Stock code：2630

AIR ASIA Company Limited

2020 Annual General Shareholders' Meeting Agenda

Handbook

Date: June 17, 2020

Place：No.1050, Jichang Rd., Rende Dist., Tainan City

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TWO. Meeting Agenda

AIR ASIA Company Limited
Agenda of the 2020 Annual General Shareholders' Meeting

Date＆Time：June 17, 2020 (Wednesday) at 10 am

Place：No.1050, Jichang Rd., Rende Dist., Tainan City
(Same Company Building 2nd Floor)

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6. Extempore motion

7. Meeting Adjourned

THREE. Report Items

1. Business Report of 2019

   Description: Business Report of 2019 is attached as hereto as Annex 1. (Please refer to page 10~15)

2. Audit Committee Audit Report of 2019

   Description: Audit Committee Audit Report of 2019 is attached as hereto as Annex 2. (Please refer to page 16)

3. Distribution of employees' profit sharing bonus of 2019

   Description:

   (1) Pursuant to Company Articles 22 of Incorporation, Company makes an appropriation of 1% to 3% for employees' profit sharing bonus when Company makes annual profit.

   (2) Employee profit sharing bonus distributed of 2019 are 2%, total amount is NT$ 1,212,478 in cash.

   (3) Company did not distribute compensation to directors.

4. To report the distribution of 2019 earnings

   (1) This proposal is made in accordance with Article 23 of the Articles of Incorporation of the Company. The Board of Directors of the Company is authorized to distribute in whole or in part of the of surplus dividends or legal reserve, will be paid in cash and reported to the shareholders' meeting.

   (2) The distribution of cash dividend is NT$0.08 per share, totaling NT$9,609,600. The cash dividend being distributed shall be rounded off proportionately to the nearest Taiwan dollar; where there is any cash dividend less than TWD 1, its calculation shall be adjusted in line with a progressive decrease in decimal numbers and a progressive increase in shareholder numbers so that the total of dividend distribution is fully accounted for.

   (3) It was approved on March 26, 2020 by the 8th meeting of the 11th term of Board of Directors, and the Chairman of the Company would be fully authorized to deal with matters in connection with the change (if any) to the stock dividend ratio distributable to shareholders as a result of a change in the total outstanding shares of the Company arising from any reasons.

5. Comparison table for the amendments of "Ethical Corporate Management Best Practice Principles" report

   Comparison table for the amendments of "Ethical Corporate Management Best Practice Principles" before and after revision is attached as hereto as Annex 4. (Please refer to page 37~44)

6. Comparison table for the amendments of "Procedures for Ethical Management and Guidelines for Conduct" report

   Comparison table for the amendments of "Procedures for Ethical Management and Guidelines for Conduct" before and after revision is attached as hereto as Annex 5. (Please refer to page 45~52)

7. Comparison table for the amendments of “Corporate Social Responsibility Best Practice Principles” report

   Comparison table for the amendments of “Corporate Social Responsibility Best Practice Principles” before and after revision is attached as hereto as Annex 6. (Please refer to page 53~57)

8. Status report on the 1st and 2nd domestic Unsecured Convertible Bonds

   (1) With a view to repaying the Company’s bank loans and improve financial structure in order to enhance company operations and strengthen competitiveness, the Company sought and secured approval of the Taipei Exchange in its letters of May 14, 2019 (ref. Jin-Guan-Zheng-FAZi No. 1080313587) to issue 1st NT$ 0.2 billion and 2nd NT 0.3 billion respectively in domestic unsecured convertible corporate bonds.

   (2) The status of issuing corporate bonds，is attached as hereto as Annex 7 (Please refer to page 58)

FOUR. Matters for Ratification

Matter 1: Proposal and ratify the Business Report and Financial Statements of 2019.

(Proposed by the Board of Directors)

Explanation:

(1) Financial Statements and Consolidated Financial Statements of 2019 have been audited by Lin, Su Wen and Yang, Chih Hui of Ernst & Young. A collate with Business Report of 2019 have been submitted to be audited by the Audit Committee, and the auditing has been completed.

(2) Business Report, Independent Auditors' Report and the aforementioned Financial Statements of 2019, is attached as hereto as Annex 1. (Please refer to page 10~15) and Annex 3 (please refer to page 17~36).

Resolution:

Matter 2: Proposal and ratify for the distribution of 2019 earnings.

(Proposed by the Board of Directors)

Explanation:

(1) 2019 net profit after tax is NT$45,010,561. After setting aside the legal reserve of NT$976,442, adding beginning retained earnings of NT$1,046,160 and deduct remeasurement of defined benefit obligation of NT$10,198,452 and decrease in treasury stock NT$25,047,693. Totaling retained earnings available for distribution are NT$9,834,134. Based on the current 120,120,000 shares, cash dividends will be TWD $0.08 per share (NT $80 per thousand shares), totaling NT$ 9,609,600.

(2) Table of "Distribution of 2019 earnings" is attached as hereto as Annex 8. (Please refer to page 59).

Resolution:

FIVE. Discussion Items

Matter 1: The matter to use capital reserve to increase capitalization to issue new shares

(Proposed by the Board of Directors)

Explanation:

(1) To strengthen the capital structure, the company intends to issue new shares by capital reserve to increase capitalization in accordance with the provision of Article 241 of the Company Act, with a dividend of NT$0.92 per share. The amount of capital reserve that shall be set aside is NT$110,510,400, at a par of NT$10 per share, and 11,051,040 new shares will be issued through capital increase.

(2) The matter of capital reserve to increase capitalization to issue new shares, the said share bonuses to be issued on the distribution record date shall be distributed 92 shares with no consideration paid, to the shareholders as registered in the shareholders roster per 1,000 shares to their shareholding. Fractional shares may be paired with one another, held by other shareholders into a whole share within 5 days. For shares remained factional with or without being paired, upon expiration of the said period, cash will nevertheless be paid according to their par value and rounded to the nearest full Taiwan Dollar (to pay TDCC fee or no physical registration fee) and the Chairman is authorized to look for specified persons to buy the fraction of shares according to willing of the portion of shares held by shareholders.

(3) The rights and obligations of increase capitalization to issue new shares are as the same as those of the original shares issued, with no physical issuance. Regarding the issue of new shares, after the current shareholders ʻmeeting is approved and submitted to the competent authority for approval, it is proposed to submit to the shareholders' meeting to authorize the Board of Directors to set the base date for capital increase and allotment and related matters.

(4) It is proposed that the Board of Directors would be fully authorized to deal with matters in connection with the change (if any) to the shares dividend ratio distributable to shareholders as a result of a change in the total outstanding shares of the Company arising from any reasons.

(5) If the matter needs to be amended due to changes in Acts or Regulations of the competent authority, it is intended to be submitted to the shareholders' general meeting to authorize the Board of Directors to handle.

Resolution:

Matter2: Amendment to the Articles of Incorporation.

(Proposed by the Board of Directors)

Explanation:

(1) To cope with possible future business needs, increase the company's business operation items, newly add "J201051 Approved Training Organizations" to the Articles.

(2) In accordance with the revised "Company Act", amend the date of incorporation registration and procedure for issuance of new shares.

(3) In accordance with the revised "Operation Directions for Compliance with the Establishment of Board of Directors by TWSE Listed Companies and the Board's

Exercise of Powers", add number of independent directors' seats in the board.

(4) In accordance with the instruction of New Version (Blueprint) of Corporate Governance Roadmap, amend dividend policy to "At least 50% of the current year's distributable surplus shall be allocated to distribute shareholders' dividends".

(5) Comparison table for the "Articles of Incorporation" before and after revision, is attached as hereto as Annex 9 (Please refer to page 60~62).

Resolution:

Matter 3: Amendment to the Rules of Procedures for Shareholders' Meeting.

(Proposed by the Board of Directors)

Explanation:

(1) In accordance with Company Act given by the Ministry of Economic Affairs in its letter and international relevant norms and practices, to amend "Rules of Procedures for Shareholders' Meeting".

(2) Comparison table for the "Rules of Procedures for Shareholders' Meeting" before and after revision, is attached as hereto as Annex 10 (Please refer to page 63~66).

Resolution:

SIX. Extempore motion

SEVEN. Meeting Adjourned

EIGHT. Annexes

Annex 1.

AIR ASIA Company Limited
Business Report

1. Business Report of 2019
   (1) Business Implement Outcome
   Total revenue for 2019 was NT$3,913,291 thousand dollars, the net profit after tax was NT$45,011 thousand dollars, earnings after tax was NT$ 0.37 per share.
   (2) Budget Implementation
   Annual business revenue was NT$3,913,291 thousand dollars in 2019, compared to the budgeted amount of NT$3,358,542 thousand dollars increased NT$554,749 thousand dollars; after-tax net profit was NT$45,011 thousand dollars, compared to the budgeted amount of NT$108,536 thousand dollars decreased NT$63,525 thousand dollars; revenue increase was mainly contribute to Air Force 2nd Logistics Area Command projects' capacity increase, but the helicopter business unit maintenance business was not as expected causing insufficient work progress, and the original pre-planned line maintenance business affecting the gross profit due to the delayed signing of the contract.
   (3) Analysis of financial income and expenditure and profitability
   Company's net profit after tax in 2019 was NT$45,011 thousand dollars, business revenue and profitability were as follows:
   A. Business revenue in 2019 was NT$3,913,291 thousand dollars, an increase of 1,193,937 thousand dollars compared to NT$2,719,354 thousand dollars in 2018.
   B. Net profit after tax in 2019 was NT$45,011 thousand dollars, increased NT$29,606 thousand dollars compared to NT$15,405 thousand dollars in 2018, earnings per share after tax was NT$ 0.37.
2. Business Plan Overview of 2020
   (1) The Business Side
   A. Commercial aircraft maintenance business
   Civil Aviation Division is a professional maintenance hangar that mainly targets single-aisle narrow-body/spur aircraft such as Boeing B737, Airbus A320 series and Bombardier Dash 8-Q400. Base on "maintaining existing customers" and "developing new customers" strategy, setting short-, medium- and long-term plans to expand capability and strive for new customers and fleets to enter the hangar.
   In recent years, this division has used professional independence, competitive maintenance cycles, customized services and advantageous management, and in coordinate with the government's Southbound Policy and implement various business development plans, compare to 2018, a record of 67 aircrafts maintenance hit record high, in 2019, a record of 100 aircrafts maintenance hit the highest record.
   The line maintenance capability set up has completed in 2018. It began to enter the main Domestic Airports such as Taoyuan, Taichung, Tainan and Kaohsiung in 2019.

In the future, it will further extend to Songshan Airport in line with customers’ needs and provide customers on-line immediate maintenance needs, in order to expand the territory in the increasingly competitive aerospace maintenance market, to serve more customers.

B. **Government and military aircraft maintenance business**

According to the contract, the “Air Force 2nd Logistics Command Military Factory Delegating Private Operation Project” and the “Air Force Songshan Base Command Rehabilitation Supply Team Delegating Private Operation Project” all kinds of aircraft and components maintenance business, based on the principle of Aviation Safety first, On-schedule completion of the military commissioned work, to ensure annual maintenance completed, to meet customer needs, support the shortage of troops, carry out war, play and training tasks.

Fully use the GOCO project of the Air Force 2nd Logistics Command Military Factory to transfer assets and perform third-party operations (Pingdong Aircraft maintenance hangar-FBO, painting and stripping, MRO/Taichung's component maintenance plant, hydraulic II certification project) to increase overall revenue and create operational results of the GOCO project.

Actively strive for the “Air Force Songshan Base Command Rehabilitation Supply Team Delegating Private Operation Project” to include the O/L maintenance in the new contract (January 1, 2022) to expand the scope of services and total contract price, and combine O, I, D/ L, unified power.

Continue to plan and promote the B-1900 Seahunter project marketing, planning/compiled integration handbook and to obtain contract.

Actively apply and strive for “Air Force 2nd Logistics Command Military Factory Delegating Private Operation Project” contract renewal (January 1, 2023 - December 31, 2027)，to achieve the goal of sustainable operation.

C. Vertical Flight maintenance business

The company has obtained the authorized maintenance center of American Bell Helicopter and Breeze-Eastern; currently signing technical support agreements with Sikorsky Helicopter Company and Boeing Company (Helicopter).

Signed a strategic business maintenance plan for OH-58D, CH-47SD, TH-67 and other helicopters with the ROC Army to carry out perform airframe, engines, and components business to support the reliability of the ROC Army ’s various aircraft fleets to meet the needs of combat training.

ROC Army TH-67, OH-58D and CH-47SD etc. aircrafts, related AHRS Attitude & Heading Reference Systems, Identification Friend or Foe equipment and MFD cockpit display and other equipment have been used for a long time, the system is old, the replacement/upgrade program has been proposed.

Using professional helicopter maintenance technology and plant equipment, plan and execute the GOCO project S-70C body corrosion and rust in-depth inspection and MD500 helicopter plant-level (D/L) planned IRAN maintenance operations.

Continue to operate the inspection and repair operations of the rescue hoists and cargo hooks of National Airborne Service Corps, ROC Navy and Breeze-Eastern Company of South Korea DAPA.

Actively develop BL20200 series Rescue Hoist and FE-75900 cargo hooks maintenance capacity and Certification Regulations, cooperate with Asian helicopter Hoist maintenance needs, actively explore potential markets, expand service scope, to improve operational performance.

(2) Future Business development strategy

A. Commercial aircraft maintenance business

With regional economy development and increasing transportation demand, low-cost aviation has mushroomed, boosts demand for single-aisle narrow-body aircraft to grow rapidly. Therefore, future business development will specifically analysis of market demand and fleet, and actively develop new customer groups. In 2020, the overall market strategy for commercial aircraft maintenance, in addition to strive for the Southeast Asian market, will also focus on the development of Japan, South Korea, Russia, high gross profit and new customers; the short, Medium-term and long-term plans for the market are as follows:

a. Short-term goals:

Striving for Line Maintenance business: Actively strive for the Line Maintenance business of various airlines flying to Taiwan. Expecting through Line Maintenance, strive for further Heavy Maintenance markets.

Budget airlines market: In recent years, in the Asia-Pacific region budget airlines have been established one after another, and will continue to engage in development, strive for budget airline business to expand market share.

b. Medium-term goal：Will focus on the “Flag Carrier and Legacy carrier (eg: JAL, ANA, KAL and ASIANA)” business. Considering that its gross profit is better, customers are less likely to replace the MRO at will, to benefit the company's long-term revenue stability.

c. Long-term goal： Will focus on the “old /aging aircraft market”, which is also the company's long-term strength, and the maintenance man hour of old/aging aircraft is relatively high, which can greatly increase the company's revenue.

B. Government and military aircraft maintenance business

Establish Taiwan hardware fastener coating and electroplating center: Taichung's component maintenance plant has 25 electroplating tanks, which can operate chrome plating, cadmium plating, anodizing, etc., in order to expand the use of transfer equipment, manpower and strive for third-party operations, already obtained ISO 9001 and AS9110 certification, and submit to join「Taichung Tanya Shen Industrial Manufacturers Association」, through marketing promotion, strive for electroplating foundry, to expand production capacity.

Applying NADCAP accreditation: In order to strive for the electroplating of civil aviation aircraft and expand the production capacity of the Taichung Electroplating Center, currently processing related procedures such as program manual compilation and Applications of Counseling. It is expected to formally apply for accreditation before December 31, 2020.

Strive to include Air Force SongShan Air Force Base purchase project: the three-year (2019-2021) contract of the Air Force SongShan Air Force Base “Automated Flight Test System Maintenance Contractor Operated Project (EK08004L032)” and the five-year (2019-2023) contract of the “Procurement of Contractor Operated Project of the Technology update for Flight Test Automation System (EV08041P087)”, company all has won the bidding and will continue to lobby the military in the project. When the contract to be renewed in 2022, the automated flight test system maintenance and test system technical update will be included in the scope of work, which will effectively establish entry barrier and prevent the competitors from participating in the bidding.

Strive for cooperation and development capability: F-16 hydraulic HYD-II Taichung Components Maintenance Plant has been certified 20 hydraulic components maintenance capability, and there are still 7 follow-up and P-3C mechanical engineering projects, after the capability set up completed and certificated, except it can be included in the Air Force 2nd Air Logistics Center GOCO project transfer capability inventory to undertake the Air Force work and also strive to be included in the third-party operation.

Actively expand third-party operations: plan to expand the third-party operation of Pingdong maintenance plant to implement business aircraft FBO, civil aircraft painting and stripping/MRO and Taichung Components Maintenance Plant electroplating and surface treatments, and establish Air Force 2nd Air Logistics Center Military Factory the Government Owned Contractor Operated project “entry barriers”. To strive for the best favorable position for the renewal/new contract.

C. Helicopter Business Unit maintenance business

Currently negotiating with the South Korean military and government agencies (UH-60 and KUH-1) Breeze-Eastern rescue hoists and cargo hooks repair/overhaul contract; actively promoting/marketing rescue hoists repair business to Southeast Asian countries (Thailand, Malaysia) and sell cargo hooks parts.

Currently promoting Sikorsky rotor blade maintenance, domestic S-70C can be implemented through a GOGO maintenance contract or project. The UH-60 rotor blade maintenance is carried out through the maintenance of National Airborne Service Corps Fleet Contractor Operated project, ROC Army UH-60M system; in the meantime, we are promoting S-70 and UH-60 helicopter rotor blades maintenance capacity to South Korea and Thailand.

Actively develop commercial passenger aircraft components repair capacity, plan to develop engine and components repair and Overhaul plants towards the back shop of civil aircraft, will integrate the capacity with Taichung plant, or cooperate with other external manufacturers' capacity, the direction is to adopt for labor cooperation methods, to develop B737 aircraft wheels overhaul, B738 landing gear overhaul, B737 & A320 escape slide overhaul, etc.

D. Fully utilize the Government-owned private operated Dasheng Military Camp to implement third-party operations, activate airport’s usage, and increase maintenance capacity. It has been certified by the Civil Aviation Administration of the United States, Taiwan, Russia, Philippines, Indonesia, Cayman, South Korea, Vietnam, Bermuda and Laos. The implementation of the aircraft maintenance business within the country, in the future will in line with the renewal schedule of Civil Aviation Authorities of other countries, conduct Dasheng Military Camp maintenance plant certification operations.

(3) The management side

In order to achieve the overall business objectives, we will actively control the overall business and operation, take advantage of the professional division of talents, strengthen teamwork, and continue to strengthen key points in management as follows:

A. To improve the manpower of performance.

a. Continuous manpower reduction, aiming at maximizing per capita output.

b. The recruitment and the selection process are objective and impartial in order to select suitable employees.

c. Reward the personnel who has licenses and trained professionals to enhance the competitiveness of the civil aviation business.

B. Professional Training to Cultivate Human Resources

a. Train technical manpower reserve talents through training with universities and colleges and organize aircraft maintenance training courses to enhance quality manpower and enhance maintenance ability.

b. Introduce the youth workplace training plan, pay attention to youth workplace adaptability and professional skills learning to improve youth job satisfaction and employment stability.

c. Establish the corporate human resources performance improvement plans, in accordance with company policy and functional gaps to organize training courses in various professional fields and continuously improve the manpower quality of the corporate employees.

d. Supervise the training of the management functions to consolidate the teamwork and play a comprehensive management effect.

e. Encourage and assist employees to obtain licenses to increase the proportion of employees in civil aviation licenses and improve existing maintenance standards.

C. Manpower use and competitiveness

a. Continuously analyzing the use of manpower and control of idle manpower to fully utilize manpower.

b. Encourage production units to handle human resources exchanges and second-expertise retraining to meet the goals of working capacity, adjusting human complementarity and reducing idle capacity.

c. In line with operational requirements, to shift, rotate and adjust the manpower, to strengthen competitiveness.

d. In 2020, company restructured organization chart to establish a Line Maintenance business unit. Change the organizational divisions from functional to production oriented. The use of manpower was more efficiently allocated to improve maintenance capacity. Various exclusive reward systems were established to encourage employees to work hard and pursue high performance.

D. Certification and quality improvement

a. Strive to obtain the EASA and NADCAP quality management system certification, and maintain the maintenance certificate and capability granted by the civil aviation authorities of various countries to effectively expand the market.

b. Implement comprehensive safety and overall quality assurance with the Safety

Management System to effectively improve quality.

c. Apply for establish CAA Civil Aviation Personnel Maintenance Training Institute.

