors, Paragraph 1 and 2 are amended to specify the quota and the election method for Independent Directors Undertaking Public Welfare. 2. Paragraph 4 is added to specify that the professional qualifications, the exercise of their powers of office and related matters for Independent Directors Undertaking Public Welfare shall comply with “Securities and Exchange Act” and “Regulations Governing Compliance Matters for Civil Air Transport Enterprise to Appoint Independent Directors Undertaking

After amendment	Before amendment	Reason for amendment
<u>“Regulations Governing Compliance Matters for Civil Air Transport Enterprise to Appoint Independent Directors Undertaking Public Welfare”.</u>		Public Welfare”.
<u>Article 16</u> The Directors shall be elected at the Shareholders’ Meeting and they are selected due to their competence and disposing capacity. They shall have a three-year term of office and are eligible for re-election. <u>The Independent Directors Undertaking Public Welfare are only eligible for two re-elections.</u> The Directors may, according to Article 199 of the Company Act, be discharged at any time by a resolution passed at a Shareholders’ Meeting.	<u>Article 16</u> The Directors shall be elected at the Shareholders’ Meeting and they are selected due to their competence and disposing capacity. They shall have a three-year term of office and are eligible for re-election. The Directors may, according to Article 199 of the Company Act, be discharged at any time by a resolution passed at a Shareholders’ Meeting.	1. According to Article 11 of “Regulations Governing Compliance Matters for Civil Air Transport Enterprise to Appoint Independent Directors Undertaking Public Welfare”, the re-election restrictions for Independent Directors Undertaking Public Welfare is added. 2. The proviso of Paragraph 1 is moved to Paragraph 2.
<u>Article 17</u> When the dismissal of Director(s) results in the number of directors less than five(5), the Company shall hold supplementary election for Director at the next following Shareholders’ Meeting. When the number of vacancies of Directors reaches one-third of the total number of Directors, the Board of Directors shall convene a	<u>Article 17</u> When the dismissal of Director(s) results in the number of directors less than five(5), the Company shall hold supplementary election for Director at the next following Shareholders’ Meeting. When the number of vacancies of Directors reaches one-third of the total number of Directors, the Board of Directors shall convene a	The Company will appoint the Independent Directors Undertaking Public Welfare. And the Paragraph 2 is amended to specify the solution to shortfall of Independent Directors Undertaking Public Welfare according to Article 9 of “Regulations Governing Compliance Matters for Civil Air Transport Enterprise to Appoint Independent Directors Undertaking Public

After amendment	Before amendment	Reason for amendment
Shareholders' Meeting for supplementary election within 60 days from the date on which the situation arose. Its term of office shall only be limited to full replenishment of the original term of office. When the dismissal of Independent Director(s) result in the number of Independent Directors less than the number providing in the paragraph 1 of the Article 15-1, the Company shall hold supplementary election for Independent Director(s) at the next following Shareholders' Meeting. When all Independent Directors have been dismissed <u>or the number of Independent Directors Undertaking Public Welfare is less than one</u>, the Board of Directors shall convene a Shareholders' Meeting for electing Independent Directors within 60 days from the date on which the situation arose.	Shareholders' Meeting for supplementary election within 60 days from the date on which the situation arose. Its term of office shall only be limited to full replenishment of the original term of office. When the dismissal of Independent Director(s) result in the number of Independent Directors less than the number providing in the paragraph 1 of the Article 15-1, the Company shall hold supplementary election for Independent Director(s) at the next following Shareholders' Meeting. When all Independent Directors have been dismissed, the Board of Directors shall convene a Shareholders' Meeting for electing Independent Directors within 60 days from the date on which the situation arose.	Welfare”
<u>Article 29</u> Add “the 30th amendment was made on May 27, 2020” according to the original article.	<u>Article 29</u> Omitted.	Add the amended date.

EVA AIRWAYS CORPORATION

Comparison Table for Regulations for Electing Directors Before and After Amendments