E. Strict control and reduce operating costs

a. Use internal control and information systems to strictly control the budget and reduce company expenses.

b. Strengthen bargaining with manufacturers and reduce operating costs to ensure company profits and achieve set goals.

c. Continuous review to reduce inventory of raw materials, and in the ordering, require the supplier to deliver the goods in batches according to the company's demand time, so as to achieve the goal of immediate receipt and dispatch, and reduce the inventory accumulation time.

d. Expanding business sources and conditions to reduce the time and cost of waiting for lack of raw materials, and regularly review the materials are unconsumed of each project to reduce the occurrence of inventory.

e. The company's bulk materials are delivered from the United States, in 2019, the air freight imported cost from the United States was up to NT$22,698,000. After negotiating with Forwarder and striving for a price reduction, its promise was reduced by 9% and effective from January 1, 2020. It is estimated that the air freight cost for 2020 will reduce to NT$1.200,000.

f. As for the express delivery costs in Taiwan, our goal is striving for more reduction from Fedex.

g. For the declaration on domestic aviation materials, through open bidding to select the most favorable customs brokers, and negotiate with the winning bidder again after the bid opening, close the deal of the Customs clearance fee at NT$590 per ticket, compared to NT$650 per ticket in the past, will greatly reduce the cost of customs declaration.

Director： General Manager： Accounting manager：

Annex 2.

Audit Committee Audit Report

The Business Report, Financial statements and Proposal for profit distribution of 2019 prepared by the Board of Directors have been audited and certified by Lin, Su Wen, Yang, Chih Hui of Ernst & Young. After reviewing such documents, this Audit Committee found no nonconformity, in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

To
Air Asia Company Limited 2020 Annual General Meeting of Shareholders

Audit Committee Convener:

March 26, 2020

Annex 3.

AIR ASIA CO., LTD.
PARENT COMPANY ONLY
FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
WITH
REPORT OF INDEPENDENT AUDITORS

The reader is advised that these financial statements have been prepared originally in Chinese. In the event of a conflict between these financial statements and the original Chinese version or difference in interpretation between the two versions, the Chinese language financial statements shall prevail.

Independent Auditors' Report Translated from Chinese

To AIR ASIA CO., LTD.

Opinion

We have audited the accompanying parent company only balance sheets of AIR ASIA CO., LTD. (the "Company") as of December 31, 2019 and 2018, and the related parent company only statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2019 and 2018, and notes to the parent company only financial statements, including the summary of significant accounting policies (together "the parent company only financial statements").

In our opinion, the parent company only financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2019 and 2018, and its financial performance and cash flows for the years ended December 31, 2019 and 2018, in conformity with the requirements of 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 Attestation of Financial Statements by Certified Public Accountants and 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 Parent Company Only Financial Statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the "Norm"), and we have fulfilled our other ethical responsibilities in accordance with the Norm. Based on our audits and the reports of other auditors, 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 2019 parent company only financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Revenue Recognition
The Company's aircraft maintenance service and aircrafts business maintenance management contracts recognized revenue when a performance obligation been satisfied over time. This method calculates the percentage of completion by the actual input of materials or labors in each contract. As the calculation of percentage of completion is complicated and estimating cost involves management's material judgment, we considered this a key audit matter.
Our audit procedures included, but were not limited to, assessing and testing the effectiveness of the internal control design and execution regarding revenue recognition, selecting samples to perform

test of details, including reviewing revenue recognition terms and conditions of contracts, comparing the actual cost and projected costs to verify the reasonableness of total cost estimates, and testing the material requisition record and employee time record to verify the correctness of actual input and verify the correctness of the amount of revenue recognized. We also assessed the adequacy of revenue recognition. Please refer to Notes IV, V and VI to the Company's parent company only financial statements.

2. Valuation for slow-moving inventories

As of December 31, 2019, the Company's net material inventories amounted to NT$287,921 thousand, which was material to the financial statement. The Company's raw material may become slow-moving inventory with the related model phase-out. Management needs to assess the adequacy of write-downs of slow-moving inventories. As identification of slow-moving inventories of the amount of inventory write downs involved management's material judgment, we considered this a key audit matter.

Our audit procedures included, but not limited to, evaluating and testing the design and operating effectiveness of internal controls around slow-moving inventories, testing the evaluation basis of write-downs from slow-moving inventories and the reasonableness of reserve ratio, testing the correctness of slow-moving inventory breakdown and the calculation of inventory aging. We also assessed the adequacy of disclosures of slow-moving inventories. Please refer to Notes IV, V and VI to the Company's parent company only financial statements.

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

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

In preparing the parent company only financial statements, management is responsible for assessing the ability to continue as a going concern of the Company, 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 audit committee, are responsible for overseeing the financial reporting process of the Company.

Auditor's Responsibilities for the Audit of the Parent Company Only Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 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 parent company only 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 parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company.

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 ability to continue as a going concern of the Company. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the accompanying notes, and whether the parent company only 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 Company to express an opinion on the parent company only 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 2019 parent company only financial statements and are therefore the key audit matters. We describe these matters in our auditor's 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.

Emphasis of Matters-Applied the New Standards

As stated in Note 3 of the financial statements, the Company applied the International Financial Reporting Standard 16, "Leases" on 1 January 2019.

Lin, Su Wen

Yang, Chih Hui

Ernst & Young, Taiwan.
20 February 2020

<u>Notice to Readers</u>
The accompanying financial statements are intended only to present the financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China on Taiwan and not those of any other jurisdictions. The standards, procedures and practices to audit such financial statements are those generally accepted and applied in the Republic of China.

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese

AIR ASIA CO., LTD.

PARENT COMPANY ONLY BALANCE SHEETS

As of December 31, 2019 and 2018

(Expressed in Thousand of New Taiwan Dollars)

Assets	Notes	December 31, 2019	December 31, 2018
Current Assets			
Cash and cash equivalents	IV/VI	$142,283	$79,808
Contract assets-current	IV/VI	321,579	333,180
Notes and accounts receivable-Net	IV/VI/VII	1,209,766	802,754
Other receivable		20,969	16,339
Inventories-Net	IV/V/VI	1,514,312	1,036,084
Prepayments		34,362	66,957
Refundable deposits-current	VIII	128,824	163,457
Other current assets		1,488	237
Total current assets		3,373,583	2,498,816
Non-current Assets			
Investments accounted for under the equity method	IV/XIII	3,438	3,598
Property, plant and equipment	IV/VI/VIII	703,719	709,079
Right-of-use assets	III/IV/VI	269,456	-
Intangible assets	IV/VI	6,351	2,870
Deferred income tax assets	IV/VI	59,823	70,042
Incremental costs of obtaining contracts	IV/VI	32,669	45,634
Other noncurrent assets	VI/VIII	96,438	86,890
Total non-current assets		1,171,894	918,113
Total Assets		$4,545,477	$3,416,929

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

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese

AIR ASIA CO., LTD.

PARENT COMPANY ONLY BALANCE SHEETS

As of December 31, 2019 and 2018

(Expressed in Thousand of New Taiwan Dollars)

Liabilities and Equity	Notes	December 31, 2019	December 31, 2018
Current Liabilities			
Short-term loans	IV/VI	$600,000	$722,075
Short-term notes and bills payable	IV/VI	449,840	229,925
Financial liability at fair value through profit or loss	IV/VI	1,470	-
Contract liabilities-current	IV/VI	4,956	1,114
Accounts payable		348,623	215,283
Other payables	VI	262,076	201,436
Provision-current	IV/V/VI	31,492	19,112
Lease liabilities-current	IV/VI	15,399	-
Current portion of long-term loans	IV/VI	37,500	16,667
Other current liabilities		6,515	10,387
Total current liabilities		1,757,871	1,415,999
Non-current Liabilities			
Bonds payable	IV/VI	474,972	-
Long-term loans-excluding current portion	IV/VI/VIII	442,500	183,332
Lease liabilities-noncurrent	IV/VI	255,327	-
Net defined benefit liabilities-noncurrent	IV/V/VI	11,059	141,541
Total non-current liabilities		1,183,858	324,873
Total Liabilities		2,941,729	1,740,872
Equity			
Common stock	VI	1,201,200	1,222,080
Capital surplus	VI	273,054	365,749
Retained earnings	VI		
Legal reserve		118,606	117,066
Unappropriated earnings		10,811	12,196
Total retained earnings		129,417	129,262
Other equity		77	139
Treasury stock		-	(41,173)
Total Equity		1,603,748	1,676,057
Total Liabilities and Equity		$4,545,477	$3,416,929

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

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese

AIR ASIA CO., LTD.

PARENT COMPANY ONLY OF COMPREHENSIVE INCOME

For the years ended December 31, 2019 and 2018

(Expressed in Thousand of New Taiwan Dollars Except for Earnings Per Share)

ITEMS	NOTES	For the year ended Dec. 31, 2019	For the year ended Dec. 31, 2018
Operating Revenue	IV/V/VI/VII	$3,913,291	$2,719,354
Operating Cost	VI	(3,531,974)	(2,407,030)
Net Operating Margin		381,317	312,324
Operating Expenses	VI		
Selling expenses		(65,418)	(62,767)
General and administrative expenses		(207,440)	(200,303)
Research and development expenses		(14,012)	(22,306)
Expected credit losses		(15,637)	(12,625)
Total operating expenses		(302,507)	(298,001)
Operating Income		78,810	14,323
Non-operating Income and Expenses	VI		
Other revenue		7,118	10,093
Other gains and losses		5,041	(1,761)
Financial cost		(31,475)	(14,712)
Share of loss of subsidiaries, associates and joint ventures		(82)	(83)
Total non-operating income and expenses		(19,398)	(6,463)
Income from Continuing Operations before Income Tax		59,412	7,860
Income Tax benefit (Expense)	IV/VI	(14,401)	7,545
Net Inocme		$45,011	$15,405
Other comprehensive income	VI		
Items that will not be reclassified subsequently to profit or loss			
Remeasurements of the defined benefit pension plans		(12,748)	(9,947)
Income tax related to items that will not be reclassified		2,550	1,989
Items that will be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		(78)	114
Income tax related to items that may be reclassified		16	(24)
Total other comprehensive income(loss), net of tax		(10,260)	(7,868)
Total comprehensive income		$34,751	$7,537
Earnings Per Share			
Basic earnings per share (in NT Dollar)	VI	$0.37	$0.13
Diluted earnings per share (in NT Dollar)	VI	$0.37	$0.13

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

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese

AIR ASIA CO., LTD.

PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY

For the years ended December 31, 2019 and 2018

(Expressed in Thousand of New Taiwan Dollars)

Item	Common Stock	Capital Surplus	Retained Earnings: Legal Reserve	Retained Earnings: Unappropriated Earnings	Other Equity: Exchange Differences on Translation of Foreign Operations	Treasury stock	Total Equity
Balance as of January 1, 2018	$1,078,296	$153,095	$104,727	$120,965	$49	$-	$1,457,132
Appropriations of 2017 earnings							
Legal reserve	-	-	12,339	(12,339)	-	-	-
Cash dividends	-	(48,883)	-	(103,877)	-	-	(152,760)
Net income for the year ended December 31, 2018	-	-	-	15,405	-	-	15,405
Other comprehensive income(loss) for the year ended December 31, 2018	-	-	-	(7,958)	90	-	(7,868)
Total comprehensive income	-	-	-	7,447	90	-	7,537
Issuance of Common Stock for cash	143,784	261,537	-	-	-	-	405,321
Treasury stock acquired	-	-	-	-	-	(41,173)	(41,173)
Balance as of December 31, 2018	$1,222,080	$365,749	$117,066	$12,196	$139	$(41,173)	$1,676,057
Balance as of January 1, 2019	$1,222,080	$365,749	$117,066	$12,196	$139	$(41,173)	$1,676,057
Appropriations of 2018 earnings							
Legal reserve	-	-	1,540	(1,540)	-	-	-
Cash dividends	-	(110,510)	-	(9,610)	-	-	(120,120)
Issuance of convertible bonds-share option	-	22,358	-	-	-	-	22,358
Net income for the year ended December 31, 2019	-	-	-	45,011	-	-	45,011
Other comprehensive income(loss) for the year ended December 31, 2019	-	-	-	(10,198)	(62)	-	(10,260)
Total comprehensive income	-	-	-	34,813	(62)	-	34,751
Treasury stock acquired	-	-	-	-	-	(9,298)	(9,298)
Cancallation of treasury stock	(20,880)	(4,543)	-	(25,048)	-	50,471	-
Balance as of December 31, 2019	$1,201,200	$273,054	$118,606	$10,811	$77	$-	$1,603,748

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

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese

AIR ASIA CO., LTD.

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS

For the years ended December 31, 2019 and 2018

(Expressed in Thousand of New Taiwan Dollars)

ITEMS	For the year ended Dec. 31,2019	For the year ended Dec. 31,2018
Cash Flow from Operating Activities:		
Net income before tax	$59,412	$7,860
Adjustments to reconcile net income before income tax to net cash provided by operating activites:		
Depreciation	81,836	63,735
Amortization	6,082	5,147
Excepted credit losses	15,637	12,625
Current Financial Assets at Fair Value through Loss	900	-
Interest expense	21,438	5,386
Interest income	(1,303)	(1,481)
Share of loss of subsidiaries, associates and joint ventures	82	83
Loss on disposal of property, plant and equipment	1	62
Impairment loss of non-financial assets	9,437	2,440
Change in operating assets liabilities:		
Contract asssets	11,601	(333,180)
Notes and accounts receivable-net	(422,649)	(91,217)
Other receivable	(4,580)	(9,838)
Inventories-net	(487,665)	(733,658)
Prepayments	32,595	(49,195)
Other current assets	(1,251)	150
Incremental cost of obtaining contracts	12,965	12,137
Contract liabilities	3,842	1,114
Accounts payable	133,340	86,343
Other payables	61,393	(35,369)
Provision	12,380	(19,853)
Advance receipts	-	(22,098)
Other current liabilities	(3,872)	5,177
Net defined benefit liabilities	(143,230)	(28,569)
Cash generated from operations	(601,609)	(1,122,199)
Interest received	1,253	1,631
Interest paid	(18,083)	(5,149)
Income tax paid	(1,616)	(4,070)
Net cash (used in) operating activities	(620,055)	(1,129,787)

ITEMS	For the year ended Dec. 31,2019	For the year ended Dec. 31,2018\
Cash Flow from Investing Activities:		
Acquisition of property, plant and equipment	(37,771)	(46,813)
Decrease(Increase) in refundable deposits	30,059	(59,818)
Acquisition of intangible assets	(9,563)	(4,690)
Increase in other noncurrent assets	(27,555)	(40,413)
Net cash (used in) investing activities	(44,830)	(151,734)
Cash Flow from Financing Activities:		
(Decrease) Increase in short-term loans	(122,075)	692,075
Increase in short-term notes and bills payable	219,915	229,925
Bonds issued	494,682	-
Preceeds from long-term loans	480,000	150,000
Repayments of long-term loans	(199,999)	(16,667)
Repayments of leases liabilities	(15,745)	-
Cash dividends	(120,120)	(152,760)
Issuance of common stock for cash	-	405,321
Treasury stock acquired	(9,298)	(41,173)
Net cash provided by financing activities	727,360	1,266,721
Net Increase(Decrease) in Cash and Cash Equivalents	62,475	(14,800)
Cash and Cash Equivalents at Beginning of Year	79,808	94,608
Cash and Cash Equivalents at End of Year	$142,283	$79,808

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

AIR ASIA CO., LTD.
AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
WITH
REPORT OF INDEPENDENT AUDITORS

The reader is advised that these financial statements have been prepared originally in Chinese. In the event of a conflict between these financial statements and the original Chinese version or difference in interpretation between the two versions, the Chinese language financial statements shall prevail.

Independent Auditors' Report Translated from Chinese

To AIR ASIA CO., LTD.

Opinion

We have audited the accompanying consolidated balance sheets of AIR ASIA CO., LTD. and its subsidiaries (the "Group") as of December 31, 2019 and 2018, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2019 and 2018, and notes to the consolidated financial statements, including the summary of significant accounting policies (together "the consolidated financial statements").

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Group as of December 31, 2019 and 2018, and its financial performance and cash flows for the years ended December 31, 2019 and 2018, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and 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 Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the "Norm"), and we have fulfilled our other ethical responsibilities in accordance with the Norm. Based on our audits and the reports of other auditors, 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 2019 consolidated financial statements. 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. Revenue Recognition

The Group's aircraft maintenance service and aircrafts business maintenance management contracts recognized revenue when a performance obligation was satisfied over time. This method calculates the percentage of completion by the actual input of materials or labors in each contract. As the calculation of percentage of completion is complicated and estimating cost involves management's material judgment, we considered this a key audit matter.

Our audit procedures included, but were not limited to, assessing and testing the effectiveness of the internal control design and execution regarding revenue recognition, selecting samples to perform test of details, including reviewing revenue recognition terms and conditions of contracts, comparing the actual and projected costs to verify the reasonableness of total cost estimates, and testing the material requisition record and employee time record to verify the correctness of actual input and verify the correctness of the amount of revenue recognized. We also assessed the adequacy of revenue recognition. Please refer to Notes IV, V and VI to the Group's consolidated financial statements.

2. Valuation for slow-moving inventories

As of December 31, 2019, the Group's net material inventories amounted to NT$287,921 thousand, which was material to the financial statement. The Group's raw material may become slow-moving inventory with the related model phase-out. Management needs to assess the adequacy of write-downs of slow-moving inventories. As identification of slow-moving inventories of the amount of inventory write downs involved management's material judgment, we considered this a key audit matter.

Our audit procedures included, but not limited to, evaluating and testing the design and operating effectiveness of internal controls around slow-moving inventories, testing the evaluation basis of write-downs from slow-moving inventories and the reasonableness of provision ratio, testing the correctness of slow-moving inventory breakdown and the calculation of inventory aging. We also assessed the adequacy of disclosures of slow-moving inventories. Please refer to Notes IV, V and VI to the Group's consolidated financial statements.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by 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 ability to continue as a going concern of the Group, 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 audit committee, are responsible for overseeing the financial reporting process of the Group.

Auditor's 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 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 internal control of the Group.

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 ability to continue as a going concern of the Group. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's 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 accompanying notes, 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 2019 consolidated financial statements and are therefore the key audit matters. We describe these matters in our auditor’s 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.

Other

We have audited and expressed an unmodified opinion on the parent company only financial statement of the Company as of and for the years ended December 31, 2019 and 2018.

Emphasis of Matters-Applied the New Standards

As stated in Note 3 of the financial statements, the Group applied the International Financial Reporting Standard 16, "Leases" on 1 January 2019.