After amendment	Before amendment	Reason for amendment
<u>Article 2-1</u> The election of the Directors of the Company shall be executed by adopting the method of accumulative voting by open vote. Each share held by a shareholder shall be entitled to the number of right-to-vote equal to the number of Directors to be elected. A shareholder may concentrate all the number of right-to-vote for one candidate or distribute the number of right-to-vote to several candidates. Shareholder account number or Attendance Certificate number printed on the vote may be used to represent the voter instead of the name of the voter. The Independent <u>Directors</u>, <u>Independent Directors Undertaking Public Welfare</u> and non-Independent Directors shall be elected at the same time, but the number of votes shall be calculated separately.	<u>Article 2-1</u> The election of the Directors of the Company shall be executed by adopting the method of accumulative voting by open vote. Each share held by a shareholder shall be entitled to the number of right-to-vote equal to the number of Directors to be elected. A shareholder may concentrate all the number of right-to-vote for one candidate or distribute the number of right-to-vote to several candidates. Shareholder account number or Attendance Certificate number printed on the vote may be used to represent the voter instead of the name of the voter. The Independent and non-Independent Directors shall be elected at the same time, but the number of votes shall be calculated separately.	According to Article 5 of “Regulations Governing Compliance Matters for Civil Air Transport Enterprise to Appoint Independent Directors Undertaking Public Welfare” and Paragraph 7 of Article 5 of “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies”, Paragraph 2 is amended to specify Independent Directors , Independent Directors Undertaking Public Welfare and non-Independent Directors shall be elected at the same time, but the number of votes shall be calculated separately.

After amendment	Before amendment	Reason for amendment
<u>Article 4</u> The required number of <u>Independent Directors</u>, <u>Independent Directors Undertaking Public Welfare</u> and <u>non-Independent Directors</u> shall be elected in accordance with the Articles of Incorporation, and the candidates who obtain more votes than others from the election will be deemed elected in turn. When the number of votes obtained by two or more than two candidates is the same but that exceed the required number of Directors to be elected, the case shall be determined by drawing lots, and the Chairman of the Shareholders' Meeting shall draw the lots for any candidate who is involved in the case but fails to attend the meeting.	<u>Article 4</u> The required number of Directors, Independent Directors shall be elected in accordance with the Articles of Incorporation, and the candidates who obtain more votes than others from the election will be deemed elected in turn. When the number of votes obtained by two or more than two candidates is the same but that exceed the required number of Directors to be elected, the case shall be determined by drawing lots, and the Chairman of the Shareholders' Meeting shall draw the lots for any candidate who is involved in the case but fails to attend the meeting.	To cope that the Company will appoint the independent director undertaking public welfare, this Article is amended

EVA Airways Corporation 2020 Annual General Meeting of Shareholders
Roster of Directors (Including Independent Directors, Independent Directors undertaking public welfare) Candidates

NO.	Item	Name	Gender	Expertise	Major Education and Experience	Concurrent Positions	Shares
1	Director	Evergreen Marine Corp. (Taiwan) Ltd. Representative: Lin, Bou-Shiu (Current Director)	Male	Business Management Transportation Management Technology	(Education) Bachelor of Computer Science and Information Engineering, Tamkang University (Experience) Same as Concurrent Positions	Chairman, EVA Airways Corp. Chairman, Hsiang-Li Investment Corp. Director: Evergreen Sky Catering Corp., UNI Airways Corp., Evergreen Air Cargo Services Corp., Evergreen Airline Services Corp., Evergreen Aviation Technologies Corp., GE Evergreen Engine Services Corp., Trade-Van Information Services Co.	776,541,111

NO.	Item	Name	Gender	Expertise	Major Education and Experience	Concurrent Positions	Shares
2	Director	Evergreen Marine Corp. (Taiwan) Ltd. Representative: Chang, Kuo-Hua	Male	Business Management Transportation Management	(Education) Marine Engineering, China College of Marine Technology (Now called Taipei University of Marine Technology) (Experience) Same as Concurrent Positions	Director: Evergreen Marine Corporation (Taiwan) Ltd., Evergreen International Storage & Transport Corp., Evergreen International Corp., Evergreen Steel Corp., Ever Reward Logistics Corp., Evergreen Marine (Hong Kong) LTD., Evergreen Shipping Agency (America) Corporation, Evergreen Laurel Hotel (M) SDN. BHD., Colon Container Terminal S.A. Director & Manager, Evergreen International S.A.	776,541,111

NO.	Item	Name	Gender	Expertise	Major Education and Experience	Concurrent Positions	Shares
3	Director	Evergreen International Corp. Representative: Ko, Lee-Ching (Current Director)	Female	Business Management Transportation Management Finance Accounting	(Education) National Keelung Girls' Senior High School (Experience) Same as Concurrent Positions	Chairman, Evergreen International Corp. Chairman, Evergreen (Shanghai) Hotel Limited Director: Evergreen Marine Corporation (Taiwan) Ltd., EVA Airways Corp., Evergreen International Storage & Transport Corp., Taiwan High Speed Rail Corp., Evergreen Steel Corp., Evergreen Security Corp., Shun An Enterprise Corp., Charng Yang Development Corp., Evergreen Marine (Singapore) Pte. Ltd., Greencompass Marine S.A., Gaining Enterprise S.A. Supervisor: Ever Reward Logistics Corp., Evergreen Air Cargo Services Corp., Evergreen Airline Services Corp., Hsin Yung Enterprise Corp., Ever Ecove Corporation Director & Manager, Evergreen International S.A.	549,262,304

NO.	Item	Name	Gender	Expertise	Major Education and Experience	Concurrent Positions	Shares
4	Director	Evergreen International Corp. Representative: Tai, Jiin-Chyuan (Current Director)	Male	Business Management Transportation Management Law	(Education) Master of Maritime Law, National Taiwan Ocean University (Experience) Same as Concurrent Positions	Director & President, Evergreen International Corp. Director: EVA Airways Corp., Central Reinsurance Corp., Evergreen International Storage & Transport Corp., Uni Airways Corp., Evergreen Sky Catering Corp., Evergreen Security Corp., Shun An Enterprise Corp., Evergreen Aviation Technologies Corp., Taipei Port Container Terminal Corp., Super Max Engineering Enterprise Corp., Ever Ecove Corporation, Evergreen (Shanghai) Hotel Limited, Evergreen International Hotel Property (Bangkok) Co. Ltd., Evergreen Insurance Company Limited, Colon Container Terminal S.A., Evergreen Container Terminal (Thailand) Ltd.	549,262,304
5	Director	Evergreen Logistics Corporation Representative: Sun, Chia-Ming (Current Director)	Male	Business Management Transportation Management	(Education) Bachelor of International Trade, Chinese Cultural University (Experience) Executive Vice President of Passenger Management Div., EVA Airways Corp.	Director & President, EVA Airways Corp. Director: Evergreen Sky Catering Corp., Evergreen Air Cargo Services Corp., Evergreen Airline Services Corp., Evergreen Aviation Technologies Corp., Hsiang-Li Investment Corp.	100,000

NO.	Item	Name	Gender	Expertise	Major Education and Experience	Concurrent Positions	Shares
6	Director	Evergreen Logistics Corporation Representative: Liao, Chi-Wei	Male	Business Management Transportation Management	(Education) Master of Marine Biology, National Sun Yat-Sen University (Experience) Senior Vice President of Planning Div., EVA Airways Corp. President, EZFLY.COM Corp.	Executive Vice President of Planning Div., EVA Airways Corp.	100,000
7	Independent Director Undertaking Public Welfare	Chien, You-Hsin (Current Independent Director)	Male	Business Management Transportation Management Technology Environmental Protection Government & Supervision	(Education) Ph. D. of Aeronautics and Astronautics, New York University, U. S. A. Bachelor of Mechanical Engineering, National Taiwan University (Experience) Minister of Foreign Affairs Minister of Transportation and Communications Minister of the Environmental Protection Administration Legislator, Legislative Yuan Professor and Dean, College of Engineering, Tamkang University	Chairman, Taiwan Institute for Sustainable Energy(TAISE) Independent Director: EVA Airways Corp., Far Eastern Department Stores, Ltd. (FEDS) Director, KD Holding Corp.	0

NO.	Item	Name	Gender	Expertise	Major Education and Experience	Concurrent Positions	Shares
8	Independent Director	Hsu, Shun-Hsiung (Current Independent Director)	Male	Business Management Transportation Management Finance Accounting Risk Management	(Education) Master of Accounting, National Taiwan University Bachelor of Transportation & Communication Management Science, National Cheng Kung University (Experience) Chairman, Association of Certified Fraud Examiners	Independent Director, EVA Airways Corp. Managing Partner of YMH Company, CPAs Director: YMH International Co. Ltd., YMH Risk Management Consultant Ltd.	0
9	Independent Director	Wu, Chung-Pao (Current Independent Director)	Male	Business Management Transportation Management Technology	(Education) Master of International Business, National Taiwan University (Experience) Same as Concurrent Positions	Chairman, Protech Systems Co., Ltd. Independent Director: EVA Airways Corp., Trade-Van Information Services Co., Marketch International Corp. Director: Chenbro Micom Co., Ltd., CPC Corp.	0

EVA AIRWAYS CORPORATION

ARTICLES OF INCORPORATION

CHAPTER 1 GENERAL PROVISIONS

Article 1

This Company is incorporated pursuant to the provisions governing a company limited by Shares of the Company Act of Republic of China with the name of 長榮航空股份有限公司 in Chinese and EVA AIRWAYS CORPORATION in English.