Lin, Su Wen

Yang, Chih Hui

Ernst & Young, Taiwan.
20 February 2020

Notice to Readers
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English Translation of Consolidated Financial Statements Originally Issued in Chinese

AIR ASIA CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

As of December 31, 2019 and 2018

(Expressed in Thousand of New Taiwan Dollars)

Assets	Notes	December 31, 2019	December 31, 2018
Current Assets			
Cash and cash equivalents	IV/VI	$145,757	$83,444
Contract assets, current	IV/VI	321,579	333,180
Notes and accounts receivable-Net	IV/VI	1,209,766	802,754
Other receivable-current		20,969	16,339
Inventories-Net	IV/V/VI	1,514,312	1,036,084
Prepayments		34,362	66,957
Refundable deposits-current	VIII	128,824	163,457
Other current assets		1,488	237
Total current assets		3,377,057	2,502,452
Non-current Assets			
Property, plant and equipment	IV/VI/VIII	703,719	709,079
Right-of-use assets	III/IV/VII	269,456	-
Intangible assets	IV/VI	6,351	2,870
Deferred income tax assets	IV/VI	59,823	70,042
Incremental costs of obtaining contracts		32,669	45,634
Other noncurrent assets	VI/VIII	96,438	86,890
Total non-current assets		1,168,456	914,515
Total Assets		$4,545,513	$3,416,967

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese

AIR ASIA CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
As of December 31, 2019 and 2018
(Expressed in Thousand of New Taiwan Dollars)

Liabilities and Equity	Notes	December 31, 2019	December 31, 2018
Current Liabilities			
Short-term loans	IV/VI	$600,000	$722,075
Short-term notes and bills payable	IV/VI	449,840	229,925
Financial liability at fair value through profit or loss	IV/VI	1,470	-
Contract liabilities-current	IV/VI	4,956	1,114
Accounts payable		348,623	215,283
Other payables	VI	262,112	201,474
Provisions-current	IV/V/VI	31,492	19,112
Lease liabilities-current	IV/VI	15,399	-
Current portion of long-term loans	IV/VI	37,500	16,667
Other current liabilities		6,515	10,387
Total current liabilities		1,757,907	1,416,037
Non-current Liabilities			
Bonds payable	IV/VI	474,972	-
Long-term loans-excluding current portion	IV/VI/VIII	442,500	183,332
Lease liabilities-noncurrent	IV/VI	255,327	-
Net defined benefit liabilities- noncurrent	IV/V/VI	11,059	141,541
Total non-current liabilities		1,183,858	324,873
Total Liabilities		2,941,765	1,740,910
Equity attributable to the parent company			
Common stock	VI	1,201,200	1,222,080
Capital surplus	VI	273,054	365,749
Retained earnings	VI		
Legal reserve		118,606	117,066
Unappropriated earnings		10,811	12,196
Total retained earnings		129,417	129,262
Other equity		77	139
Treasury stock		-	(41,173)
Total Equity		1,603,748	1,676,057
Total Liabilities and Equity		$4,545,513	$3,416,967

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese
AIR ASIA CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the years ended December 31, 2019 and 2018
(Expressed in Thousand of New Taiwan Dollars Except for Earnings Per Share)

ITEMS	NOTES	For the year ended Dec. 31, 2019	For the year ended Dec. 31, 2018
Operating Revenue	IV/V/VI/VII	$3,913,291	$2,719,354
Operating Costs	VI	(3,531,974)	(2,407,030)
Net Operating Margin		381,317	312,324
Operating Expenses	VI		
Selling expenses		(65,418)	(62,767)
General and administrative expenses		(207,497)	(200,386)
Research and development expenses		(14,012)	(22,306)
Expected credit losses		(15,637)	(12,625)
Total operating expenses		(302,564)	(298,084)
Operating Income		78,753	14,240
Non-operating Income and Expenses	IV/VI		
Other revenue		7,118	10,093
Other gains and losses		5,016	(1,761)
Interest expense		(31,475)	(14,712)
Total non-operating income and expenses		(19,341)	(6,380)
Income from Continuing Operations before Income Tax		59,412	7,860
Income Tax benefit (Expense)	IV/VI	(14,401)	7,545
Net Inocme		$45,011	$15,405
Other comprehensive income	VI		
Items that will not be reclassified subsequently to profit or loss			
Remeasurements of the defined benefit pension plans		(12,748)	(9,947)
Income tax related to items that will not be reclassified		2,550	1,989
Items that will be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		(78)	114
Income tax related to items that may be reclassified		16	(24)
Total other comprehensive income(loss), net of tax		(10,260)	(7,868)
Total comprehensive income		$34,751	$7,537
Net income attributable to:			
Stockholders of the parent		$45,011	$15,405
Comprehensive income attributable to:			
Stockholder of the parent		$34,751	$7,537
Earnings Per Share			
Basic earnings per share (in NT Dollar)	VI	$0.37	$0.13
Diluted earnings per share (in NT Dollar)	VI	$0.37	$0.13

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese

AIR ASIA CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the years ended December 31, 2019 and 2018

(Expressed in Thousand of New Taiwan Dollars)

Item	Equity attributable to the parent company						Total Equity
			Retained Earnings		Other Equity		
	Common Stock	Capital Surplus	Legal Reserve	Unappropriated Earnings	Exchange Differences on Translation of Foreign Operations	Treasury stock	
Balance as of January 1, 2018	$1,078,296	$153,095	$104,727	$120,965	$49	$ -	$1,457,132
Appropriations of 2017earnings							
Legal reserve	-	-	12,339	(12,339)	-	-	-
Cash dividends	-	(48,883)	-	(103,877)	-	-	(152,760)
Net income for the year ended December 31, 2018	-	-	-	15,405	-	-	15,405
Other comprehensive income(loss) for the year ended December 31, 2018	-	-	-	(7,958)	90	-	(7,868)
Total comprehensive income	-	-	-	7,447	90	-	7,537
Issuance of Common Stock	143,784	261,537	-	-	-	-	405,321
Treasury stock acquired	-	-	-	-	-	(41,173)	(41,173)
Balance as of December 31, 2018	$1,222,080	$365,749	$117,066	$12,196	$139	$(41,173)	$1,676,057
Balance as of January 1, 2019	$1,222,080	$365,749	$117,066	$12,196	$139	$(41,173)	$1,676,057
Appropriations of 2018 earnings							
Legal reserve	-	-	1,540	(1,540)	-	-	-
Cash dividends	-	(110,510)	-	(9,610)	-	-	(120,120)
Issuance of convertible bonds-share option	-	22,358	-	-	-	-	22,358
Net income for the year ended December 31, 2019	-	-	-	45,011	-	-	45,011
Other comprehensive income(loss) for the year ended December 31, 2019	-	-	-	(10,198)	(62)	-	(10,260)
Total comprehensive income	-	-	-	34,813	(62)	-	34,751
Treasury stock acquired	-	-	-	-	-	(9,298)	(9,298)
Cancellation of treasury stock	(20,880)	(4,543)	-	(25,048)	-	50,471	-
Balance as of December 31, 2019	$1,201,200	$273,054	$118,606	$10,811	$77	$-	$1,603,748

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

Note: Employees' compensation for the year ended 31 December 2018 were NT$160. It had been deducted from comprehensive income of parent company only financial statement.
Employees' compensation for the year ended 31 December 2017 was NT$3,021. It had been deducted from comprehensive income of parent company only financial statement.

AIR ASIA CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended December 31, 2019 and 2018
(Expressed in Thousand of New Taiwan Dollars)

ITEMS	For the year ended Dec. 31, 2019	For the year ended Dec. 31, 2018
Cash Flow from Operating Activities:		
Net income before tax	$59,412	$7,860
Adjustments to reconcile net income before income tax to net cash		
provided by operating activites:		
Depreciation	81,836	63,735
Amortization	6,082	5,147
Excepted credit losses	15,637	12,625
Current Financial Assets at Fair Value through Loss	900	-
Interest expense	21,438	5,386
Interest income	(1,303)	(1,481)
Loss on disposal of property, plant and equipment	1	62
Impairment loss of non-financial assets	9,437	2,440
Contract asssets	11,601	(333,180)
Notes and accounts receivable-net	(422,649)	(91,217)
Other receivable	(4,580)	(9,838)
Inventories-net	(487,665)	(733,658)
Prepayments	32,595	(49,195)
Other current assets	(1,251)	150
Incremerttal cost of obtaining contracts	12,965	12,137
Contract liabilities	3,842	1,114
Accounts payable	133,340	86,343
Other payables	61,391	(35,367)
Provision	12,380	(19,853)
Advance receipts	-	(22,098)
Other current liabilities	(3,872)	5,177
Net defined benefit liabilities	(143,230)	(28,569)
Cash generated from operations	(601,693)	(1,122,280)
Interest received	1,253	1,631
Interest paid	(18,083)	(5,149)
Income tax paid	(1,616)	(4,070)
Net cash (used in) by operating activities	(620,139)	(1,129,868)

ITEMS	For the year ended Dec. 31, 2019	For the year ended Dec. 31, 2018
Cash Flow from Investing Activities:		
Acquisition of property, plant and equipment	(37,771)	(46,813)
Decrease(Increase) in refundable deposits	30,059	(59,818)
Acquisition of intangible assets	(9,563)	(4,690)
Increase in other noncurrent assets	(27,555)	(40,413)
Net cash (used in) investing activities	(44,830)	(151,734)
Cash Flow from Financing Activities:		
(Decrease) Increase in short-term loans	(122,075)	692,075
Increase in short-term notes and bills payable	219,915	229,925
Bonds issued	494,682	-
Preceeds from long-term loans	480,000	150,000
Repayments of long-term loans	(199,999)	(16,667)
Repayments of leases liabilities	(15,745)	-
Cash dividends	(120,120)	(152,760)
Issuance of common stock for cash	-	405,321
Treasury stock acquired	(9,298)	(41,173)
Net cash provided by financing activities	727,360	1,266,721
Effect of exchange rate changes on cash and cash equivalents	(78)	114
Net Increase (Decrease) in Cash and Cash Equivalents	62,313	(14,767)
Cash and Cash Equivalents at Beginning of Year	83,444	98,211
Cash and Cash Equivalents at End of Year	$145,757	$83,444

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

Annex 4.

AIR ASIA Company Limited
Comparison table for the amendment of "Ethical Corporate Management Best Practice Principles" Before and after revision

Before the Revision	After the Revision	Addition Note
Article 5. The company shall abide by the operational philosophies of honesty, transparency and responsibility, base policies on the principle of good faith, and establish good corporate governance and risk control and management mechanism so as to create an operational environment for sustainable development.	Article 5. The company shall abide by the operational philosophies of honesty, transparency and responsibility, base policies on the principle of good faith and obtain ***approval from the board of directors,*** and establish good corporate governance and risk control and management mechanism so as to create an operational environment for sustainable development.	Taking into account the International Organization for Standardization (ISO) ISO 37001 anti-bribery management systems released in October 2016, as described in 3.7 and 5.1.1, approved by the Board of Directors for the organization of anti-bribery management policy, amend this article, stipulates the integrity management policy and shall be approved by the board of directors.
Article 7. When the company ~~***establish a prevention programs***~~, shall analyze and assess business activities within their business scope which are at a higher risk of being involved in unethical conduct, and establish prevention ~~***programs***~~ accordingly and review their adequacy and effectiveness. It is advisable for the company to refer to prevailing domestic and foreign standards or guidelines in establishing the prevention programs, which shall at least include preventive measures against the following: 1. Offering and acceptance of	Article 7. The company shall ***establish a risk assessment mechanism against unethical conduct***, analyze and ***assess on a regular basis*** business activities within their business scope which are at a higher risk of being involved in unethical conduct, ***and establish*** prevention ***programs accordingly and review their adequacy and effectiveness on a regular basis***. It is advisable for the company to ***refer to prevailing domestic and foreign standards or guidelines*** in establishing the prevention programs, which shall at least include preventive measures against the following: 1. Offering and acceptance of	1. Taking into account ISO 37001 anti-bribery management systems as described in 4.5.1, the organization shall undertake regular bribery risk assessments and evaluate the suitability and effectiveness of the organization's existing controls and in 4.5.2. establish criteria for evaluating its level of bribery risk, amend item 1 of this article. 2. To assist the company to introduce

bribes. 2. Illegal political donations. 3. Improper charitable donations or sponsorship. 4. Offering or acceptance of unreasonable presents or hospitality, or other improper benefits. 5. Misappropriation of trade secrets and infringement of trademark rights, patent rights, copyrights, and other intellectual property rights. 6. Engaging in unfair competitive practices. 7. Damage directly or indirectly caused to the rights or interests, health, or safety of consumers or other stakeholders in the course of research and development, procurement, manufacture, provision, or sale of products and services.	bribes. 2. Illegal political donations. 3. Improper charitable donations or sponsorship. 4. Offering or acceptance of unreasonable presents or hospitality, or other improper benefits. 5. Misappropriation of trade secrets and infringement of trademark rights, patent rights, copyrights, and other intellectual property rights. 6. Engaging in unfair competitive practices. 7. Damage directly or indirectly caused to the rights or interests, health, or safety of consumers or other stakeholders in the course of research and development, procurement, manufacture, provision, or sale of products and services.	integrity management (anti-bribery) mechanism and establish the integrity (anti-bribery) corporate culture, there are common standards or guidelines from domestic and abroad for reference, for example: ISO 37001, GRI 205: Anti-Corruption In 2016, the third edition of the "Business Principles for Countering Bribery" issued by Transparency International in 2013, amend paragraph 2 wordings of this article.
Article 8. The company and their respective business group shall clearly specify in their rules and external documents the ethical corporate management policies and the commitment by the Board of Directors and management on rigorous and thorough implementation of such policies, and shall carry out the policies in internal management and in commercial activities.	Article 8. ***The company shall request their directors and senior management to issue a statement of compliance with the ethical management policy and require in the terms of employment that employees comply with such policy.*** The company and their respective business group shall clearly specify in their rules and external documents and on the ***company website*** the ethical corporate management policies and the commitment by the Board of Directors and ***senior*** management on rigorous and thorough implementation of such policies, and shall carry out the policies in internal management and in commercial activities. ***The company shall compile documented information on the ethical management policy, statement, commitment and implementation mentioned in the first and second paragraphs and retains said information***	1. Add paragraph 1. Taking into account ISO 37001 anti-bribery management systems as described in 7.2.2.2 (c) The organization shall request their senior management and directors and to issue a statement of anti-bribery policy and 7.2.2.1(a) conditions of employment require personnel to comply with the anti-bribery policy, therefore, the employment contract shall contain and emphasize the terms of the ethical management policy. 2. Amend the current article to Paragraph 2. In accordance with this amendment, add paragraph 1 and provision of Article 3-

	properly.	1 of the "Rules Governing Information Filing by Companies with TWSE Listed Securities and Offshore Fund Institutions with TWSE Listed Offshore Exchange-Traded Funds", a TWSE listed company that issues company warrants shall establish a company website. And provision of Article 4-1 of the "Taipei Exchange Rules Governing Information Reporting by Companies with TPEx Listed Securities" A TPEx listed company shall establish a company website. It is recommended that the company address it's the ethical management policy on its website, and that the Board of Directors and senior management actively implement the commitment of the ethical management policy. 3. Add paragraph 3. Taking into account ISO 37001 anti-bribery management systems, shall compile documented information on the ethical management policy, statement, commitment and implementation and retain said information properly. Such as

		described in 4.5.4 The organization shall retain documented information; 5.2 the anti-bribery policy shall be available as documented information; 7.3 The organization shall provide adequate and appropriate anti-bribery awareness and training to personnel.
Article 17. The directors, supervisors, managers, employees, mandataries, and substantial controllers of the company shall exercise the due care of good administrators to urge the company to prevent unethical conduct, always review the results of the preventive measures and continually make adjustments so as to ensure thorough implementation of its ethical corporate management policies. To achieve sound ethical corporate management, the company assigned Administration Division, responsible for establishing and supervising the implementation of the ethical corporate management policies and prevention programs. The Auditing unit shall be in charge of the following matters, ~~***and***~~ shall report to the Board of Directors on a regular basis: 1. Assisting in incorporating ethics and moral values into the company's business strategy and adopting appropriate prevention measures against corruption and malfeasance to ensure ethical management in compliance with the requirements of laws and regulations. 2. Adopting accordingly programs to prevent unethical conduct, ~~***and***~~ setting out in each program the	Article 17. The directors, supervisors, managers, employees, mandataries, and substantial controllers of the company shall exercise the due care of good administrators to urge the company to prevent unethical conduct, always review the results of the preventive measures and continually make adjustments so as to ensure thorough implementation of its ethical corporate management policies. To achieve sound ethical corporate management, the company assigned Administration Division, responsible for establishing and supervising the implementation of the ethical corporate management policies and prevention programs. The Auditing unit shall be in charge of the following matters, and shall report to the Board of Directors on a regular basis ***(At least once a year)***: 1. Assisting in incorporating ethics and moral values into the company's business strategy and adopting appropriate prevention measures against corruption and malfeasance to ensure ethical management in compliance with the requirements of laws and regulations. 2. ***Analyzing and assessing on a regular basis the risk of involvement in unethical conduct***	1. Taking into account ISO 37001 anti-bribery management systems, as described in 5.3.2 Top management shall assign to an anti-bribery compliance function the responsibility and authority; 9.4 The anti-bribery compliance function shall report to the Board of Directors at least once a year. Amend paragraph 2 of this article. 2. In accordance with paragraph 2.2 of Article 7, add paragraph 2.2 Analyzing and assessing on a regular basis the risk of involvement in unethical conduct within the business scope, and adjusting the wordings.

standard operating procedures and conduct guidelines with respect to the company's operations and business. 3. Planning the internal organization, structure, and allocation of responsibilities and setting up check-and-balance mechanisms for mutual supervision of the business activities within the business scope which are possibly at a higher risk for unethical conduct. 4. Promoting and coordinating awareness and educational activities with respect to ethics policy. 5. Developing a whistle-blowing system and ensuring its operating effectiveness. 6. Assisting the Board of Directors and management in auditing and assessing whether the prevention measures taken for the purpose of implementing ethical management are effectively operating, and preparing reports on the regular assessment of compliance with ethical management in operating procedures.	***<u>within the business scope,</u>*** adopting accordingly programs to prevent unethical conduct, ***<u>and</u>*** setting out in each program the standard operating procedures and conduct guidelines with respect to the company's operations and business. 3. Planning the internal organization, structure, and allocation of responsibilities and setting up check-and-balance mechanisms for mutual supervision of the business activities within the business scope which are possibly at a higher risk for unethical conduct. 4. Promoting and coordinating awareness and educational activities with respect to ethics policy. 5. Developing a whistle-blowing system and ensuring its operating effectiveness. 6. Assisting the Board of Directors and management in auditing and assessing whether the prevention measures taken for the purpose of implementing ethical management are effectively operating, and preparing reports on the regular assessment of compliance with ethical management in operating procedures.	
Article 20. The company shall establish effective accounting systems and internal control systems for business activities possibly at a higher risk of being involved in an unethical conduct, not have under-the-table accounts or keep secret accounts, and conduct reviews ***~~regularly~~*** so as to ensure that the design and enforcement of the systems are showing results. The internal audit unit of the company shall examine accordingly the compliance with the prevention programs ***~~and put down in writing in the form of an~~***	Article 20. The company shall establish effective accounting systems and internal control systems for business activities possibly at a higher risk of being involved in an unethical conduct, not have under-the-table accounts or keep secret accounts, and conduct reviews so as to ensure that the design and enforcement of the systems are showing results. The internal audit unit of the company listed company shall, ***<u>based on the results of assessment of the risk of involvement in unethical</u>***	1.Taking into account ISO 37001 anti-bribery management systems, as described in 9.2 Internal Audit (such as ：9.2.2(a) plan, establish, implement and maintain an audit program(s), including the frequency, methods; 9.2.2(b) define the audit criteria and scope for each audit;9.2.3 these audits shall be reasonable,

~~***audit report to be submitted to the board of directors***~~. The internal audit unit may engage a certified public accountant to carry out the audit, and may engage professionals to assist if necessary.	***conduct, devise relevant audit plans. Including auditees, audit scope, audit items, audit frequency, etc., and*** examine accordingly the compliance with the ***prevention programs***. The internal audit unit may engage a certified public accountant to carry out the audit, and may engage professionals to assist if necessary. ***The results of examination in the preceding paragraph shall be reported to senior management and the ethical management dedicated unit and put down in writing in the form of an audit report to be submitted to the board of directors.***	proportionate and risk-based. Annex A. 16.3 The selection of the sample can be risk-based,), amend paragraph 2 of this article. 2. Add paragraph 3. Taking into account ISO 37001 anti-bribery management systems, as described in 9.2.2(d) ensure that the results of the audits are reported to relevant management, the anti-bribery compliance function, top management and board of directors. In addition, for structural considerations, paragraph 2 "Also submit an audit report to the board of directors" wordings and the reporting procedures after the internal audit unit has added to this paragraph.
Article 23. The company shall adopt a concrete whistle-blowing system and scrupulously operate the system. The whistle-blowing system shall include at least the following: 1. An independent mailbox or hotline, either internally established and publicly announced or provided by an independent external institution, to allow internal and external personnel of the company to submit reports. 2. Dedicated personnel or unit appointed to handle the whistle-blowing system. Any tip involving a director or senior ~~***supervisors***~~ shall be reported to the independent directors or	Article 23. The company shall adopt a concrete whistle-blowing system and scrupulously operate the system. The whistle-blowing system shall include at least the following: 1. An independent mailbox or hotline, either internally established and publicly announced or provided by an independent external institution, to allow internal and external personnel of the company to submit reports. 2. Dedicated personnel or unit appointed to handle the whistle-blowing system. Any tip involving a director or ***senior management*** shall be reported to the independent directors or	1. Taking into account ISO 37001 as described in Annex A18.8 regarding Once the organization has completed its investigation, the organization should implement appropriate follow up actions. Add paragrah1(3), current paragraph 3 to 6 amend to 4 to 7. 2.to unified the wordings. Amend the wordings of paragraph 1(2) of this article. 2. Taking into account ISO 37001 as described in 8.9(c) allow anonymous

supervisors. Categories of reported misconduct shall be delineated and standard operating procedures for the investigation of each shall be adopted. 3. Documentation of case acceptance, investigation processes, investigation results, and relevant documents. 4. Confidentiality of the identity of whistle-blowers and the content of reported. 5. Measures for protecting whistle-blowers from inappropriate disciplinary actions due to their whistle-blowing. 6. Whistle-blowing incentive measures. When material misconduct or likelihood of material impairment to the company comes to their awareness upon investigation, the dedicated personnel or unit handling the whistle-blowing system shall immediately prepare a report and notify the independent directors or supervisors in written form.	supervisors. Categories of reported misconduct shall be delineated and standard operating procedures for the investigation of each shall be adopted. 3. ***Follow-up measures to be adopted depending on the severity of the circumstances after investigations of cases reported are completed. Where necessary, a case shall be reported to the competent authority or referred to the judicial authority.*** 4. Documentation of case acceptance, investigation processes, investigation results, and relevant documents. 5. Confidentiality of the identity of whistle-blowers and the content of reported cases, and an ***undertaking regarding anonymous reporting***. 6. Measures for protecting whistle-blowers from inappropriate disciplinary actions due to their whistle-blowing. 7.Whistle-blowing incentive measures. When material misconduct or likelihood of material impairment to the company comes to their awareness upon investigation, the dedicated personnel or unit handling the whistle-blowing system shall immediately prepare a report and notify the independent directors or supervisors in written form.	reporting; move paragraph 1 to paragraph 5 of this article.
Article 27. The ethical corporate management best practice principles of the company shall be implemented after the Board of Directors grants the approval. When the company submits its ethical corporate management best practice principles to the Board of Directors for discussion pursuant to the preceding paragraph, the Board of Directors shall take into full consideration each	Article 27. The ethical corporate management best practice principles of the company shall be implemented after the Board of Directors grants the approval. When the company submits its ethical corporate management best practice principles to the Board of Directors for discussion pursuant to the preceding paragraph, the Board of Directors shall take into full consideration each	Adds the date of revision.

independent director's opinions. Any objections or reservations of any independent director shall be recorded in the minutes of the Board of Directors meeting. An independent director that cannot attend the board meeting in person to express objections or reservations shall provide a written opinion before the board meeting, unless there is some legitimate reason to do otherwise, and the opinion shall be specified in the minutes of the Board of Directors meeting. The implementation date was on March 30, 2017.	independent director's opinions. Any objections or reservations of any independent director shall be recorded in the minutes of the Board of Directors meeting. An independent director that cannot attend the board meeting in person to express objections or reservations shall provide a written opinion before the board meeting, unless there is some legitimate reason to do otherwise, and the opinion shall be specified in the minutes of the Board of Directors meeting. The implementation date was on March 30, 2017. ***The first amendment was made on August 7, 2019.***	

Annex 5.