Article 2

The Company may engage in the following activities:

1. G501011 Civil Aviation Transportation;
2. G502011 Aviation;
3. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

Article 3

The office of the Company is located at Taoyuan city, Taiwan, where necessary, the Company may have branches or offices established within or outside the Republic of China as decided by resolution adopted by the Board of Directors.

Article 4

The total amount of investment by the Company shall not be subject to the restriction of 40 percent of the paid-up capital of the Company pursuant to Article 13 of the Company Act.

The Company may render external guarantees.

CHAPTER 2 SHARES

Article 5

The total authorized capital of the Company shall be NT\$70,000,000,000 divided into 7,000,000,000 shares at NT\$10 each. The Board of Directors is hereby authorized to issue the unissued shares in installments.

Article 6

Shares issued by the Company may be exempted from printing of share certificates. However, it shall be registered in the Securities Central Depository Business Institution.

Article 7

Registration of share transfer, within sixty (60) days before the date of Annual General Meeting of the Shareholders, thirty (30) days before the date of Extraordinary Meeting of Shareholders, or five (5) days before the date fixed by the Company for distribution of dividends, bonus or other benefits, shall not be conducted.

CHAPTER 3 SHAREHOLDERS' MEETING

Article 8

The Shareholders' Meeting of the Company consists of two categories: the Annual General and Extraordinary Meetings;

1. The Annual General Meeting shall be duly held within six (6) months after the end of each fiscal year of the Company;
2. The Extraordinary Meeting of the Company may be duly held if necessary.

Article 9

Notices to convene the Annual General Meeting shall be given to each shareholder thirty (30) days in advance, and the one to convene the Extraordinary Meeting shall be given fifteen (15) days in advance. Notices of the Shareholders' Meeting shall specify the time and place of the meeting and the particulars of the business to be transacted, and shall be given to all the Shareholders.

Article 10

The shareholders of the Company shall have one voting right for each share, except the shares which set forth in Article 179 of the Company Act are no voting right.

Article 11

A shareholder who is unable to attend a Shareholders' Meeting may duly authorize another person as his proxy to attend and vote on his behalf pursuant to a power of attorney printed and distributed by the Company duly issued by the Shareholder stating the ambit of the proxy's authority.

Article 12

Unless otherwise provided under the Company Act and related regulations, the quorum for a Shareholders' Meeting shall be duly adopted by a majority in the meeting attended by Shareholders who represent a majority of the total issued shares.

Article 13

When Shareholders' Meeting is convened by the Board of Director, its chairman shall be processed in accordance with the provision in Article 208 of the Company Act. When the meeting is convened by other party with right of summons other than the Board of Directors, the Chairman shall be undertaken by that party with right of summons. When there are two and more parties with right of summons, one party will be elected among these parties.

Article 14

The resolutions adopted by the Shareholders' Meeting shall be reported in the minutes. The content, distribution and other essentials of the minutes shall be made in accordance with the provision of Article 183 of the Company Act.

CHAPTER 4 DIRECTORS AND MANAGERS

Article 15

The Company shall have seven to nine (7~9) Directors.

The election of the Directors shall adopt the candidate nomination system provided in the Article 192-1 of the Company Act. The shareholders shall elect the Directors from the list of candidates announced by the Company. The following matters shall be processed according to the relevant regulations.

The total number of shares that should be held by all preceding Directors shall be subject to the provision established by the Securities Management Institution.

Article 15-1

The number of the Directors set forth in the preceding article shall include three(3) Independent Directors.

The independent and non-independent directors shall be elected at the same time, but the number of votes shall be calculated separately.

The professional qualifications, restrictions on shareholdings and concurrent positions held, assessment of independence, method of nomination and election,

and other matters for compliance with respect to Independent Directors shall be subject to the Securities and Exchange Act and other relevant regulations.

Article 16

The Directors shall be elected at the Shareholders' Meeting and they are selected due to their competence and disposing capacity. They shall have a three-year term of office and are eligible for re-election. The Directors may, according to Article 199 of the Company Act, be discharged at any time by a resolution passed at a Shareholders' Meeting.

Article 17

When the dismissal of Director(s) results in the number of directors less than five(5), the Company shall hold supplementary election for Director at the next following Shareholders' Meeting. When the number of vacancies of Directors reaches one-third of the total number of Directors, the Board of Directors shall convene a Shareholders' Meeting for supplementary election within 60 days from the date on which the situation arose. Its term of office shall only be limited to full replenishment of the original term of office.