AIR ASIA Company Limited
Comparison table for the amendment of “Procedures for Ethical Management and Guidelines for Conduct” Before and after revision

Before the Revision	After the Revision	Addition Note
Article 3. Unethical conduct For the purposes of these Procedures and Guidelines, “unethical conduct” means that any personnel of the company, in the course of their duties, directly or indirectly provides, promises, requests, or accepts improper benefits or commits a breach of ethics, unlawful act, or breach of fiduciary duty for purposes of acquiring or maintaining benefits. The counterparties of the unethical conduct under the preceding paragraph include public officials, political candidates, political parties or their staffs, and government-owned or private-owned enterprises or institutions and their directors, supervisors, managerial officers, employees, persons having substantial control, or other interested parties.	Article 3. Unethical conduct For the purposes of these Procedures and Guidelines, “unethical conduct” means that any personnel of the company, in the course of their duties, directly or indirectly provides, promises, requests, or accepts improper benefits or commits a breach of ethics, unlawful act, or breach of fiduciary duty for purposes of acquiring or maintaining benefits. The counterparties of the unethical conduct under the preceding paragraph include public officials, political candidates, political parties or their staffs, and government-owned or private-owned enterprises or institutions and their directors, supervisors, managerial officers, employees, persons having substantial control, or other interested parties. ***The other forms of unethical conduct, unlawful or breach of fiduciary duty mentioned in the first paragraph, including those prohibited by this operating procedure and behavior guideline, fraud, betrayal, embezzlement, and various circumstances on paragraph 1 of Article 12 of the Labor Standard Act , as well as violations of the Organized Crime Prevention Act, Anti-Corruption Act, Trade Secrets Act, the Government Procurement Act., Business Entity Accounting Act, Securities***	Update the third provision to give an example of the possible forms of breach of ethics, unlawful act, or breach of fiduciary duty explained in the last sentences of paragraph 1.

Before the Revision	After the Revision	Addition Note
	<u>and Exchange Act or other relevant acts and regulations, etc.</u>	
Article 5. Responsible unit The company shall designate the Administration Division as the solely responsible unit (hereinafter, "responsible unit") under the Board of Directors and in charge of the amendment, implementation, interpretation, and advisory services with respect to these Procedures and Guidelines, the recording and filing of reports, and the monitoring of implementation. The audit unit shall be in charge of the following matters and submit reports to the Board of Directors if necessary: 1. Assist in incorporating moral and ethical values into the Company's operating strategy and adopting appropriate prevention measures against corruption and malfeasance to ensure ethical management in compliance with the laws and regulations. 2. Adopting programs to prevent unethical conduct and setting out in each program the standard operating procedures and conduct guidelines with respect to the Company's operations and business. 3. Planning the internal organization, structure, and allocation of responsibilities and. setting up check-and-balance mechanisms for mutual supervision of the business activities within the business scope which are possibly at a higher risk for unethical conduct. 4. Promoting and coordinating awareness and educational	Article 5. Responsible unit ***<u>and responsivity</u>*** The company shall designate the Administration Division as the solely responsible unit (hereinafter, "responsible unit") under the Board of Directors and in charge of the amendment, implementation, interpretation, and advisory services with respect to these Procedures and Guidelines, the recording and filing of reports, and the monitoring of implementation. The audit unit shall be in charge of the following matters and submit reports on a ***<u>regular</u>*** basis ***<u>(at least once a year)</u>*** to the Board of Directors ***~~if necessary~~***: 1. Assist in incorporating moral and ethical values into the Company's operating strategy and adopting appropriate prevention measures against corruption and malfeasance to ensure ethical management in compliance with the laws and regulations. 2. ***<u>Analyzing and assessing on a regular basis the risk of involvement in unethical conduct within the business scope，adopting</u>*** accordingly programs to prevent unethical conduct, ***~~and~~*** ***<u>setting out in each program the standard operating procedures and conduct guidelines with respect to the company's operations and business.</u>*** 3. Planning the internal organization, structure, and allocation of responsibilities and. setting up check-and-balance mechanisms for mutual supervision of the business activities within the business scope which are possibly at a higher risk for unethical conduct. 4. Promoting and coordinating awareness and educational	1. In accordance with provision of Article 17 of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" The dedicated unit shall report to the Board of Directors on a regular basis (at least once a year), amend the title of this article and its provision. 2. In accordance with provision of Article 17 of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" Analyzing and assessing on a regular basis the risk of involvement in unethical conduct within the business scope, amend provision of current paragraph 2. 3. In accordance with provision of Article 8 of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" WSE/GTSM listed companies shall compile documented information on the ethical management policy, statement, commitment and implementation and retain said information

Before the Revision	After the Revision	Addition Note
activities with respect to ethics policy. 5. Developing a whistle-blowing system and ensuring its operating effectiveness. 6. Assisting the Board of Directors and management in auditing and assessing whether the prevention measures taken for the purpose of implementing ethical management are effectively operating, and preparing reports on the regular assessment of compliance with ethical management in operating procedures.	activities with respect to ethics policy. 5. Developing a whistle-blowing system and ensuring its operating effectiveness. 6. Assisting the Board of Directors and management in auditing and assessing whether the prevention measures taken for the purpose of implementing ethical management are effectively operating and preparing reports on the regular assessment of compliance with ethical management in operating procedures. ***7. The company shall compile documented information on the ethical management policy, statement, commitment and implementation mentioned in the first and second paragraphs and retain said information properly.***	properly. Add to paragraph 7.
Article 11. Recusal When the company director, supervisor, officer or other stakeholder attending or present the lists items at a board meeting, or the juristic person represented thereby, has a stake in a proposal at the meeting, that director, supervisor, officer or stakeholder shall state the important aspects of the stake in the meeting and, where there is a likelihood that the interests of the company would be prejudiced, may not participate in the discussion or vote on that proposal, shall recuse himself or herself from any discussion and voting, and may not exercise voting rights as proxy on behalf of another director. The directors shall exercise discipline among themselves, and may not support each other in an inappropriate manner.	Article 11. Recusal When the company director, supervisor, officer or other stakeholder attending or present ~~the lists~~ ***items of meeting*** at a board meeting, or the juristic person represented thereby, has a stake in a proposal at the meeting, that director, supervisor, officer or stakeholder shall state the important aspects of the stake in the meeting and, where there is a likelihood that the interests of the company would be prejudiced, may not participate in the discussion or vote on that proposal, shall recuse himself or herself from any discussion and voting, and may not exercise voting rights as proxy on behalf of another director. The directors shall exercise discipline among themselves, and may not support each other in an inappropriate manner. ***Where the spouse or a blood relative within the second degree of kinship of a director, or a***	1. In accordance with Paragraph 1 of Article 16 of the Regulations Governing Procedure for Board of Directors Meetings of Public Companies, amend paragraph 1 wordings. 2. In accordance with Paragraph 1of Article 206 of the Company Act, add paragraph 2 to this article, stipulate Where the spouse or a blood relative within the second degree of kinship of a director, or a company which has a controlling or subordinate relation with a director, is an interested party with respect to an agenda item as described in the preceding paragraph, such director shall be deemed to be an

Before the Revision	After the Revision	Addition Note
The Company's directors' spouse, parents, children, or other stakeholders is likely to obtain improper benefits. If in the course of conducting company business, any personnel of the company discovers that a potential conflict of interest exists involving themselves or the juristic person that they represent, or that they or their spouse, parents, children, or a person with whom they have a relationship of interest is likely to obtain improper benefits, the personnel shall report the relevant matters to both his or her immediate supervisor and the responsible unit, and the immediate supervisor shall provide the personnel with proper instructions. No personnel of the company may use company resources on commercial activities other than those of the company, nor may any personnel's job performance be affected by his or her involvement in the commercial activities other than those of the company.	***company which has a controlling or subordinate relation with a director, is an interested party with respect to an agenda item as described in the preceding paragraph, such director shall be deemed to be an interested party with respect to that agenda item.*** The Company's directors' spouse, parents, children, or other stakeholders is likely to obtain improper benefits. If in the course of conducting company business, any personnel of the company discovers that a potential conflict of interest exists involving themselves or the juristic person that they represent, or that they or their spouse, parents, children, or a person with whom they have a relationship of interest is likely to obtain improper benefits, the personnel shall report the relevant matters to both his or her immediate supervisor and the responsible unit, and the immediate supervisor shall provide the personnel with proper instructions. No personnel of the company may use company resources on commercial activities other than those of the company, nor may any personnel's job performance be affected by his or her involvement in the commercial activities other than those of the company.	interested party with respect to that agenda item. 3. Adjust current paragraph 2 to paragraph 3. Content remain unchanged. 4. Adjust current paragraph 3 to paragraph 4. Content remain unchanged.
Article 13. Prohibition against disclosure of confidential information and Intellectual Property Rights	Article 13. Prohibition against ~~***disclosure of confidential information,***~~ ***Acts of Unfair Competition*** and ***disclosure*** Intellectual Property Rights	Amend the title of this Article in accordance with Article 15 of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" Prohibition against Acts of Unfair Competition.

Before the Revision	After the Revision	Addition Note
Article 15. The Company shall disclose its ethical management policy in its internal rules, annual reports, on the company's websites, and in other promotional materials, and may make timely announcements of the policy in events held for outside parties such as product launches and investor press conferences, in order to make its suppliers, customers, and other business-related institutions and personnel fully aware of its principles and rules with respect to ethical management.	Article 15. ***Abide and declare in follow ethical management policy*** ***The company shall require directors and senior managements to declare in writing that they will follow ethical management policy and require each newly hired employee to declare they will follow ethical management policy.*** The Company shall disclose its ethical management policy in its internal rules, annual reports, on the company's websites, and in other promotional materials, and may make timely announcements of the policy in events held for outside parties such as product launches and investor press conferences, in order to make its suppliers, customers, and other business-related institutions and personnel fully aware of its principles and rules with respect to ethical management.	1. In accordance with Article 8 of the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” TWSE/GTSM listed companies shall request their directors and senior management to issue a statement of compliance with the ethical management policy and require in the terms of employment that employees comply with such policy, add the title and content of paragraph 1. 2, Adjust current paragraph to paragraph 2, content remain unchanged.
Article 20. Handling of unethical conduct by personnel of the Company As an incentive to insiders and outsiders for informing of unethical or unseemly conduct, the company will grant a reward depending the seriousness of the circumstance concerned. Insiders having made a false report or malicious accusation shall be subject to disciplinary action and be removed from office if the circumstance concerned is material. The company shall internally establish and publicly announce on its website and the intranet, or provide through an independent external institution, an independent mailbox or hotline, for Company insiders and outsiders to submit reports. A whistleblower shall at least furnish the following information:	Article 20. Handling of unethical conduct by personnel of the Company As an incentive to insiders and outsiders for informing of unethical or unseemly conduct, the company will grant a reward depending the seriousness of the circumstance concerned. Insiders having made a false report or malicious accusation shall be subject to disciplinary action and be removed from office if the circumstance concerned is material. The company shall internally establish and publicly announce on its website and the intranet, or provide through an independent external institution, an independent mailbox or hotline, for Company insiders and outsiders to submit reports. A whistleblower shall at least furnish the following information:	1. In accordance with provision of Article 23 of the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” allow anonymous reporting. Follow-up measures to be adopted. Amend paragraph 2-1 and paragraph4 and 4-3 wordings. 2. For employees of the company who resigned due to unethical conduct, it is obviously not suitable to provide labor or services to the company when they resign.

Before the Revision	After the Revision	Addition Note
1. The whistleblower's name and telephone number and e-mail address where it can be reached. 2. The informed party's name or other information sufficient to distinguish its identifying features. 3. Specific facts available for investigation. The company personnel handling whistle-blowing matters shall represent in writing they will keep the whistleblowers' identity and contents of information confidential. The company also undertakes to protect the whistleblowers from improper treatment due to their whistle-blowing. The responsible unit of the company observe the following procedure: 1. An information shall be reported to the department head if involving the rank and file and to an independent director or supervisor if involving a director or a senior executive. 2. The responsible unit of the company and the department head or personnel being reported to in the preceding subparagraph shall immediately verify the facts and, where necessary, with the assistance of the legal compliance or other related department. 3. If a person being informed of is confirmed to have indeed violated the applicable laws and regulations or the company's policy and regulations of ethical management, the company shall immediately require the violator to cease the conduct and shall make an appropriate disposition. When necessary, the company will institute legal proceedings and seek damages to safeguard its	1. The whistleblower's name ***and accept anonymous whistleblowing,*** and telephone number and e-mail address where it can be reached. 2. The informed party's name or other information sufficient to distinguish its identifying features. 3. Specific facts available for investigation. The company personnel handling whistle-blowing matters shall represent in writing they will keep the whistleblowers' identity and contents of information confidential. The company also undertakes to protect the whistleblowers from improper treatment due to their whistle-blowing. The responsible unit of the company ***shall*** observe the ***whistle-blowing matters*** following procedure: 1. An information shall be reported to the department head if involving the rank and file and to an independent director or supervisor if involving a director or a senior executive. 2. The responsible unit of the company and the department head or personnel being reported to in the preceding subparagraph shall immediately verify the facts and, where necessary, with the assistance of the legal compliance or other related department. 3. If a person being informed of is confirmed to have indeed violated the applicable laws and regulations or the company's policy and regulations of ethical management, the company shall immediately require the violator to cease the conduct and shall make an appropriate disposition. When necessary, the company ***shall to reporting to competent authorities, transfer the***	

Before the Revision	After the Revision	Addition Note
reputation and its rights and interests. 4. Documentation of case acceptance, investigation processes and investigation results shall be retained for five years and may be retained electronically. In the event of a suit in respect of the whistleblowing case before the retention period expires, the relevant information shall continue to be retained until the conclusion of the litigation. 5. With respect to a confirmed information, the company shall charge relevant units with. The task of reviewing the internal control system and relevant procedures and proposing corrective measures to prevent recurrence. 6. The auditing office of the company shall submit to the Board of Directors a report on the whistleblowing case, actions taken, and subsequent reviews and corrective measures.	***investigation files to the judicial authority,*** **or** will institute legal proceedings and seek damages to safeguard its reputation and its rights and interests. 4. Documentation of case acceptance, investigation processes and investigation results shall be retained for five years and may be retained electronically. In the event of a suit in respect of the whistleblowing case before the retention period expires, the relevant information shall continue to be retained until the conclusion of the litigation. 5. With respect to a confirmed information, the company shall charge relevant units with. The task of reviewing the internal control system and relevant procedures and proposing corrective measures to prevent recurrence. 6. The auditing office of the company shall submit to the Board of Directors a report on the whistleblowing case, actions taken, and subsequent reviews and corrective measures. ***The company's personnel are involved in any unethical conduct or improper behavior, shall resign from the company by him/herself or terminate the labor contract by the company, the company shall not directly or indirectly hire the former employee to receive any form of labor or service, and pay any form of consideration or interest to the former employee. The same applies to any personnel who has been appeal, prosecuted, compensated or has other disputes due to unethical or improper conduct.***	
Article 22. Establishment of a system for rewards, penalties, and complaints, and related disciplinary measures	Article 22. Establishment of a system and ***Internal advocacy*** for rewards, penalties, and complaints, and related	Amend the title of Paragraph 1 of this article.

Before the Revision	After the Revision	Addition Note
1. The company’s Administration Division shall organize one internal awareness sessions each year and arrange for the chairperson, general manager, or senior management to communicate the importance of ethics to its directors, employees, and mandataries. (from here, following is omitted)	disciplinary measures 1. The company’s Administration Division shall organize one internal awareness sessions each year and arrange for the chairperson, general manager, or senior management to communicate the importance of ethics to its directors, employees, and mandataries. (from here, following is omitted)	
Article 23. Enforcement These Procedures and Guidelines, and any amendments hereto, shall be implemented after adoption by resolution of the board of directors, and shall be delivered to each supervisor and reported to the shareholders meeting. These Procedures and Guidelines are promulgated on March 30, 2017. First amendment was made on August 9, 2017. When these Procedures and Guidelines are submitted to the Board of Directors for discussion, each independent director's opinions shall be taken into full consideration, and their objections and reservations expressed shall be recorded in the minutes of the Board of Directors meeting. An independent director that is unable to attend a board meeting in person to express objection or reservation shall provide a written opinion before the board meeting unless there is a legitimate reason to do otherwise, and the opinion shall be recorded in the minutes of the Board of Directors meeting.	Article 23. Enforcement These Procedures and Guidelines, and any amendments hereto, shall be implemented after adoption by resolution of the board of directors, and shall be delivered to each supervisor and reported to the shareholders meeting. These Procedures and Guidelines are promulgated on March 30, 2017. First amendment was made on August 9, 2017. ***Second amendment was made on February 20, 2020. Third amendment was made on March 23, 2020.*** When these Procedures and Guidelines are submitted to the Board of Directors for discussion, each independent director's opinions shall be taken into full consideration, and their objections and reservations expressed shall be recorded in the minutes of the Board of Directors meeting. An independent director that is unable to attend a board meeting in person to express objection or reservation shall provide a written opinion before the board meeting unless there is a legitimate reason to do otherwise, and the opinion shall be recorded in the minutes of the Board of Directors meeting.	Adds the date of revision.

Annex 6.

AIR ASIA Company Limited
Comparison table for the amendment of "Corporate Social Responsibility Best Practice Principles" Before and after revision

Before the Revision	After the Revision	Addition Note
Article 3 In fulfilling corporate social responsibility initiatives, the company shall, in its corporate management guidelines and business operations, give due consideration to the rights and interests of stakeholders and, while pursuing sustainable operations and profits, also give due consideration to the environment, society and corporate governance.	Article 3 In fulfilling corporate social responsibility initiatives, the company shall, in its corporate management guidelines and business operations, give due consideration to the rights and interests of stakeholders and, while pursuing sustainable operations and profits, also give due consideration to the environment, society and corporate governance. ***TWSE/GTSM Listed Companies shall conduct risk assessments on environmental, social and corporate governance issues related to the company's operations relevant risk management policies or strategies in accordance with the principle of materiality.***	In accordance with New Version (Blueprint) of Corporate Governance Roadmap (2018-2020), plan to strengthen the disclosure of non-financial information in annual reports. And take account for the important international development trends and competent authority "Regulations Governing Information to be Published in Annual Reports of Public Companies" attachment 2-2-2 "Social Responsibility Implementation Status as Required by the Taiwan Financial Supervisory Commission" evaluate paragraph 1, add paragraph 2.
Article 17. The company is advised to adopt standards or guidelines generally used in Taiwan and abroad to enforce corporate greenhouse gas inventory and to make disclosures thereof, the scope of which shall include the following: The company is advised to adopt	Article 17. The company shall ~~pay attention to~~ ***assess*** the impact of climate change on ~~operating activities~~, ***and take measures to cope with climate-related issues*** ~~based on operating conditions~~ ***and the company's current and future potential risks and opportunities.*** The company is advised to adopt	1. Amend current paragraph 2 to paragraph 1. In accordance with New Version (Blueprint) of Corporate Governance Roadmap (2018-2020), plan to strengthen the disclosure of non-

Before the Revision	After the Revision	Addition Note
standards or guidelines generally used in Taiwan and abroad to enforce corporate greenhouse gas inventory and to make disclosures thereof, the scope of which shall include the following: 1. Direct greenhouse gas emissions: emissions from operations that are owned or controlled by the company. 2. Indirect greenhouse gas emissions: emissions resulting from the generation of externally purchased or acquired electricity, heating, or steam. The company is advised to monitor the impact of climate change on their operations and should establish company strategies for energy conservation and carbon and greenhouse gas reduction based upon their operations and the result of a greenhouse gas inventory. Such strategies should include obtaining carbon credits to promote and minimize the impact of their business operations on climate change.	standards or guidelines generally used in Taiwan and abroad to enforce corporate greenhouse gas inventory and to make disclosures thereof, the scope of which shall include the following: 1. Direct greenhouse gas emissions: emissions from operations that are owned or controlled by the company. 2. Indirect greenhouse gas emissions: emissions resulting from the generation of externally purchased or acquired electricity, heating, or steam. The company is advised to monitor the impact of climate change on their operations and should establish company ***policy*** for energy conservation and carbon and greenhouse gas reduction, ***water use reduction or other waste management*** based upon their operations and ~~***the result***~~ of a greenhouse gas emissions, displacement and total weight of waste ~~***inventory***~~. Such strategies should include obtaining carbon credits to promote and minimize the impact of their business operations on climate change.	financial information in annual reports. And take account for the important international development trends and competent authority “Regulations Governing Information to be Published in Annual Reports of Public Companies” attachment 2-2-2 “Social Responsibility Implementation Status as Required by the Taiwan Financial Supervisory Commission” evaluate paragraph 3(3), amend content of this paragraph. 2. Amend current paragraph 1 to paragraph 2. 3. Amend current last contents of paragraph 2 to paragraph 3. In accordance with New Version (Blueprint) of Corporate Governance Roadmap (2018-2020), plan to strengthen the disclosure of non-financial information in annual reports. And take account for the important international development trends and competent authority “Regulations Governing Information to be Published in Annual Reports of Public Companies” attachment 2-2-2 “Social Responsibility

Before the Revision	After the Revision	Addition Note
		Implementation Status as Required by the Taiwan Financial Supervisory Commission" evaluate paragraph 3(4), amend content of this paragraph.
Article 21. The company is advised to create an environment conducive to the development of their employees' careers and establish effective training programs to foster career skills. The company shall appropriately reflect the corporate business performance or achievements in the employee remuneration policy, to ensure the recruitment, retention, and motivation of human resources, and achieve the objective of sustainable operations.	Article 21. The company is advised to create an environment conducive to the development of their employees' careers and establish effective training programs to foster career skills. Reasonable ***employee welfare measurements (including salary, vacation and other benefits) shall be established and implemented***, appropriately reflect the ~~***corporate***~~ business performance or achievements ~~***in***~~ the employee remuneration ~~***policy***~~, to ensure the recruitment, retention, and motivation of human resources, and achieve the objective of sustainable operations.	In accordance with New Version (Blueprint) of Corporate Governance Roadmap (2018-2020), plan to strengthen the disclosure of non-financial information in annual reports. And take account for the important international development trends and competent authority "Regulations Governing Information to be Published in Annual Reports of Public Companies" attachment 2-2-2 "Social Responsibility Implementation Status as Required by the Taiwan Financial Supervisory Commission" evaluate paragraph 4(2), amend content of paragraph 2.
Article 24. The company shall ensure the quality of their products and services by following the laws and regulations of the government and relevant standards of their industries. The company shall follow relevant laws, regulations and international guidelines when marketing or labeling their products and services and shall	Article 24. The company shall ensure the quality of their products and services by following the laws and regulations of the government and relevant standards of their industries. The company shall follow relevant laws, regulations and international guidelines when marketing or labeling their products and services of ***customer***	In accordance with New Version (Blueprint) of Corporate Governance Roadmap (2018-2020), plan to strengthen the disclosure of non-financial information in annual reports. And take account for the important

Before the Revision	After the Revision	Addition Note
not deceive, mislead, commit fraud or engage in any other acts which would betray consumers' trust or damage consumers' rights or interests.	***health and safety, customer privacy*** and shall not deceive, mislead, commit fraud or engage in any other acts which would betray consumers' trust or damage consumers' rights or interests.	international development trends and competent authority "Regulations Governing Information to be Published in Annual Reports of Public Companies" attachment 2-2-2 "Social Responsibility Implementation Status as Required by the Taiwan Financial Supervisory Commission" evaluate paragraph 4(5), amend content of paragraph 2.
Article 26. The company is advised to assess the impact their procurement has on society as well as the environment of the community that they are procuring from, and shall cooperate with their suppliers to jointly implement the corporate social responsibility initiative. Prior to engaging in commercial dealings, the company is advised to assess whether there is any record of a supplier's impact on the environment and society, and avoid conducting transactions with those against corporate social responsibility policy. When the company enter into a contract with any of their major suppliers, the content should include terms stipulating mutual compliance with corporate social	Article 26. The company is advised to assess the impact their procurement has on society as well as the environment of the community that they are procuring from, and shall cooperate with their suppliers to jointly implement the corporate social responsibility initiative. ***The Company should assess the impact its procurement has on environment, occupational safety and health, labor rights of the community from which procurements are made as well as cooperate with its suppliers to jointly implement the corporate social responsibility initiative.*** Prior to engaging in commercial dealings, the company is advised to assess whether there is any record of a supplier's impact on the environment and society, and avoid conducting transactions with those against corporate social responsibility policy. When the company enter into a contract with any of their major suppliers, the content should include terms stipulating mutual compliance with corporate social	In accordance with New Version (Blueprint) of Corporate Governance Roadmap (2018-2020), plan to strengthen the disclosure of non-financial information in annual reports. And take account for the important international development trends and competent authority "Regulations Governing Information to be Published in Annual Reports of Public Companies" attachment 2-2-2 "Social Responsibility Implementation Status as Required by the Taiwan Financial Supervisory Commission" evaluate paragraph 4(6), amend content of paragraph 2.

Before the Revision	After the Revision	Addition Note
responsibility policy, and that the contract may be terminated or rescinded any time if the supplier has violated such policy and has caused significant negative impact on the environment and society of the community of the supply source.	responsibility policy, and that the contract may be terminated or rescinded any time if the supplier has violated such policy and has caused significant negative impact on the environment and society of the community of the supply source.	
Article 31. These Principles, and any amendments hereto, were approved by the Board of Directors on March 30, 2017, and were implemented after reported to the shareholders meeting on June 19, 2017.	Article 31. These Principles, and any amendments hereto, were ~~***approved***~~ ***by the Board of Directors on March 30, 2017,*** and ***were implemented after*** ~~***reported to***~~ ***the shareholders meeting on*** ~~***June 19, 2017***~~. ***First amendment was made on March 26, 2020.***	1. Take account for the provision paragraph 1 of Article 5 of these principles, amend this article and method of implementation. 2. Adds the date of revision.

Annex 7.

AIR ASIA Company Limited
The status of issuing Corporate Bond

April 19, 2020；Unit：New Taiwan Dollar

Type	2019 First Domestic Unsecured Corporate Bond	2019 Second Domestic Unsecured Corporate Bond
Issue Date	July 9, 2019	July 10,2019
Face Value	NT$100,000	NT$100,000
Issue Price	The Bond is issued at full face value	The Bond is issued at full face value
Issue Amount	NT$200,000,000	NT$300,000,000
Coupon Rate (%)	Annual Rate 0%	Annual Rate 0%
Maturity Date	3 years The Maturity Date：July 9, 2022	5 years The Maturity Date：July 9, 2024
Guarantee/Trustees	None	None
Redemption Method	Except for the redemption of the company, sale of bondholders or execution on conversion, the company will pay in cash plus interest compensation outright based on the bond denomination on the maturity date	Except for the redemption of the company, sale of bondholders or execution on conversion, the company will pay in cash plus interest compensation outright based on the bond denomination on the maturity date
Unpaid Principal	NT$200,000,000 (2,000 bonds)	NT$300,000,000 (3,000 bonds)
Till April 19, 2020 book closing date amount of the corporate bonds convertible into shares	Amount of execution on conversion bonds: NT$ 0; total (converted) common shares: 0	Amount of execution on conversion bonds: NT$ 0; total (converted) common shares: 0
The possible dilution conditions and influence on shareholders' equity caused by the issuance and conversion and the terms of issuance	No great influences yet	No great influences yet

Annex 8.

Air Asia Company Limited
Distribution of 2019 earnings

Unit：New Taiwan Dollar

Item	Amount	
	Subtotal Amount	Total Amount
Unappropriated retained earnings at beginning		1,046,160
Net profit of 2019	45,010,561	
Remeasurement of defined benefit obligation	(10,198,452)	
Decrease in treasury stock (2019/2/12)	(25,047,693)	
Net profit after tax for the year plus other profit undistributed as of the end of the period		9,764,416
Legal reserve		(976,442)
Retained earnings available for appropriation as of December 31, 2019		9,834,134
Items of distribution:		
Cash dividend to shareholders (NT$0.08 per share)	(9,609,600)	
Distributable items amount		(9,609,600)
Unappropriated retained earnings at end		224,534

Note: The amount of the distribution of earnings is given priority to net income of 2019.

Director: General Manager: Accounting Manager:

Annex 9.

AIR ASIA Company Limited
Comparison table for the amendments of "Articles of Incorporation" Before and after revision

Before the Revision	After the Revision	Addition Note
Article 2. The Company operates the following business: CD01060 Aircraft and Parts Manufacturing I101100 Aviation Consultancy F214070 Aircraft & Parts Retailing F114070 Wholesale of Aircraft and Parts JE01010 Rental and Leasing Business ZZ99999 All businesses that are not prohibited or restricted by law, except those subject to special approval. G501020 Civil Aviation Agency G799990 Other Supporting Services to Transportation F112060 Airport, Harbor and Industry Port Gasoline Stations	Article 2. The Company operates the following business: CD01060 Aircraft and Parts Manufacturing I101100 Aviation Consultancy F214070 Aircraft & Parts Retailing F114070 Wholesale of Aircraft and Parts JE01010 Rental and Leasing Business ZZ99999 All businesses that are not prohibited or restricted by law, except those subject to special approval. G501020 Civil Aviation Agency G799990 Other Supporting Services to Transportation F112060 Airport, Harbor and Industry Port Gasoline Stations ***J201051 Approved Training Organizations***	Comply with the company apply for establish CAA Civil Aviation Personnel Maintenance Training Institute, add new business to this article.
Article 6. Share certificates of the Company shall be registered, shall be affixed with the signatures or personal seals of three or more Board Directors, and shall be issued pursuant to applicable law. The Company may issue shares without printing share certificates, provided that these shares are registered with a Centralized Securities Depository Enterprise (CSDE).	Article 6. The company issuing and printing shares shall assign its share certificates with serial numbers, shall indicate the following particulars on such share certificates, and the share certificates shall be affixed with the signatures or personal seals ***of the director representing the company***, and shall be ***duly certified or authenticated by the bank. The company not printing its share certificate in accordance with the provision of the preceding paragraph shall register the issued shares with a centralized securities depositary***	1. Amend the paragraph in accordance with Article 162 of the Company Act. 2. Amend the paragraph in accordance with Article 161-2 of the Company Act.

	<u>enterprise and follow the regulations of that enterprise.</u>	
Article 14. The Board shall consist of seven (7) to eleven (11) Directors. The term for all Directors is for three (3) years, renewable upon re-election. The above-mentioned number of directors of the company shall consist of three independent directors, and shall not less than one fifth of the total number of directors. In case a candidates' nomination system is adopted by the company for election of the directors (Including Independent Directors) of the company, the adoption of such system shall be expressly stipulated in the Articles of Incorporation of the company.	Article 14. The Board shall consist of seven (7) to eleven (11) Directors. The term for all Directors is for three (3) years, renewable upon re-election. The above-mentioned number of directors of the company shall consist of ***<u>at least</u>*** three independent directors, and shall not less than one fifth of the total number of directors. In case a candidates' nomination system is adopted by the company for election of the directors (Including Independent Directors) of the company, the adoption of such system shall be expressly stipulated in the Articles of Incorporation of the company.	1. In accordance with the instruction of New Version (Blueprint) of Corporate Governance Roadmap (2018-2020) and the company operate practical need, the chairman and the general manager or equivalent positions are the same person or are relatives such as spouses or first degree relationships, and request to increase the seats of independent directors, and more than half of the directors shall not serve as employees or managers, add this article. 2. To provide the company a longer buffer time to consider whether to maintain or improve the situation in which the chairman and the general manager or equivalent positions are the same person, spouses or relatives of the first degree, and provide sufficient time to amend the article, the number of independent directors required to complete the establishment by December 31, 2023.
Article 23. The company's dividend policy is based on the principle of stability and balance. In addition to considering the profit of the shareholders, the company shall take into account the impact of the company's operations. The company ~~may~~ allocate the ***<u>~~entire~~</u>***	Article 23. The company's dividend policy is based on the principle of stability and balance. In addition to considering the profit of the shareholders, the company shall take into account the impact of the company's operations. The company may allocate ***<u>at least</u>***	In accordance with Principles of Corporate Governance, set the "amount" in the dividend policy to a reasonable range.

annual distributable surplus according to factors such as financial, business and operational aspects. The distribution of surplus is prioritized by cash dividends and may also distribute by stock dividends. However, the proportion of stock dividends shall not higher than 50% of the total dividends. In case there are no earnings for distribution in a certain year, or the earnings of a certain year are far less than the earnings actually distributed by the Company in the previous year, or considering the financial, business or operational factors of the Company, the Company may allocate a portion or all of its reserves for distribution in accordance with relevant laws or regulations or the orders of the authorities in charge. To authorize the distributable dividends and bonuses in whole or in part may 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.	***50%*** annual distributable surplus to ***shareholders' dividend*** according to factors such as financial, business and operational aspects. The distribution of surplus is prioritized by cash dividends and may also distribute by stock dividends. However, the proportion of stock dividends shall not higher than 50% of the total dividends. In case there are no earnings for distribution in a certain year, or the earnings of a certain year are far less than the earnings actually distributed by the Company in the previous year, or considering the financial, business or operational factors of the Company, the Company may allocate a portion or all of its reserves for distribution in accordance with relevant laws or regulations or the orders of the authorities in charge. To authorize the distributable dividends and bonuses in whole or in part may 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.	
Article 26. This Articles of Incorporation was agreed upon and signed on October 31, 1954……The thirty-fifth amendment was made on June 11, 2018. The thirty-sixth amendment was made on June 17, 2019.	Article 26. This Articles of Incorporation was agreed upon and signed on October 31, 1954……The thirty-fifth amendment was made on June 11, 2018. The thirty-sixth amendment was made on June 17, 2019. ***The thirty-seventh amendment was made on June 17, 2020.***	Adds the date of revision.

Annex 10.

AIR ASIA Company Limited
Comparison table for the amendments of "Rules of Procedures for Shareholders' Meeting" Before and after revision

Before the Revision	After the Revision	Addition Note
Article 3. 4. Election or dismissal of directors or supervisors, amendments to the articles of incorporation, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities and Exchange Act, or Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion.	Article 3. 4. Matters pertaining to election or discharge of directors, amendment of the Articles of Incorporation, ***reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares***, dissolution, merger, spin-off, or any matters as set forth in paragraph 1, Article 185 of Company Act~~, Article 26-1 and Article 43-6 of Securities and Exchange Act, Article 56-1 and Article 60-2 of Regulations Governing the Offering and Issuance of Securities by Securities Issuers~~ shall be itemized in the causes or subjects to be described and ***the essential contents shall be explained*** in the of meeting notice, and not be brought up as extemporary motions; ***the essential contents may be posted on the website designated by the competent authority in charge of securities affairs or the company, and such website shall be indicated in the above notice.*** ***5. (New)*** ***The convening of the shareholders' meeting has stated the full re-election of directors and the date of appointment. After the re-election of the shareholders' meeting, the same***	1. In accordance with the Article 172, paragraph 5 of the Company Act, amend paragraph 4. 2. In accordance with the letter ref. Jing-Shang-Zi No. 10702417500 of August 6, 2018, add paragraph 5 to the Article. 3. Paragraph 5 adjust to Paragraph 6, and in accordance with revised paragraph 1 of Article 172-1 of the Company Act and add paragraph 5, amend relevant wordings. 4. Paragraph 6 adjust to Paragraph 7, and in accordance with paragraph 2 of Article 172-1 of the Company Act, amend this paragraph. 5. Paragraph 7 adjust to Paragraph 8, 6. Paragraph 8 adjust to Paragraph 9.

	meeting shall not change its appointment date by temporary motion or other means.	
5. A shareholder holding one percent or more of the total number of issued shares may submit to the company a written proposal for discussion at a regular shareholders meeting. Such proposals, however, are limited to one item only, and no proposal containing more than one item will be included in the meeting agenda. In addition, when the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the Board of Directors may exclude it from the agenda.	6. A shareholder holding one percent or more of the total number of issued shares may submit to the company a proposal ***~~in writing~~*** for discussion at a regular shareholders meeting. Such proposals, ***~~however,~~*** are limited to one item only, and no proposal containing more than one item will be included in the meeting agenda; however, a ***shareholder proposal proposed for urging a company to promote public interested or fulfill its social responsibilities may still be included in the list of proposals to be discussed at a regular meeting of shareholder by the board of directors.*** In addition, when the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the Board of Directors may exclude it from the agenda.	
6. Prior to the book closure date before a regular shareholders meeting is held, the Company shall publicly announce that it will receive shareholder proposals, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.	7. Prior to the book closure date before a regular shareholders meeting is held, the Bank shall publicly announce that it will receive shareholder proposals ***in writing or by way of electronic transmission***, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.	
7. Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the regular shareholders meeting and take part in discussion of the proposal.	8. Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the regular shareholders meeting and take part in discussion of the proposal.	
8. Prior to the date for issuance of notice of a shareholders meeting, the Company shall inform the	9. Prior to the date for issuance of notice of a shareholders meeting, the Company shall inform the	

shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders meeting the Board of Directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.	shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders meeting the Board of Directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.	
Article 10. 1. If a shareholders meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting. 4. The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call for a vote.	Article 10. 1. If a shareholders meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. <u>***Unless otherwise resolved at the shareholders' meeting, the chairman cannot announce adjournment of the shareholders' meeting before all the discussion items (including extempore motions) set forth in the agenda are resolved.***</u> The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting. 4. The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call for a vote. <u>***And arrange adequate voting time.***</u>	1. In accordance with TWSE/GTSM Listed Companies are required to adopt E-voting in 2018 and to enforce "voting by poll" spirit, amend paragraph 1. 2. To prevent shareholders meeting convener excessively limit the time for shareholders to vote, the shareholders have no time to vote and affect the shareholders' voting rights, amend paragraph 4.
Article 13. 2. When the Company holds a shareholder meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence). When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A	Article 13. 2. When the Company holds a shareholder meeting, it shall adopt exercise of voting rights by <u>***electronic means***</u> and may adopt exercise of voting rights by correspondence. When voting rights are exercised by correspondence ~~***or electronic***~~ means, the method of exercise shall be specified in the shareholders meeting notice. A	In accordance with TWSE/GTSM Listed Companies are required to adopt E-voting in 2018, amend paragraph 2.

shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that the Company avoid the submission of extraordinary motions and amendments to original proposals.	shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that the Company avoid the submission of extraordinary motions and amendments to original proposals.	
Article 15. 3. The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their results, and shall be retained for the duration of the existence of the Company.	Article 15. 3. The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their ***voting*** results (***including the statistical tallies of the numbers of votes***), ***the election of directors, the results of voting shall be announced, including the numbers of votes in each*** and shall be retained for the duration of the existence of the company.	To enforce “voting by poll” spirit by taking Asian Corporate Governance Association (ACGA) s’ recommendation, amend paragraph 3 of the Article.
Article 19. These Rules, and any amendments hereto, shall be implemented after adoption by shareholders meetings. These rules were implemented on April 26, 2000. The first amendment was made on June 28, 2002. The second amendment was made on June 29, 2007. The third amendment was made on June 15, 2012. The fourth amendment was made on December 17, 2012. The fifth amendment was made on June 27, 2014. The sixth amendment was made on June 11, 2018.	Article 19. These Rules, and any amendments hereto, shall be implemented after adoption by shareholders meetings. These rules were implemented on April 26, 2000. The first amendment was made on June 28, 2002. The second amendment was made on June 29, 2007. The third amendment was made on June 15, 2012. The fourth amendment was made on December 17, 2012. The fifth amendment was made on June 27, 2014. The sixth amendment was made on June 11, 2018. **The seventh amendment was made on June 17, 2020.**	Adds the date of revision.