When the dismissal of Independent Director(s) result in the number of Independent Directors less than the number providing in the paragraph 1 of the Article 15-1, the Company shall hold supplementary election for Independent Director(s) at the next following Shareholders' Meeting. When all Independent Directors have been dismissed, the Board of Directors shall convene a Shareholders' Meeting for electing Independent Directors within 60 days from the date on which the situation arose.

Article 18

The Directors shall constitute the Board. The Chairman shall be elected at a meeting attended by at least two-thirds (2/3) of the Directors and by a simple majority vote of the Directors present at the meeting and may also elect a Vice Chairman in the same manner. The Chairman of the Board of Directors shall internally preside at the Meetings of Shareholders and Board Meetings, and shall externally represent the Company. When the Chairman is on leave of absence or cannot exercise its job for any cause, agency of his/her job shall be handled in accordance with Article 208 of the Company Act.

Article 19

For execution of business of the Company, apart from items that are separately specified in related laws or the Articles of Incorporation to be resolved at the Shareholders' Meeting, all items shall be resolved by the Board of Directors.

Article 20

Notices of the Board Meeting shall be dispatched to each of the Directors seven (7) days prior to convening such meeting. Nevertheless, in case of emergency, the said meeting may be convened anytime.

The notice set forth in the preceding paragraph may be conducted in the form of writing or by way of e-mail or fax.

Where a Director is unable to attend a Board Meeting, he may authorize another Director to attend on his behalf by issuing a power of attorney in the latter's favor specifying the business to be conducted thereat and the scope of the authority to be granted.

Article 21

Unless otherwise provided under related regulations or the Articles of Incorporation, resolutions of the Board Meeting shall be adopted by a majority of the Directors at a meeting attended by a majority of the Directors.

Article 22

The Company shall establish the Audit Committee in accordance with Article 14-4 of the Securities and Exchange Act. The exercise of power and others of the Audit Committee and its members shall be in accordance with the Securities and Exchange Act and the relevant laws and regulations.

Article 23

The compensation of the Directors (the "compensation") to be resolved by the Board of the Directors authorized herein will be based on the level of each one's participation in and the value of individual's contribution to the Company's operation as well as the ordinary standard of the competitors' Compensation.

In order to cover the loss causing from liabilities of the Directors and to raise awareness of corporate governance, the Company may take out liability insurance for all Directors and the representatives who are designated by the Company to its investing companies to act as Director or Supervisor during their terms of offices.

Article 24

The company may have managers. Its appointment, discharge and remuneration shall be handled in accordance with the provision of Article 29 of the Company Act.

CHAPTER 5 ACCOUNTING

Article 25

After the end of each fiscal year of the Company, the Board of Directors shall prepare and submit the following reports to the Annual General Meeting of the Shareholders for approval according to legal procedures:

1. Business report.
2. Financial statements.
3. Proposal for allocation of surplus profit or making up loss.

Article 26

If the Company makes profit in a fiscal year, employees' compensation, no less than 1% of the profit, and directors' remuneration, no more than 2% of the profit, shall be set aside. However, in case the Company has accumulated losses, the Company shall reserve an amount to offset accumulated losses beforehand. The employees' compensation and directors' remuneration shall be set aside afterwards according to the principles mentioned above.

The employees' compensation shall be distributed in the form of stock or cash; while the directors' remuneration shall be distributed only in the form of cash.

The profit in item 1 refers to profit before tax without deducting employees' compensation and directors' remuneration.

The amount of employees' compensation and directors' remuneration as well as the payment method of employees' compensation shall be determined by a resolution adopted by a majority vote at a board of directors' meeting attended by two-thirds or more of the directors and be reported at a shareholders' meeting.

Article 26-1

If the Company reports a surplus at the year end, after clearing taxes, the Company shall first offset accumulated losses (if any), then set aside 10% of the balance as the statutory surplus reserve, and set aside or reverse special surplus reserve per the provisions. After that, the Board of Directors shall propose a surplus distribution plan of the balance plus the retained earnings accrued from prior years, submit the distribution plan to the shareholders' meeting for approval, and then distribute it. The dividends can be distributed wholly or partly in cash only 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; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.

The dividends shall be distributed in the combination of cash and stocks, provided that cash dividends shall not be less than 10% of the total amount of dividends.

Article 26-2

As per Article 241 of Company Act, the Company may distribute its legal reserve and capital reserve, in whole or in part, by issuing new shares which shall be distributable as dividend shares or by cash to its original shareholders in proportion to the number of shares being held by each of them. The distribution can be paid in cash 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; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.

CHAPTER 6 MISCELLANEOUS

Article 27

The rules and regulations of the Company and various operation procedures shall be separately stipulated by the Board of Directors.

Article 28

Any matter not provided for by these Articles shall be subject to the Company Act and related regulations.

Article 29

These Articles were originally established on March 31, 1989;
The 1st amendment was made on February 14, 1990;
The 2nd amendment was made on August 15, 1990;
The 3rd amendment was made on January 2, 1991;
The 4th amendment was made on September 21, 1991;
The 5th amendment was made on March 7, 1992;
The 6th amendment was made on May 2, 1992;
The 7th amendment was made on April 30, 1993;
The 8th amendment was made on March 19, 1994;
The 9th amendment was made on July 12, 1994;
The 10th amendment was made on June 8, 1995;
The 11th amendment was made on June 8, 1995;
The 12th amendment was made on March 21, 1996;
The 13th amendment was made on March 31, 1997;
The 14th amendment was made on May 6, 1998;
The 15th amendment was made on June 8, 1999;
The 16th amendment was made on April 29, 2000;
The 17th amendment was made on April 19, 2001;
The 18th amendment was made on June 18, 2002;

The 19th amendment was made on June 18, 2002;
The 20th amendment was made on June 15, 2004;
The 21st amendment was made on June 16, 2005;
The 22nd amendment was made on June 14, 2006;
The 23rd amendment was made on June 10, 2011, but the article 15-1 and the paragraph 2 of the article 17 will not effective until the Shareholders' Meeting of the Company elects Independent Directors;
The 24th amendment was made on June 21, 2012;
The 25th amendment was made on June 24, 2013.
The 26th amendment was made on June 16, 2015.
The 27th amendment was made on June 24, 2016.
The 28th amendment was made on June 26, 2017.
The 29th amendment was made on June 24, 2019.

EVA AIRWAYS CORPORATION

Chairman Lin, Bou-Shiu

EVA AIRWAYS CORPORATION

RULES AND PROCEDURES OF SHAREHOLDERS' MEETING

Article 1

Shareholders' Meeting of the Company (the "Meeting") shall be conducted in accordance with these Rules and Procedures. Any matter not provided in these Rules and Procedures shall be handled in accordance with the Company Act and other relevant laws and regulations.

Article 2

Shareholders in these Rules refer to shareholders themselves or their designated proxies attending the Meeting.

Any legal entity designated as proxy by shareholders to be present at the Meeting may appoint only one representative to attend the Meeting.

Article 3

Shareholders attending the Meeting shall bring an attendance card, and submit it for the purpose of signing in. The number of shares represented by shareholders attending the Meeting shall be calculated in accordance with the attendance cards submitted by the shareholders. The attendance of the Meeting shall be calculated based on shares.

Article 4

The Meeting shall be held at the head office of the Company or at any other appropriate place that is convenient for the shareholders to attend. The time to start the Meeting shall not be earlier than 9:00 a.m. or later than 3:00 p.m.

Article 5

Chairman shall call the Meeting to order at the time scheduled for the Meeting. If the number of shares represented by the shareholders present at the Meeting has not yet constituted the majority at the time scheduled for the Meeting, the chairman may postpone the Meeting. The postponements shall be limited to two times at the most and Meeting shall not be postponed for longer than one hour in the aggregate.

If after two postponements no quorum can yet be constituted but the shareholders present at the Meeting represent more than one - third of the total outstanding shares, tentative resolutions may be made in accordance with Section 1 of Article

175 of the Company Act. If before the end of the Meeting the number of outstanding shares represented by the shareholders present becomes sufficient to constitute the quorum, the chairman shall submit the tentative resolutions to the Meeting for approval in accordance with Article 174 of the Company Act.

Article 6

The Chairman of the Board of Directors shall be the chairman presiding at the Meeting in the case that the Meeting is convened by the Board of Directors.

If the Meeting is convened by any other person entitled to convene the Meeting, such person shall be the chairman to preside at the Meeting. If there are more than two persons convening the Meeting, they should select one person to be the chairman.

Article 7

The agenda of the Meeting shall be set by the Board of Directors if the Meeting is convened by the Board of Directors. Unless otherwise resolved at the Meeting, the Meeting shall proceed in accordance with the agenda.

The above provision applies mutatis mutandis to cases where the Meeting is convened by any person, other than the Board of Directors, entitled to convene such Meeting.