NINE. Appendixes

Appendix 1

AIR ASIA Company Limited
Ethical Corporate Management Best Practice Principles
(Before the revision)

Article 1. Purpose and applicable scope

These Principles are adopted to assist the company to foster a corporate culture of ethical management and sound development.

In accordance with these Principles, adopt its own ethical corporate management. Best practice principles applicable to its business groups and organizations, which comprise its subsidiaries, any foundation to which the company's direct or indirect contribution of funds exceeds 50 percent of the total funds received, and other institutions or juridical persons which are substantially controlled by such company (“business group”).

Article 2. Prohibition of unethical conduct

When engaging in commercial activities, directors, supervisors, managers, employees, and mandataries of the company or persons having substantial control over such companies (“substantial controllers”) shall not directly or indirectly offer, promise to offer, request or accept any improper benefits, nor commit unethical acts including breach of ethics, illegal acts, or breach of fiduciary duty (“unethical conduct”) for purposes of acquiring or maintaining benefits.

Parties referred to in the preceding paragraph include civil servants, political, candidates, political parties or members of political parties, state-run or private-owned businesses or institutions, and their directors, supervisors, managers, employees or substantial controllers or other stakeholders.

Article 3. Types of benefits

“Benefits” in these Principles means any valuable things, including money, endowments, commissions, positions, services, preferential treatment or rebates of any type or in any name. Benefits received or given occasionally in accordance with accepted social customs and that do not adversely affect specific rights and obligations shall be excluded.

Article 4. Compliance with laws and regulations

The company shall comply with the Company Act, Securities and Exchange Act, Business Entity Accounting Act, Political Donations Act, Anti-Corruption Statute, Government Procurement Act, Act on Recusal of Public Servants Due to Conflicts of Interest, TWSE/GTSM listing rules, or other laws or regulations regarding commercial activities, as the underlying basic premise to facilitate ethical corporate management.

Article 5. Policies

The company shall abide by the operational philosophies of honesty, transparency and responsibility, base policies on the principle of good faith and obtain approval from the board of directors, and establish good corporate governance and risk control and management mechanism so as to create an operational environment for sustainable development.

Article 6. Prevention programs

The company shall in their own ethical management policy clearly and thoroughly prescribe the specific ethical management practices and the programs to forestall unethical conduct ("prevention programs"), including operational procedures, guidelines, and training.

When establishing the prevention programs, the company shall comply with relevant laws and regulations of the territory where the companies and their business group are operating.

In the course of developing the prevention programs, the company is advised to negotiate with staff, labor unions members, important trading counterparties, or other stakeholders.

Article 7. Scope of prevention programs

The company shall establish a risk assessment mechanism against unethical conduct, analyze and assess on a regular basis business activities within their business scope which are at a higher risk of being involved in unethical conduct.

In establishing the prevention programs, the company shall at least include preventive measures against the following:

1. Offering and acceptance of bribes.
2. Illegal political donations.
3. Improper charitable donations or sponsorship.
4. Offering or acceptance of unreasonable presents or hospitality, or other improper benefits.
5. Misappropriation of trade secrets and infringement of trademark rights, patent rights, copyrights, and other intellectual property rights.
6. Engaging in unfair competitive practices.
7. Damage directly or indirectly caused to the rights or interests, health, or safety of consumers or other stakeholders in the course of research and development, procurement, manufacture, provision, or sale of products and services.

Article 8. Commitment and Implementation

The company and their respective business group and organization shall clearly specify in their rules and external documents the ethical corporate management policies and the commitment by the Board of Directors and management on rigorous and thorough implementation of such policies, and shall carry out the policies in internal management and in commercial activities.

Article 9. Ethical corporate management in commercial activities

The company shall engage in commercial activities in a fair and transparent manner based on the principle of ethical management.

Prior to any commercial transactions, the company shall take into consideration the legality of their agents, suppliers, clients, or other trading counterparties and whether any of them are involved in unethical conduct, and shall avoid any dealings with persons so involved.

When entering into contracts with their agents, suppliers, clients, or other trading counterparties, the company shall include in such contracts terms requiring compliance with ethical corporate management policy and that in the event the trading counterparties are involved in unethical conduct, the company may at any time terminate or rescind the contracts.

Article 10. Prohibition against offering or accepting bribes

When conducting business, the company and their directors, supervisors, managers, employees, mandataries, and substantial controllers, may not directly or indirectly offer, promise to offer, request, or accept any improper benefits, including bribery, kick-backs, pay-offs, promises to pay cash or things of value, in whatever form to or from clients, agents, contractors, suppliers, public servants, or other stakeholders. However, those who meet the laws of the place of operation are not limited to this.

Article 11. Prohibition against illegal political donations

When directly or indirectly offering a donation to political parties or organizations or individuals participating in political activities, the company and their directors, supervisors, managers, employees, mandataries, and substantial controllers, shall comply with the Political Donations Act and their own relevant internal operational procedures, and shall not make such donations in exchange for commercial gains or business advantages.

Article 12. Prohibition against improper charitable donations or sponsorship

When making or offering donations and sponsorship, the company and their directors, supervisors, managers, employees, mandataries, and substantial controllers shall comply with relevant laws and regulations and internal operational procedures, and shall not surreptitiously engage in bribery.

Article 13. Prohibition against unreasonable gifts, hospitality, or other improper benefits

The company and their directors, supervisors, managers, employees, mandataries, and substantial controllers shall not directly or indirectly offer or accept any unreasonable presents, hospitality or other improper benefits to establish business relationship or influence commercial transactions.

Article 14. Prohibition against infringing intellectual property rights

The company and their directors, supervisors, managers, employees, mandataries, and substantial controllers shall observe applicable laws and regulations, the company's internal operational procedures, and contractual provisions concerning intellectual property, and may not use, disclose, dispose, or damage intellectual property or otherwise infringe intellectual property rights without the prior consent of the intellectual property rights holder.

Article 15. Forbidding Engaging in Unfair Competitive Practices

The company shall engage in business activities in accordance with applicable competition laws and regulations, and may not fix prices, make rigged bids, establish output restrictions or quotas, or share or divide markets by allocating customers, suppliers, territories, or lines of commerce.

Article 16. Preventing injury to stakeholders caused by products or services

In the course of research and development, procurement, manufacture, provision, or sale of products and services, the company and their directors, supervisors, managers, employees, mandataries, and substantial controllers shall observe applicable laws and regulations and international standards to ensure the transparency of information about, and safety of, their products and services. They shall also adopt and publish a policy on the protection of the rights and interests of consumers or other stakeholders, and carry out the policy in their operations, with a view to preventing their products and services from directly or indirectly damaging the rights and interests, health, and safety of consumers or other stakeholders. Where there are sufficient facts to determine that the company's products or services are likely to pose any hazard to the safety and health of consumers or other stakeholders, the company shall, in principle, recall those products or suspend the services immediately.

Article 17. Organization and accountability

The directors, supervisors, managers, employees, mandataries, and substantial controllers of the company shall exercise the due care of good administrators to urge. the company to prevent unethical conduct, always review the results of the preventive measures and continually make adjustments so as to ensure thorough implementation of its ethical corporate management policies.

To achieve sound ethical corporate management, the company designated the Administration Division, responsible for establishing and supervising the implementation of the ethical corporate management policies and prevention programs. The Audit unit shall be in charge of the following matters, and shall report to the Board of Directors on a regular basis:

1. Assisting in incorporating ethics and moral values into the company's business strategy and adopting appropriate prevention measures against corruption and malfeasance to ensure ethical management in compliance with the requirements of laws and regulations.
2. Analyzing and assessing on a regular basis the risk of involvement in unethical conduct within the business scope, adopting accordingly programs to prevent unethical conduct, and setting out in each program the standard operating procedures and conduct guidelines with respect to the company's operations and business.
3. Planning the internal organization, structure, and allocation of responsibilities and setting up check-and-balance mechanisms for mutual supervision of the business activities within the business scope which are possibly at a higher risk for unethical conduct.
4. Promoting and coordinating awareness and educational activities with respect to ethics policy.
5. Developing a whistle-blowing system and ensuring its operating effectiveness.
6. Assisting the Board of Directors and management in auditing and assessing whether the prevention measures taken for the purpose of implementing ethical management are effectively operating, and preparing reports on the regular assessment of compliance with ethical management in operating procedures.

Article 18. Legal compliance in conducting business

The company and their directors, supervisors, managers, employees, mandataries, and substantial controllers shall comply with laws and regulations and the prevention programs when conducting business.

Article 19. Recusal for conflict of interest

The company shall adopt policies for preventing conflicts of interest to identify, monitor, and manage risks possibly resulting from unethical conduct, and shall also offer appropriate means for directors, supervisors, managers, and other stakeholders attending or present at board meetings to voluntarily explain whether their interests would potentially conflict with those of the company.

When a proposal at a given Board of Directors meeting concerns the personal interest of, or the interest of the juristic person represented by, any of the directors, supervisors, managers, and other stakeholders attending or present at board meetings of the company, the concerned person shall state the important aspects of the relationship of interest at the given board meeting. If his or her participation is likely to prejudice the interest of the company, the concerned person may not participate in discussion of or voting on the proposal and shall recuse himself or herself from the discussion or the voting, and may not exercise voting rights as proxy for another director. The directors shall practice self-discipline and must not support one another in improper dealings.

The company's directors, supervisors, managers, employees, mandataries, and. substantial controllers shall not take advantage of their positions or influence in the companies to obtain improper benefits for themselves, their spouses, parents, children or any other person.

Article 20. Accounting and internal control

The company shall establish effective accounting systems and internal control systems for business activities possibly at a higher risk of being involved in an unethical conduct, not have under-the-table accounts or keep secret accounts, and conduct reviews regularly so as to ensure that the design and enforcement of the systems are showing results. The internal audit unit of the company shall periodically examine the company's compliance with the prevention systems and reduce audit reports and submit to the board of directors. The internal audit unit may engage a certified public accountant to carry out the audit, and may engage professionals to assist if necessary.

Article 21. Operational procedures and conduct guidelines

The company shall establish operational procedures and guidelines in accordance with Article 6 hereof to guide directors, supervisors, managers, employees, and substantial controllers on how to conduct business. The procedures and guidelines should at least contain the following matters:

1. Standards for determining whether improper benefits have been offered or accepted.
2. Procedures for offering legitimate political donations.
3. Procedures and the standard rates for offering charitable donations or sponsorship.
4. Rules for avoiding work-related conflicts of interests and how they should be reported and handled.
5. Rules for keeping confidential trade secrets and sensitive business information obtained in the ordinary course of business.
6. Regulations and procedures for dealing with suppliers, clients and business transaction counterparties suspected of unethical conduct.
7. Handling procedures for violations of these Principles.
8. Disciplinary measures on offenders.

Article 22. Education, training, and appraisal

The chairperson, general manager, or senior management of the company shall communicate the importance of corporate ethics to its directors, employees, and mandataries on a regular basis.

The company shall periodically organize training and awareness programs for directors, supervisors, managers, employees, mandataries, and substantial controllers and invite the companies' commercial transaction counterparties so they understand the companies' resolve to implement ethical corporate management, the related policies, prevention programs and the consequences of committing unethical conduct.

The company shall apply the policies of ethical corporate management when creating its employee performance appraisal system and human resource policies to establish a clear and effective reward and discipline system.

Article 23. Whistleblowing system

The company shall adopt a concrete whistle-blowing system and scrupulously operate the system. The whistle-blowing system shall include at least the following:

1. An independent mailbox or hotline, either internally established and publicly announced or provided by an independent external institution, to allow internal and external personnel of the company to submit reports.
2. Dedicated personnel or unit appointed to handle the whistle-blowing system. Any tip involving a director or senior management shall be reported to the independent directors or supervisors. Categories of reported misconduct shall be delineated and standard operating procedures for the investigation of each shall be adopted.
3. Follow-up measures to be adopted depending on the severity of the circumstances after investigations of cases reported are completed. Where necessary, a case shall be reported to the competent authority or referred to the judicial authority.
4. Confidentiality of the identity of whistle-blowers and the content of reported cases, and an undertaking regarding anonymous reporting.
5. Measures for protecting whistle-blowers from inappropriate disciplinary actions due to their whistle-blowing.
6. Whistle-blowing incentive measures.

When material misconduct or likelihood of material impairment to the TWSE/GTSM listed company comes to their awareness upon investigation, the dedicated personnel or unit handling the whistle-blowing system shall immediately prepare a report and notify the independent directors or supervisors in written form.

Article 24. Disciplinary and appeal system

The company shall adopt and publish a well-defined disciplinary and appeal system for handling violations of the ethical corporate management rules, and. shall make immediate disclosure on the company's internal website of the title and name of the violator, the date and details of the violation, and the actions taken in response.

Article 25. Information disclosure

The company shall disclose the measures taken for implementing ethical corporate management, the status of implementation on their company websites, annual reports, and prospectuses.

Article 26. Review and amendment of ethical corporate management policies and measures

The company shall at all times monitor the development of relevant local and international regulations concerning ethical corporate management and encourage their directors, supervisors, managers, and employees to make suggestions, based on which the adopted ethical corporate management policies and measures taken will be reviewed and improved with a view to achieving better implementation of ethical management.

Article 27. Implementation

The ethical corporate management best practice principles of the company after deliberation by the audit committee, shall be implemented after the board of directors grants the approval, and shall be sent to the supervisors and reported at a shareholders' meeting. When submits its ethical corporate management best practice principles to the Board of Directors for discussion pursuant to the preceding paragraph, the Board of Directors shall take into full consideration each independent director's opinions. Any objections or reservations of any independent director shall be recorded in the minutes of the Board of Directors meeting. An independent director that cannot attend the board meeting in person to express objections or reservations shall provide a written opinion before the board meeting, unless there is some legitimate reason to do otherwise, and the opinion shall be specified in the minutes of the Board of Directors meeting. The implementation date was on March 30, 2017.

Appendix 2

AIR ASIA Company Limited
Procedures for Ethical Management and Guidelines for Conduct
(Before the revision)

Article 1. Purpose of adoption and scope of application

The company engages in commercial activities following the principles of fairness, honesty, faithfulness, and transparency, and in order to fully implement a policy of ethical management and actively prevent unethical conduct, these Procedures for Ethical Management and Guidelines for Conduct are adopted pursuant to the provisions of the Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies and the applicable laws and regulations of the places where this Corporation and its business groups and organizations operate, with a view to providing all personnel of this Corporation with clear directions for the performance of their duties.

The scope of application of these Procedures and Guidelines includes the subsidiaries of this Corporation, any incorporated foundation in which this Corporation's accumulated contributions, direct or indirect, exceed 50 percent of the total funds of the foundation, and other group enterprises and organizations, such as institutions or juristic persons, substantially controlled by this Corporation.

Article 2. Applicable subjects

The term personnel of the company refer to any director, supervisor, managerial officer, employee, mandatary or person having substantial control, of this Corporation or its group enterprises and organizations.

Any provision, promise, request, or acceptance of improper benefits by any personnel of this Corporation through a third party will be presumed to be an act by the personnel of the company.

Article 3. Unethical conduct

For the purposes of these Procedures and Guidelines, "unethical conduct" means that any personnel of the company, in the course of their duties, directly or indirectly provides, promises, requests, or accepts improper benefits or commits a breach of ethics, unlawful act, or breach of fiduciary duty for purposes of acquiring or maintaining benefits.

The counterparties of the unethical conduct under the preceding paragraph include public officials, political candidates, political parties or their staffs, and government-owned or private-owned enterprises or institutions and their directors, supervisors, managerial officers, employees, persons having substantial control, or other interested parties.

Article 4. Types of benefits

For the purposes of these Procedures and Guidelines, the term "benefits" means any money, gratuity, gift, commission, position, service, preferential treatment, rebate, facilitating payment, entertainment, dining, or any other item of value in whatever form or name. Benefits received or given occasionally in accordance with accepted social customs and that do not adversely affect specific rights and obligations shall be excluded.

Article 5. Responsible unit

The company shall designate the Administration Division as the solely responsible unit (hereinafter, “responsible unit”) under the Board of Directors and in charge of the amendment, implementation, interpretation, and advisory services with respect to these Procedures and Guidelines, the recording and filing of reports, and the monitoring of implementation. The audit unit shall be in charge of the following matters and submit reports to the Board of Directors if necessary:

1. Assist in incorporating moral and ethical values into the Company’s operating strategy and adopting appropriate prevention measures against corruption and malfeasance to ensure ethical management in compliance with the laws and regulations.
2. Adopting programs to prevent unethical conduct and setting out in each program the standard operating procedures and conduct guidelines with respect to the Company's operations and business.
3. Planning the internal organization, structure, and allocation of responsibilities and setting up check-and-balance mechanisms for mutual supervision of the business activities within the business scope which are possibly at a higher risk for unethical conduct.
4. Promoting and coordinating awareness and educational activities with respect to ethics policy.
5. Developing a whistle-blowing system and ensuring its operating effectiveness.
6. Assisting the Board of Directors and management in auditing and assessing whether the prevention measures taken for the purpose of implementing ethical management are effectively operating, and preparing reports on the regular assessment of compliance with ethical management in operating procedures.

Article 6. Except under one of the following circumstances, when providing, accepting, promising, or requesting, directly or indirectly, any benefits as specified in Article 4, the conduct of the given personnel of the company shall comply with the provisions of the Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies and these Procedures and Guidelines, and the relevant procedures shall have been carried out:

1. The conduct is undertaken to meet business needs and is in accordance with local courtesy, convention, or custom during domestic (or foreign) visits, reception of guests, promotion of business, and communication and coordination.
2. The conduct has its basis in ordinary social activities that are attended or others are invited to hold in line with accepted social custom, commercial purposes, or developing relationships.
3. Invitations to guests or attendance at commercial activities or factory visits in relation to business needs, when the method of fee payment, number of participants, class of accommodations, and the time period for the event or visit have been specified in advance.
4. Attendance at folk festivals that are open to and invite the attendance of the general public.
5. Rewards, emergency assistance, condolence payments, or honorariums from the management.
6. Property with a market value or less received due to engagement, marriage, maternity, relocation, assumption of a position, promotion or transfer, retirement, resignation, or severance, or the injury, illness, or death of the recipient or the recipient's spouse or lineal relative.
7. Other conduct that complies with the rules of this Corporation.

Article 7. Procedures for handling the acceptance of improper benefits

Except under any of the circumstances set forth in the preceding article, when any personnel of the company is provided with or are promised, either directly or indirectly, any benefits as specified in Article 4 by a third party, the matter shall be handled in accordance with the following procedures:

1. If there is no relationship of interest between the party providing or offering the benefit and the official duties of the company's personnel, the personnel shall report to their immediate supervisor within 3 days from the acceptance of the benefit, and the responsible. unit shall be notified if necessary.
2. If a relationship of interest does exist between the party providing or offering the benefit and the official duties of the company's personnel, the personnel shall return or refuse the benefit, and shall report to his or her immediate supervisor and notify the responsible unit. When the benefit cannot be returned, then within 3 days from the acceptance of the benefit, the personnel shall refer the matter to the responsible unit for handling.

"A relationship of interest between the party providing or offering the benefit and the official duties of the company's personnel" as referred to in the preceding paragraph, refers to one of the following circumstances:

1. When the two parties have commercial dealings, a relationship of direction and supervision, or subsidies (or rewards) for expenses.
2. When a contracting, trading, or other contractual relationship is being sought, is in progress, or has been established.
3. Other circumstances in which a decision regarding the company's business, or the execution or non-execution of business, will result in a beneficial or adverse impact.

The responsible unit of the company shall make a proposal, based on the nature and value of the benefit under paragraph 1, that it be returned, accepted on payment, given to the public, donated to charity, or handled in another appropriate manner. The proposal shall be implemented after being reported and approved by general manager.

Article 8. Prohibition of and handling procedure for facilitating payments

The company shall neither provide nor promise any facilitating payment.

If any personnel of the company provides or promises a facilitating payment under threat or intimidation, they shall submit a report to their immediate supervisor stating the facts and shall notify the responsible unit.

Upon receipt of the report under the preceding paragraph, the responsible unit shall take immediate action and undertake a review of relevant matters in order to minimize the risk of recurrence. In a case involving alleged illegality, the responsible unit shall also immediately report to the relevant judicial agency.