Unless otherwise resolved at the Meeting, the chairman cannot announce adjournment of the Meeting before all the items (including special motions) listed in the agenda are resolved. In the event that the Chairman adjourns the Meeting in violation of these Rules and Procedures, the shareholders may designate, by a majority of votes represented by shareholders attending the Meeting, one person as chairman to continue the Meeting. The shareholders cannot designate any other person as chairman and continue the Meeting in the same or other place after the Meeting is adjourned.

Article 7-1

In accordance with Article 172-1 of the Company Act, the shareholders who hold one percent (1%) or more of the total number of outstanding shares of the Company may submit proposal in written form for discussion at the annual general meeting of shareholders.

The proposals submitted by shareholders violating Article 172-1 of the Company Act shall not be included in the agenda of the Meeting and the minute of the Meeting, but the cause of exclusion of such proposals shall be listed in the appendix of the handbook for shareholders' meeting proceedings of the Company.

The shareholders' proposals complying with the Article 172-1 of the Company Act, which are classified into the same category of the proposal submitted by the Board of Directors, shall be deemed as the amendment of the proposal submitted by the Board of Directors, and the Chairman may combine them into one proposal to deal with.

Article 8

When a shareholder attending the Meeting wishes to speak, a Speech Note should be filled out with summary of the speech, the shareholder's number (or the number of the Attendance Card) and the name of the shareholder. The sequence of speeches by shareholders should be decided by the chairman.

If any shareholder presenting at the Meeting submits a Speech Note but does not speak, no speech should be deemed to have been made by such shareholder. In case the contents of the speech of a shareholder are inconsistent with the contents of the Speech Note, the contents of actual speech shall prevail.

Unless otherwise permitted by the chairman and the shareholder in speaking, no shareholder shall interrupt the speeches of the other shareholders; otherwise the chairman shall stop such interruption.

Article 9

If a corporate shareholder designates two or more representatives to attend the Meeting, only one representative is entitled to speak for each discussion item.

When reporting the topic, speech for each shareholder is limited to once, and the speech shall not exceed five minutes for all reporting items.

Unless otherwise permitted by the chairman, each shareholder shall not speak more than two times concerning each motion and each preposition shall not exceed 5 minutes with regard to each proposal listed in ratification and discussion items listed on the agenda, proposals collected during special motion procedure.

When a shareholder speaks with regard to non-proposal matters and expresses other opinions during the special motion session, the provisions in the preceding paragraph regarding speaking time and number of speaking times shall be applied.

In case the speech of any shareholder violates the proceeding four provisions, exceeds the scope of the discussion item, or disturbs the order of the meeting, the chairman is entitled to stop the speech of such shareholder.

Article 10

The Company may ask its lawyer, certified public accountant or related person to attend the Meeting. After a shareholder speaks, chairman may answer the question personally or designate the related person to answer the question.

Article 11

Unless otherwise required by the Company Act or the Articles of Incorporation, a resolution of a shareholders' meeting shall be adopted by a majority of the votes represented by the Shareholders present at the Meeting.

Article 12

The resolution shall be deemed adopted and shall have the same effect as if it was voted by casting ballots if no objection is voiced after solicitation by the chairman and the resolution is passed by applause. If there is objection, the resolution should be voted by casting ballots.

Article 13

If there is an amendment to or a substitute for a proposal of a discussion topic, the chairman shall decide the sequence of voting for the amendment or the substitute, together with the original proposal. If any one of them has been adopted, the others shall be deemed vetoed and no further voting is necessary.

Article 14

Where the chairman believes that the proposal discussed may be resolved, he/she may announce the ending of the discussion and propose that votes be made.

Article 15

During the Meeting, the chairman may, at his/her discretion, set time for intermission.

Article 16

The personnel supervising and calculating the votes for the proposals shall be designated by the chairman, but the supervising personnel shall be a shareholder.

The result of the votes shall be announced on the spot and recorded.

Article 17

The process of the meeting shall be fully recorded via audio or video recording, and retained for at least one (1) year.

Logistics staff and disciplinary officers (including security guards) assisting the Meeting shall wear badge or armband for identification purpose.

Article 18

The chairman may command the disciplinary personnel (or security guards) to help safeguard the order of the meeting site.

Article 19

These Rules and Procedures shall be effective from the date it is approved by the Shareholders' Meeting. The same applies in case of revision.

Article 20

These Regulations were enacted on September 21, 1991.

The 1st amendment was made on May 6, 1998.

The 2nd amendment was made on June 18, 2002.

The 3rd amendment was made on June 14, 2006.

The 4th amendment was made on June 16, 2009.

The 5th amendment was made on June 21, 2012.