Article 9. Procedures for handling political contributions

Political contributions by the company shall be made in accordance with the following provisions, reported to the supervisor in charge for approval, and a notification given to the responsible unit, and when the amount of a contribution is NT$250,000 or more, it shall be made only after being reported to and approved by the board of directors:

1. It shall be ascertained that the political contribution is in compliance with the laws and regulations governing political contributions in the country in which the recipient is located, including the maximum amount and the form in which a contribution may be made.
2. Account entries shall be made for all political contributions in accordance with applicable laws and regulations and relevant procedures for accounting treatment.
3. In making political contributions, commercial dealings, applications for permits, or carrying out other matters involving the interests of the company with the related

government agencies shall be avoided.

Article 10. Procedures for handling charitable donations or sponsorships

Charitable donations or sponsorships by the company shall be provided in accordance with the following provisions and reported to the supervisor in charge for approval, and a notification shall be given to the responsible unit. When the amount is NT$1,000,000 or more, the donation or sponsorship shall be provided only after it has been submitted for adoption by the board of directors:

1. It shall be ascertained that the donation or sponsorship is in compliance with the laws and regulations of the country where the company is doing business.
2. A charitable donation shall be given to a valid charitable institution and may not be a disguised form of bribery.
3. The returns received as a result of any sponsorship shall be specific and reasonable, and the subject of the sponsorship may not be a counterparty of the company's commercial dealings or a party with which any personnel of the company has a relationship of interest.
4. After a charitable donation or sponsorship has been given, it shall be ascertained that the destination to which the money flows is consistent with the purpose of the contribution.

Article 11. Recusal

When the company director, supervisor, officer or other stakeholder attending or present at a board meeting, or the juristic person represented thereby, has a stake in a proposal at the meeting, that director, supervisor, officer or stakeholder shall state the important aspects of the stake in the meeting and, where there is a likelihood that the interests of the company would be prejudiced, may not participate in the discussion or vote on that proposal, shall recuse himself or herself from any discussion and voting, and may not exercise voting rights as proxy on behalf of another director. The directors shall exercise discipline among themselves, and may not support each other in an inappropriate manner.

If in the course of conducting company business, any personnel of the company discovers that a potential conflict of interest exists involving themselves or the juristic person that they represent, or that they or their spouse, parents, children, or a person with whom they have a relationship of interest is likely to obtain improper benefits, the personnel shall report the relevant matters to both his or her immediate supervisor and the responsible unit, and the immediate supervisor shall provide the personnel with proper instructions.

No personnel of the company may use company resources on commercial activities other than those of the company, nor may any personnel's job performance be affected by his or her involvement in the commercial activities other than those of the company.

Article 12. Special unit in charge of confidentiality regime and its responsibilities

The company shall designate the Administration Division as the solely responsible unit in charge of with formulating and implementing procedures for managing, preserving, and maintaining the confidentiality of the company's trade secrets, trademarks, patents, works and other intellectual properties and it shall also conduct periodical reviews on the results of implementation to ensure the sustained effectiveness of the confidentiality procedures.

Article 13. Prohibition against disclosure of confidential information and Intellectual Property Rights

All personnel of the company shall faithfully follow the operational directions pertaining to intellectual properties as mentioned in the preceding paragraph and may not disclose to any other party any trade secrets, trademarks, patents, works, and other intellectual properties of the company of which they have learned, nor may they inquire about or collect any trade secrets, trademarks, patents, and other intellectual properties of the company unrelated to their individual duties.

Prohibition against Acts of Unfair Competition and Preventing Products or Services from damaging the stakeholders

1. Prohibition against Acts of Unfair Competition
   The company shall follow the Fair Trade Act and applicable competition laws and regulations when engaging in business activities, and may not fix prices, make rigged bids, establish output restrictions or quotas, or share or divide markets by allocating customers, suppliers, territories, or lines of commerce.
2. Preventing Products or Services from Damaging the Stakeholders
   The company shall collect and understand the applicable laws and regulations and international standards governing its products and services which it shall observe and gather and publish all guidelines to cause personnel of the company to ensure the transparency of information about, and safety of, the products and services in the course of their research and development, procurement, manufacture, provision, or sale of products and services.

The business unit of the company shall report the event as in the preceding paragraph, actions taken, and subsequent reviews and corrective measures taken to the board of directors.

Article 14. Prohibition against insider trading and Non-disclosure agreement

1. Prohibition against Insider Trading
   The Company's personnel shall adhere to the provisions of the Securities and Exchange. Act, and may not take advantage of undisclosed information of which they have learned to engage in insider trading. Personnel are also prohibited from divulging the undisclosed information to any other party in order to prevent another party from using such information to engage in insider trading.
2. Non-disclosure agreement
   Any organization or person outside of the company that is involved in any merger, demerger, acquisition and share transfer, major memorandum of understanding, strategic alliance, other business partnership plan, or the signing of a major contract by this Corporation shall be required to sign a non-disclosure agreement in which they undertake not to disclose to any other party any trade secret or other material information of this Corporation acquired as a result, and that they may not use such information without the prior consent of the company.

Article 15. The Company shall disclose its ethical management policy in its internal rules, annual reports, on the company's websites, and in other promotional materials, and may make timely announcements of the policy in events held for outside parties such as product launches and investor press conferences, in order to make its suppliers, customers, and other business-related institutions and personnel fully aware of its principles and rules with respect to ethical management.

Article 16. Ethical management evaluation prior to development of commercial relationships

Before developing a commercial relationship with another party, such as an agent, supplier, customer, or other counterparty in commercial dealings, the company shall evaluate the legality and ethical management policy of the party and ascertain whether the party has a record of involvement in unethical conduct, in order to ensure that the party conducts business in a fair and transparent manner and will not request, offer, or take bribes.

When the company carries out the evaluation under the preceding paragraph, it may adopt appropriate audit procedures for a review of the counterparty with which it will have commercial dealings with respect to the following matters, in order to gain a comprehensive knowledge of its ethical management:

1. The enterprise's nationality, location of business operations, organizational structure, and management policy, and place where it will make payment.
2. Whether the enterprise has adopted an ethical management policy, and the status of its implementation.
3. Whether enterprise's business operations are located in a country with a high risk of corruption.
4. Whether the business operated by the enterprise is in an industry with a high risk of bribery.
5. The long-term business condition and degree of goodwill of the enterprise.
6. Consultation with the enterprise's business partners on their opinion of the enterprise.
7. Whether the enterprise has a record of involvement in unethical conduct such as bribery or illegal political contributions.

Article 17. Statement of ethical management policy to counterparties in commercial dealings

Any personnel of the company, when engaging in commercial activities, shall make a statement to the trading counterparty about the company's ethical management policy and related rules, and shall clearly refuse to provide, promise, request, or accept, directly or indirectly, any improper benefit in whatever form or name.

Article 18. Avoidance of commercial dealings with unethical operators

All personnel of the company shall avoid business transactions with an agent, supplier, customer, or other counterparty in commercial interactions that is involved in unethical conduct. When the counterparty or partner in cooperation is found to have engaged in unethical conduct, the personnel shall immediately cease dealing with the counterparty and blacklist it for any further business interaction in order to effectively implement the company's ethical management policy.

Article 19. Stipulation of terms of ethical management in contracts

Before entering into a contract with another party, the company shall gain a thorough knowledge of the status of the other party's ethical management, and shall make observance of the ethical management policy of the company part of the terms and conditions of the contract, stipulating at the least the following matters:

1. When a party to the contract becomes aware that any personnel has violated the terms and conditions pertaining to prohibition of acceptance of commissions, rebates, or other improper benefits, the party shall immediately notify the other party of the violator's identity, the manner in which the provision, promise, request, or acceptance was made, and the monetary amount or other improper benefit that was provided, promised, requested, or accepted. The party shall also provide the other party with pertinent evidence and cooperate fully with the investigation. If there has been resultant damage to either party, the party may claim from the other party the contract price as damages, and may also deduct the full amount of the damages from the contract price payable.
2. Where a party is discovered to be engaged in unethical conduct in its commercial activities, the other party may terminate or rescind the contract unconditionally at any time.
3. Specific and reasonable payment terms, including the place and method of payment and the requirement for compliance with related tax laws and regulations.

Article 20. Handling of unethical conduct by personnel of this Corporation

As an incentive to insiders and outsiders for informing of unethical or unseemly conduct, the company will grant a reward depending the seriousness of the circumstance concerned. Insiders having made a false report or malicious accusation shall be subject to disciplinary action and be removed from office if the circumstance concerned is material.

The company shall internally establish and publicly announce on its website and the intranet, or provide through an independent external institution, an independent mailbox or hotline, for Company insiders and outsiders to submit reports.

A whistleblower shall at least furnish the following information:

1. the whistleblower’s name and telephone number and e-mail address where it can be reached.
2. the informed party's name or other information sufficient to distinguish its identifying. features.
3. specific facts available for investigation.

Company personnel handling whistle-blowing matters shall represent in writing they will keep the whistleblowers’ identity and contents of information confidential. The company also undertakes to protect the whistleblowers from improper treatment due to their whistle-blowing.

The responsible unit of the company shall observe the following procedure:

1. An information shall be reported to the department head if involving the rank and file and to an independent director or supervisor if involving a director or a senior executive.
2. The responsible unit of the company and the department head or personnel being. reported to in the preceding subparagraph shall immediately verify the facts and, where necessary, with the assistance of the legal compliance or other related department.
3. If a person being informed of is confirmed to have indeed violated the applicable laws and regulations or the company's policy and regulations of ethical management, the company shall immediately require the violator to cease the conduct and shall make an appropriate disposition. When necessary, the company will institute legal proceedings and seek damages to safeguard its reputation and its rights and interests.
4. Documentation of case acceptance, investigation processes and investigation results shall be retained for five years and may be retained electronically. In the event of a suit in respect of the whistleblowing case before the retention period expires, the relevant information shall continue to be retained until the conclusion of the litigation.
5. With respect to a confirmed information, the company shall charge relevant units with the task of reviewing the internal control system and relevant procedures and proposing corrective measures to prevent recurrence.
6. The auditing office of the company shall submit to the Board of Directors a report on the whistleblowing case, actions taken, and subsequent reviews and corrective measures.

Article 21. Actions upon event of unethical conduct by others towards the company

If any personnel of the company discovers that another party has engaged in unethical conduct towards the company, and such unethical conduct involves alleged illegality, the company shall report the relevant facts to the judicial and prosecutorial authorities; where a public service agency or public official is involved, the company shall additionally, notify the governmental anti-corruption agency.

Article 22. Establishment of a system for rewards, penalties, and complaints, and related disciplinary measures

1. The company's Administration Division shall organize one internal awareness sessions each year and arrange for the chairperson, general manager, or senior management to communicate the importance of ethics to its directors, employees, and mandataries.
2. The company shall link ethical management to employee performance evaluations and human resources policy, and establish clear and effective systems for rewards, penalties, and complaints.
3. If any personnel of the company seriously violates ethical conduct, the company shall dismiss the personnel from his or her position or terminate his or her employment in accordance with applicable laws and regulations or the personnel policy and procedures of the company.
4. The company shall disclose on its intranet information the name and title of the violator, the date and details of the violation, and the actions taken in response.

Article 23. Enforcement

These Procedures and Guidelines, and any amendments hereto, shall be Implemented after adoption by resolution of the board of directors, and shall be delivered to each supervisor and reported to the shareholders meeting. These Procedures and Guidelines are promulgated on March 30, 2017. First amendment was made on August 9, 2017.

When these Procedures and Guidelines are submitted to the Board of Directors for discussion, each independent director's opinions shall be taken into full consideration, and their objections and reservations expressed shall be recorded in the minutes of the Board of Directors meeting. An independent director that is unable to attend a board meeting in person to express objection or reservation shall provide a written opinion before the board meeting unless there is a legitimate reason to do otherwise, and the opinion shall be recorded in the minutes of the Board of Directors meeting.

Appendix 3

AIR ASIA Company Limited Corporate Social Responsibility Best Practice Principles (Before the revision)

Chapter I General Principles

Article 1 In order to assist the company to fulfill the corporate social responsibility initiatives and to promote economic, environmental, and social advancement for purposes of sustainable development, hereby jointly adopt the Principles to be followed by the company.

Article 2 The Principles applies to the company, including the entire operations of each such company and its business group.
In the course of the company' business operations, to actively fulfill corporate social responsibility in the course of their business operations so as to follow international development trends and to contribute to the economic development of the country, to improve the quality of life of employees, the community and society by acting as responsible corporate citizens, and to enhance competitive edges built on corporate social responsibility.

Article 3 In fulfilling corporate social responsibility initiatives, the company shall, in its corporate management guidelines and business operations, give due consideration to the rights and interests of stakeholders and, while pursuing sustainable operations and profits, also give due consideration to the environment, society and corporate governance.

Article 4 To implement corporate social responsibility initiatives, the company is advised to follow the principles below:
1. Exercise corporate governance.
2. Foster a sustainable environment.
3. Preserve public welfare.
4. Enhance disclosure of corporate social responsibility information.

Article 5. The company shall take into consideration the correlation between the development of domestic and international corporate social responsibility principles and corporate core business operations, and the effect of the operation of individual companies and of their respective business groups as a whole on stakeholders, in establishing their policies, systems or relevant management guidelines, and concrete promotion plans for corporate social responsibility programs, which shall be approved by the Board of Directors and then reported to the shareholders meeting.
When a shareholder proposes a motion involving corporate social responsibility, the company's Board of Directors is advised to review and consider including it in the shareholders meeting agenda.

Chapter 2 Exercising Corporate Governance

Article 6. The company is advised to follow the Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies, the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, and the Code of Ethical Conduct for TWSE/GTSM Listed Companies to establish effective corporate governance frameworks and relevant ethical standards so as to enhance corporate governance.

Article 7. The directors of the company shall exercise the due care of good administrators to urge the company to perform its corporate social responsibility initiatives, examine the results of the implementation thereof from time to time and continually make adjustments so as to ensure the thorough implementation of its corporate social responsibility policies.

The Board of Directors of the company in the company's performance of its corporate social responsibility initiatives, including the following matters:

1. Identifying the company's corporate social responsibility mission or vision, and declaring its corporate social responsibility policy, systems or relevant management guidelines;
2. Making corporate social responsibility the guiding principle of the company's operations and development, and ratifying concrete promotional plans for corporate social responsibility initiatives; and
3. Enhancing the timeliness and accuracy of the disclosure of corporate social responsibility information.

The Board of Directors shall appoint executive-level positions with responsibility for economic, environmental, and social issues resulting from the business operations of the company, and to report the status of the handling to the board of directors. The handling procedures and the responsible person for each relevant issue shall be concrete and clear.

Article 8. The company is advised to, on a regular basis, organize education and training on the implementation of corporate social responsibility initiatives, including promotion of the matters prescribed in paragraph 2 of the preceding article.

Article 9. For the purpose of managing corporate social responsibility initiatives, the company is advised to establish an exclusively (or concurrently) dedicated unit to be in charge of proposing and enforcing the corporate social responsibility policies, systems, or relevant management guidelines, and concrete promotional plans and to report on the same to the Board of Directors on a periodic basis.

The company is advised to adopt reasonable remuneration policies, to ensure that remuneration arrangements support the strategic aims of the organization, and align with the interests of stakeholders.

It is advised that the employee performance evaluation system be combined with corporate social responsibility policies, and that a clear and effective incentive and discipline system be established.

Article 10. The company shall, based on respect for the rights and interests of stakeholders, identify stakeholders of the company, and establish a designated section for stakeholders on the company website; understand the reasonable expectations and demands of stakeholders through proper communication with them, and adequately respond to the important corporate social responsibility issues which they are concerned about.

Chapter 3 Fostering a Sustainable Environment

Article 11. The company shall follow relevant environmental laws, regulations and international standards to properly protect the environment and shall endeavor to promote a sustainable environment when engaging in business operations and internal management.

Article 12. The company is advised to endeavor to utilize all resources more efficiently and use renewable materials which have a low impact on the environment to improve sustainability of natural resources.

Article 13. The company is advised to establish proper environment management systems based on the characteristics of their industries. Such systems shall include the following tasks:
1. Collecting sufficient and up-to-date information to evaluate the impact of the company's business operations on the natural environment.
2. Establishing measurable goals for environmental sustainability, and examining whether the development of such goals should be maintained and whether it is still relevant on a regular basis.
3. Adopting enforcement measures such as concrete plans or action plans, and examining the results of their operation on a regular basis.

Article 14. The company is advised to establish a dedicated unit or assign dedicated personnel for drafting, promoting, and maintaining relevant environment management systems and concrete action plans, and should hold environment education courses for their managerial officers and other employees on a periodic basis.

Article 15. The company is advised to take into account the effect of business operations on ecological efficiency, promote and advocate the concept of sustainable consumption, and conduct research and development, procurement, production, operations, and services in accordance with the following principles to reduce the impact on the natural environment and human beings from their business operations:
1. Reduce resource and energy consumption of their products and services.
2. Reduce emission of pollutants, toxins and waste, and dispose of waste properly.
3. Improve recyclability and reusability of raw materials or products.
4. Maximize the sustainability of renewable resources.
5. Enhance the durability of products.
6. Improve efficiency of products and services.

Article 16. To improve water use efficiency, the company shall properly and sustainably use water resources and establish relevant management measures. The company shall construct and improve environmental protection treatment facilities to avoid polluting water, air and land, and use their best efforts to reduce adverse impact on human health and the environment by adopting the best practical pollution prevention and control measures.

Article 17. The company is advised to adopt standards or guidelines generally used in Taiwan and abroad to enforce corporate greenhouse gas inventory and to make disclosures thereof, the scope of which shall include the following:
1. Direct greenhouse gas emissions: emissions from operations that are owned or controlled by the company.
2. Indirect greenhouse gas emissions: emissions resulting from the generation of externally purchased or acquired electricity, heating, or steam.

The company is advised to monitor the impact of climate change on their operations and should establish company strategies for energy conservation and carbon and greenhouse gas reduction based upon their operations and the result of a greenhouse gas inventory. Such strategies should include obtaining carbon credits to promote and minimize the impact of their business operations on climate change.

Chapter 4 Preserving Public Welfare

Article 18. The company shall comply with relevant laws and regulations, and the International Bill of Human Rights, with respect to rights such as gender equality, the right to work, and prohibition of discrimination.

The company, to fulfill its responsibility to protect human rights, shall adopt relevant management policies and processes, including:

1. Presenting a corporate policy or statement on human rights.
2. Evaluating the impact of the company's business operations and internal management on human rights, and adopting corresponding handing processes.
3. Reviewing on a regular basis the effectiveness of the corporate policy or statement on human rights.
4. In the event of any infringement of human rights, the company shall disclose the processes for handling of the matter with respect to the stakeholders involved.

The company shall comply with the internationally recognized human rights of labor, including the freedom of association, the right of collective bargaining, caring for vulnerable groups, prohibiting the use of child labor, eliminating all forms of forced labor, eliminating recruitment and employment discrimination, and shall ensure that their human resource policies do not contain differential treatments based on gender, race, socioeconomic status, age, or marital and family status, so as to achieve equality and fairness in employment, hiring conditions, remuneration, benefits, training, evaluation, and promotion opportunities.

The company shall provide an effective and appropriate grievance mechanism with respect to matters adversely impacting the rights and interests of the labor force, in order to ensure equality and transparency of the grievance process. Channels through which a grievance may be raised shall be clear, convenient, and unobstructed. The company shall respond to any employee's grievance in an appropriate manner.

Article 19. The company shall provide information for their employees so that the employees have knowledge of the labor laws and the rights they enjoy in the countries where the companies have business operations.

Article 20. The company is advised to provide safe and healthful work environments for their employees, including necessary health and first-aid facilities and shall endeavor to curb dangers to employees' safety and health and to prevent occupational accidents.

The company is advised to organize training on safety and health for their employees on a regular basis.

Article 21. The company is advised to create an environment conducive to the development of their employees' careers and establish effective training programs to foster career skills.

The company shall appropriately reflect the corporate business performance or achievements in the employee remuneration policy, to ensure the recruitment, retention, and motivation of human resources, and achieve the objective of sustainable operations.

Article 22. The company shall establish a platform to facilitate regular two-way communication between the management and the employees for the employees to obtain relevant information on and express their opinions on the company's operations, management and decisions.

The company shall respect the employee representatives' rights to bargain for the working conditions, and shall provide the employees with necessary information and hardware equipment, in order to improve the negotiation and cooperation among employers, employees and employee representatives.

The company shall, by reasonable means, inform employees of operation changes that might have material impacts.

Article 22-1. A TWSE/GTSM listed company is advised to treat customers or consumers of its products or services in a fair and reasonable manner, including according to the following principles: fairness and good faith in contracting, duty of care and fiduciary duty, truthfulness in advertising and soliciting, fitness of products or services, notification and disclosure, commensuration between compensation and performance, protection of the right to complain, professionalism of salespersons etc. Said company shall also develop the relevant strategies and specific measures for implementation.