EVA AIRWAYS COPORATION

REGULATIONS FOR ELECTING DIRECTORS

Article 1

The election of the Directors of the Company shall be handled in accordance with the Regulations.

Article 2

The election of the Directors shall adopt the candidate nomination system provided in the Article 192-1 of the Company Law. The shareholders shall elect the Directors from the list of candidates announced by the Company. The following matters shall be processed according to the relevant regulations.

Article 2-1

The election of the Directors of the Company shall be executed by adopting the method of accumulative voting by open vote. Each share held by a shareholder shall be entitled to the number of right-to-vote equal to the number of Directors to be elected. A shareholder may concentrate all the number of right-to-vote for one candidate or distribute the number of right-to-vote to several candidates. Shareholder account number or Attendance Certificate number printed on the vote may be used to represent the voter instead of the name of the voter.

The independent and non-independent directors shall be elected at the same time, but the number of votes shall be calculated separately.

Article 3

Before the votes are opened, the Chairman of the Shareholders' Meeting shall designate appropriate number of vote examiner who should be the Shareholder of the Company, vote counting personnel and related personnel for performing the relevant duty assigned to them.

Article 4

The required number of Directors, Independent Directors shall be elected in accordance with the Articles of Incorporation, and the candidates who obtain more votes than others from the election will be deemed elected in turn. When the number of votes obtained by two or more than two candidates is the same but that exceed the required number of Directors to be elected, the case shall be determined by drawing lots, and the Chairman of the Shareholders' Meeting shall draw the lots for any candidate who is involved in the case but fails to attend the meeting.

Article 5

The vote shall be prepared by the Board of Directors, and shall note shareholder account number, Attendance Certificate number and number of voting right on the vote.

Article 6

If the elected person possesses shareholder status, in the “election candidate” column on the vote the voter shall fill in the name of the election candidate and shareholder account number. If the elected person does not possess shareholder status, the voter shall fill in the name and identity card number of the election candidate.

Article 7

Any vote that is in any of the following conditions shall be deemed ineffective:

- (1) Vote not specified in Article 5 of this regulation.
- (2) Blank vote.
- (3) Writing is blurred and cannot be identified.
- (4) If the filled in election candidate possesses shareholder status, when its account name, shareholder account number do not match the shareholder register; if the filled in election candidate does not possess shareholder status, his/her name and identity card number does not match.
- (5) Write other word apart from the name of the election candidate, shareholder account number, identity card number or the number of voting rights.
- (6) Two or more elected candidates are filled in the same vote.

Article 8

After the votes are completed, the votes shall be opened on the spot, and the results of the votes shall be announced by the Chairman of the shareholders’ meeting.

For the preceding election, the Company shall keep the voting papers for at least one year, but for any shareholder who files a litigation in accordance with Article 189 of the Company Law, the voting papers shall be kept until the end of the litigation.

Article 9

The Regulations shall come into force after the approval of the shareholders’ meeting, and the same shall apply after amendment.

The History of “REGULATIONS FOR ELECTING DIRECTORS AND SUPERVISORS”

The Regulations were duly established on May 6, 1988;

The 1st amendment was made on April 19, 2001;

The 2nd amendment was made on July 18, 2002;

The 3rd amendment was made on June 10, 2011;

The 4th amendment was made on June 21, 2012.

The 5th amendment was made on June 26, 2017, and the name was revised to “REGULATIONS FOR ELECTING DIRECTORS” .

EVA AIRWAYS CORPORATION

Shareholdings of Directors

Title	Name	Shares held
Chairman	Evergreen International Corp. Representative: Lin, Bou-Shiu	549,262,304
Director	Evergreen International Corp. Representative: Chang, Kuo-Cheng	
Director	Evergreen Marine Corp. (Taiwan) Ltd. Representative: Ko, Lee-Ching	776,541,111
Director	Evergreen Marine Corp. (Taiwan) Ltd. Representative: Wu, Kuang-Hui	
Director	Chang Yung-Fa Charity Foundation Representative: Tai, Jiin- Chyuan	13,427,823
Director	Chang Yung-Fa Charity Foundation Representative: Sun, Chia-Ming	
Independent Director	Chien, You-Hsin	0
Independent Director	Hsu, Shun-Hsiung	
Independent Director	Wu, Chung-Pao	
Total		1,339,231,238

Notes:

1. As of March 29, 2020, the book closure date for the Company's shareholders' meeting, the total number of shares already issued is 4,853,569,490 shares.
2. The minimum shareholding required to be held by all directors is 116,485,668 shares.