Article 23 The company shall take responsibility for their products and services, and take marketing ethics seriously. In the process of research and development, procurement, production, operations, and services, the company shall ensure the transparency and safety of their products and services. They further shall establish and disclose policies on consumer rights and interests, and enforce them in the course of business operations, in order to prevent the products or services from adversely impacting the rights, interests, health, or safety of consumers.

Article 24. The company shall ensure the quality of their products and services by following the laws and regulations of the government and relevant standards of their industries.
The company shall follow relevant laws, regulations and international guidelines when marketing or labeling their products and services and shall not deceive, mislead, commit fraud or engage in any other acts which would betray consumers' trust or damage consumers' rights or interests.

Article 25. The company is advised to evaluate and manage all types of risks that could cause interruptions in operations, so as to reduce the impact on consumers and society.
The company is advised to provide a clear and effective procedure for accepting consumer complaints to fairly and timely handle consumer complaints, shall comply with laws and regulations related to the Personal Information Protection Act for respecting consumers' rights of privacy and shall protect personal data provided by consumers.

Article 26. The company is advised to assess the impact their procurement has on society as well as the environment of the community that they are procuring from, and shall cooperate with their suppliers to jointly implement the corporate social responsibility initiative.
Prior to engaging in commercial dealings, the company is advised to assess whether there is any record of a supplier's impact on the environment and society, and avoid conducting transactions with those against corporate social responsibility policy.
When the company enter into a contract with any of their major suppliers, the content should include terms stipulating mutual compliance with corporate social responsibility policy, and that the contract may be terminated or rescinded any time if the supplier has violated such policy and has caused significant negative impact on the environment and society of the community of the supply source.

Article 27. The company shall evaluate the impact of their business operations on the community, and adequately employ personnel from the location of the business operations, to enhance community acceptance.
The company is advised to, through equity investment, commercial activities, endowments, volunteering service or other charitable professional services etc., dedicate resources to organizations that commercially resolve social or environmental issues, participate in events held by citizen organizations, charities and local

government agencies relating to community development and community education to promote community development.

Chapter 5 Enhancing Disclosure of Corporate Social Responsibility Information

Article 28. The company shall disclose information according to relevant laws, regulations and the Corporate Governance Best Practice Principles for TWSE/GTSM listed Companies and shall fully disclose relevant and reliable information relating to their corporate social responsibility initiatives to improve information transparency. Relevant information relating to corporate social responsibility which TWSE/GTSM listed companies shall disclose includes:

1. The policy, systems or relevant management guidelines, and concrete promotion plans for corporate social responsibility initiatives, as resolved by the board of directors.
2. The risks and the impact on the corporate operations and financial condition arising from exercising corporate governance, fostering a sustainable environment and preserving social public welfare.
3. Goals and measures for realizing the corporate social responsibility initiatives established by the companies, and performance in implementation.
4. Major stakeholders and their concerns.
5. Disclosure of information on major suppliers' management and performance with respect to major environmental and social issues.
6. Other information relating to corporate social responsibility initiatives.

Article 29. The company shall adopt internationally widely recognized standards or guidelines when producing corporate social responsibility reports, to disclose the status of their implementation of the corporate social responsibility policy. It also is advisable to obtain a third-party assurance or verification for reports to enhance the reliability of the information in the reports. The reports are advised to include:

1. The policy, system, or relevant management guidelines and concrete promotion plans for implementing corporate social responsibility initiatives.
2. Major stakeholders and their concerns.
3. Results and a review of the exercising of corporate governance, fostering of a sustainable environment, preservation of public welfare and promotion of economic development.
4. Future improvements and goals.

Article 30. The company shall at all times monitor the development of domestic and foreign corporate social responsibility standards and the change of business environment so as to examine and improve their established corporate social responsibility framework and to obtain better results from the implementation of the corporate social responsibility policy.

Article 31. These Principles, and any amendments hereto, were approved by the Board of Directors on March 30, 2017, and were implemented after reported to the shareholders meeting on June 19, 2017.

Appendix 4

AIR ASIA Company Limited
Articles of Incorporation
(Before the revision)

Chapter I General Provisions

Article 1. The Company shall be organized in accordance with the provisions of the Republic of China Company Act relating to companies limited by shares, and shall be named 亞洲航空股份有限公司, 亞洲航空 to be call in short. Its English name shall be "AIR ASIA COMPANY LIMITED", AIR ASIA or AACL be called in short.

Article 2. The Company operates the following business:

CD01060 Aircraft and Parts Manufacturing

I101100 Aviation Consultancy

F214070 Aircraft & Parts Retailing

F114070 Wholesale of Aircraft and Parts

JE01010 Rental and Leasing Business

ZZ99999 All businesses that are not prohibited or restricted by law, except those subject to special approval.

G501020 Civil Aviation Agency

G799990 Other Supporting Services to Transportation

F112060 Airport, Harbor and Industry Port Gasoline Stations

Article 2-1. The total amount of its re-investment is not subject to the restriction on the 40% of re-investment amount as prescribed by Article 13 of Company Act.

Article 2-2. The company may require external guarantees as needed.

Article 3. The Company's head office is located in Tainan City (Taiwan, R.O.C.), and branch offices or factory may be set up inside and outside of the country when necessary upon a resolution of the Board of Directors.

Article 4. Public announcements of the Company shall be made in accordance with Article 28 of Company Art.

Chapter II Shares

Article 5. The overall capital size of the company is set at NT$1.5 Billion, including 150 million (150,000,000) shares at a par value of NT$10 per share; the Board of Directors be authorized to the number of shares may be issued in installments.

Article 6. Share certificates of the Company shall be registered, shall be affixed with the signatures or personal seals of three or more Board Directors, and shall be issued pursuant to applicable law. The Company may issue shares without printing share certificates, provided that these shares are registered with a Centralized Securities

Depository Enterprise (CSDE).

Article 6-1. In the case of company decide to cease the public issue of shares, pursuant to paragraph 3 of Article 156 of the Company Act, shall propose to shareholders' meeting for resolution.

Article 7. Transfer of shares shall not be set up as a defense against the Company, unless the name/title and residence domicile of the transferee have been recorded in the shareholders' roster.

Article 8. The entries in the shareholders' roster referred to in the preceding paragraph shall not be altered within sixty (60) days prior to the convening date of a regular meeting of shareholders, or within thirty (30) days prior to the convening date of a special meeting of shareholders, or within five (5) days prior to the target date fixed by the Corporation for distribution of dividend, bonus or other benefits.

Chapter III Shareholders' Meetings

Article 9. The shareholders' meeting of the Company includes the general meeting of shareholders and the special meeting of shareholders. A general meeting shall be held at least annually and called by the Board of Directors (the "Board") within six (6) months following the end of a fiscal year.

Article 10. Notice shall be sent to all shareholders for the convening of shareholders' meetings. For the general meeting of shareholders, any meeting notice shall be given at least thirty (30) days before the meeting date; and at least fifteen (15) days in advance for the special meeting.

Article 11. Unless otherwise specifically provided by the Company Act or by applicable law, the resolution of shareholders' meetings shall be adopted if it is approved by the vote of a majority of the shareholders present at a meeting at which a quorum of more than one-half (1/2) of the total outstanding shares held by attending shareholders is met.

Article 11-1. When the Company holds a shareholders' meeting, it may allow the shareholders to exercise voting rights by correspondence or electronic means (in accordance with the provision of Article 177-2 of the Company Act regarding companies that shall adopt electronic voting:

When the Company holds a shareholder meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence). When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that the Company avoid the submission of extempore motion and amendments to original proposals.

Article 12. A shareholder may appoint a proxy to attend a shareholders' meeting in his/her/its behalf by executing a power of attorney stating therein the scope of power authorized to the proxy.

Article 13. The Chairman of the Company shall preside shareholders' meetings. In the event the Chairman is on leave or absent or unable to attend the meeting in person, a Board Director shall be designated to act on the behalf of the Chairman at the meeting. In the absence of such a designation, the Directors of the Board shall elect from among themselves an acting chairman.

Chapter IV Directors and Other functional committees

Article 14. The Board shall consist of seven (7) to eleven (11) Directors. The term for all Directors is for three (3) years, renewable upon re-election. In case a candidate's nomination system is adopted by the company for election of the directors (Including Independent Directors) of the company, the adoption of such system shall be expressly stipulated in the Articles of Incorporation of the company.

Article 15. The Board of Directors shall elect a chairman of the board directors from among the directors by a majority vote at a meeting attended by over two-thirds of the directors, and may also elect in the same manner a vice chairman of the board in accordance with the provisions of the Articles of Incorporation. In case the chairman of the Board of Directors is on leave or absent or cannot exercise his power and authority for any cause, the provisions of Article 208 of Company Art.

Article 16. The company has implemented General Manager Responsibility System, the execution of the business is the responsibility of the general manager. The company's business policy and other major issues shall be decided by the board of directors. Except for the first time the Board of Directors of each session is handled in accordance with Article 203 of the Company Act, the rest is convened by the chairman of the board of directors.

Article 17. Unless otherwise provided for in the Company Act, resolutions of the Board of Directors shall be adopted by a majority of the directors at a meeting attended by a majority of the directors. All board directors shall attend board meetings in person; if attendance in person is not possible, they may, pursuant to the company's articles of incorporation, appoint another director to attend as their proxy. Attendance via tele- or video-conference is deemed as attendance in person.

Article 18. Pursuant to Article 14-4 of the Securities Exchange Act, the company shall establish either an audit committee or a supervisor. The audit committee shall be composed of the entire number of independent directors.

Article 18-1. The compensation paid to Directors for their services shall be determined by the Board with recommendations from the Remuneration Committee and consideration of the Directors' participation in and devotion to the operation of the Corporation and the Company's operating performance as well as with reference to the common practical standards.

Article 18-2. The company shall create a Remuneration Committee and any number of functional committees. The Board shall set forth, by resolution(s), the requirements applicable for developing committee bylaws.

Chapter V Managerial Personnel

Article 19. The company may have one or more managerial personnel in accordance with Articles of Incorporation. Appointment and discharge and the remuneration of the managerial personnel shall be decided in accordance with Article 29 of Company Act.

Article 20. (Deleted)

Chapter VI Accounting

Article 21. The Company's fiscal year shall be from January 1 of each year to December 31 of the same fiscal year. At the close of each fiscal year, the Board of the Directors shall prepare Business report, the financial statements and the stock dividend distribution or loss off-setting proposals to the shareholders' meeting for ratification.

Article 22. In the case of a profit, the Company shall set aside 1%~3% of the profit to be compensation for employees. If there are accumulated losses, the value to make up for the losses should be set aside first, reserved in advance to offset the deficits.

Article 22-1. In the case of a profitable fiscal year, the Company shall pay taxes in accordance with the law, make up accumulated deficits, then allot 10% to the statutory surplus reserve, except for the statutory surplus reserve has reached the total paid-in capital of the company. In accordance with regulations, the remaining balance shall be appropriated or reversed special reserves. If there is still surplus, and accumulated undistributed earnings, the Board of Directors shall submit an allocation proposal. If dividend is distributed in issued new shares, shall be made in accordance with the provisions of Article 214 of the Company Law. If dividend is distributed in cash, shall be made in accordance with the provisions of Article 23-2 of Article of Incorporation.

Article 23. The company's dividend policy is based on the principle of stability and balance. In addition to considering the profit of the shareholders, the company shall take into account the impact of the company's operations.

The company may allocate the entire annual distributable surplus according to factors such as financial, business and operational aspects. The distribution of surplus is prioritized by cash dividends and may also distributed by stock dividends. However, the proportion of stock dividends shall not higher than 50% of the total dividends. In case there are no earnings for distribution in a certain year, or the earnings of a certain year are far less than the earnings actually distributed by the Company in the previous year, or considering the financial, business or operational factors of the Company, the Company may allocate a portion or all of its reserves for distribution in accordance with relevant laws or regulations or the orders of the authorities in charge.

The Board meeting shall be attended by two-thirds of the total directors, and resolved by a majority votes at the Board meeting, to distribute dividends and bonuses in whole or in part to be paid in cash, and report to the shareholders' meeting.

Article 24. Rules governing the organization of the Company as well as other important bylaws shall be prescribed separately by the Board of Directors.

Article 25. Matters not prescribed under this Articles of Incorporation shall be governed by and construed in accordance with the provisions of Company Act.

Article 26. This Articles of Incorporation was agreed upon and signed on October 31, 1954.The first amendment was made on February 9, 1955. The second amendment was made on June 18, 1956. The third amendment was made on February 6, 1959. The fourth amendment was made on April 1, 1959. The fifth amendment was made on July 28, 1959. The sixth amendment was made on January 24, 1966. The seventh amendment was made on June 28, 1967.The eighth amendment was made on June 7, 1968. The ninth amendment was made on August 14, 1972. The tenth amendment was made on July 31, 1973. The eleventh amendment was made on April 28, 1975. The twelfth amendment was made on August 27, 1975. The thirteenth amendment was made on April 12, 1976. The fourteenth amendment was made on December 4, 1986. The fifteenth amendment was made on April 20. 1987. The sixteenth amendment was made on September 14, 1987. The seventeenth amendment was made on September 30, 1987. The eighteenth amendment was made on June 2, 1988. The nineteenth amendment was made on July 29, 1988. The twentieth amendment was made on May 8th, 1989. The twenty-first amendment was made on May 8th. 1992. The twenty-second amendment was made on February 24, 1994.The twenty-third amendment was made on December 16, 1994. The twenty-fourth amendment was made on May 7th, 1999. The twenty-fifth amendment was made on April 26, 2000. The twenty-sixth amendment was made on April 29, 2002. The twenty-seventh amendment was made on June 20, 2003. The twenty-eighth amendment was made on June 28, 2005. The twenty-ninth amendment was made on June 24, 2008. The thirty amendment was made on June 15, 2012. The thirty-first amendment was made on December 17, 2012. The thirty-second amendment was made on June 8, 2016. The thirty-third amendment was made on June 19, 2017. The thirty-fourth amendment was made on September 25, 2017. The thirty-fifth amendment was made on June 11, 2018. The thirty-sixth amendment was made on June 17, 2019.

Article 26-1. This Articles of Incorporation, Articles 14, 18, 18-1 of Chapter 4 and Article 21 of Chapter 6 was amended and approved on June 15, 2012, shall be applicable after the expiration of the term of the directors and supervisors elected on the July 30, 2009. However, if the shareholders' meeting decides to re-elect all directors in advance, the revised provisions shall apply.

Appendix 5

AIR ASIA Company Limited
Rules of Procedures for Shareholders' Meeting
(Before the revision)

Article 1. To establish a strong governance system and sound supervisory capabilities for the Company's shareholders meetings, and to strengthen management capabilities, these Rules are adopted pursuant to Article 5 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

Article 2. The rules of procedures for the Company's shareholders meetings, except as otherwise provided by law, regulation, or the articles of incorporation, shall be as provided in these Rules.

Article 3. Unless otherwise provided by law or regulation, the Company's shareholders meetings shall be convened by the board of directors.

The Company shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors or supervisors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting. The Company shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting. In addition, before 15 days before the date of the shareholders meeting, the Company shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at the Company and the professional shareholder services agent designated thereby as well as being distributed on-site at the meeting place.

The reasons for convening a shareholders meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.

Election or dismissal of directors or supervisors, amendments to the articles of incorporation, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities and Exchange Act, or Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion.

A shareholder holding 1 percent or more of the total number of issued shares may submit to the Company a written proposal for discussion at a regular shareholders meeting. Such proposals, however, are limited to one item only, and no proposal containing more than one item will be included in the meeting agenda. In addition, when the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the Board of Directors may exclude it from the agenda.

Prior to the book closure date before a regular shareholders meeting is held, the Company shall publicly announce that it will receive shareholder proposals, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.

Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the regular shareholders meeting and take part in discussion of the proposal.

Prior to the date for issuance of notice of a shareholders meeting, the Company shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders meeting the Board of Directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.

Article 4. For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the scope of the proxy's authorization.

A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and shall deliver the proxy form to the Company before 5 days before the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.

After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to the Company before 2 business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

Article 5. The venue for a shareholders meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders meeting.

The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.

Article 6. The Company shall specify in its shareholders meeting notices the time during which shareholder attendance registrations will be accepted, the place to register for attendance, and other matters for attention.

The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations.

Shareholders and their proxies (collectively, “shareholders”) shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. The Company may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.

The Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.

The Company shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors or supervisors, pre-printed ballots shall also be furnished.

When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.

Article 7. If a shareholders meeting is convened by the board of directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson also is on leave or for any reason unable to exercise the powers of the vice chairperson, the chairperson shall appoint one of the managing directors to act as chair, or, if there are no managing directors, one of the directors shall be appointed to act as chair. Where the chairperson does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as chair.

When a managing director or a director serves as chair, as referred to in the preceding paragraph, the managing director or director shall be one who has held that position for six months or more and who understands the financial and business conditions of the company. The same shall be true for a representative of a juristic person director that serves as chair.

It is advisable that shareholders meetings convened by the Board of Directors be chaired by the chairperson of the board in person and attended by a majority of the directors, at least one supervisor in person, and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the meeting minutes.

If a shareholders meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.

The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders meeting in a non-voting capacity.

Article 8. The Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures.

The recorded materials of the preceding paragraph shall be retained for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

Article 9. Attendance at shareholders meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in plus the number of shares whose voting rights are exercised by correspondence or electronically.

The chair shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned.

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within 1 month.

When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.

Article 10. If a shareholders meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.

The provisions of the preceding paragraph apply mutatis mutandis to a shareholders meeting convened by a party with the power to convene that is not the board of directors.

The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the Board of Directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call for a vote.

Article 11. Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.

A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.

Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech

When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.

When a juristic person shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal.

After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.

Article 12. Voting at a shareholders meeting shall be calculated based the number of shares.

With respect to resolutions of shareholders meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares.

When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of the Company, that shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder.

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

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

Article 13. A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act.

When the Company holds a shareholders meeting, it may allow the shareholders to exercise voting rights by correspondence or electronic means (in accordance with the proviso of Article 177-1 of the Company Act regarding companies that shall adopt electronic voting: When the Company holds a shareholder meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence). When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that the Company avoid the submission of extraordinary motions and amendments to original proposals.

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company before 2 days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.

After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, before 2 business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.

Except as otherwise provided in the Company Act and in the Company's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.

When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company.

Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.

Article 14. The election of directors or supervisors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and supervisors and the numbers of votes with which they were elected.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Article 15. Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.

The Company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their results, and shall be retained for the duration of the existence of the Company.

Article 16. On the day of a shareholders meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies, and shall make an express disclosure of the same at the place of the shareholders meeting.

If matters put to a resolution at a shareholders meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation regulations, the Company shall upload the content of such resolution to the MOPS within the prescribed time period.

Article 17. Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands.

The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word “Proctor”.

At the place of a shareholders meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by the Company, the chair may prevent the shareholder from so doing.

When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the meeting.

Article 18. When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

If the meeting venue is no longer available for continued use and not all of the items (including extraordinary motions) on the meeting agenda have been addressed, the shareholders meeting may adopt a resolution to resume the meeting at another venue.

A resolution may be adopted at a shareholders meeting to defer or resume the meeting within 5 days in accordance with Article 182 of the Company Act.

Article 19. These Rules, and any amendments hereto, shall be implemented after adoption by shareholders meetings. These rules were implemented on April 26, 2000. The first amendment was made on June 28, 2002. The second amendment was made on June 29, 2007. The third amendment was made on June 15, 2012. The fourth amendment was made on December 17, 2012. The fifth amendment was made on June 27, 2014. The sixth amendment was made on June 11, 2018.

Appendix 6

AIR ASIA Company Limited
Shareholdings of all Directors

Book closure date：April 19, 2020

Title	Name		shareholdings of shareholders' list on book closure date	
			Shares (Note)	%
Chairman of the Board	Tian-Lin Lu	Taiwan Aerospace Corp. Representative	83,519,566	69.53
Member of the Board	Chin-Ming Chen			
Member of the Board	Ho-Cheng Hsieh			
Member of the Board	Kuan-Yu Shih			
Member of the Board	Yueh-Tsung Li			
Member of the Board	Su-Hua Jheng	Taiwan Sugar Corporation Representative	16,301,019	13.57
Member of the Board	Cheng-Wei Yu			
Member of the Board	Chun-Wei Lu		-	-
Independent Director	Jen-Wei Ko		-	-
Independent Director	Chih-Yang Cheng		-	-
Independent Director	Shih-Chang Huang		-	-
Total			99,820,585	83.10

NOTE:

1. As of book closure date of the General Shareholders' Meeting (April 19, 2020), the total issued shares were 120,120,000 shares, and the minimum shareholdings by all Directors were 8,000,000 shares.
2. In accordance with Article 2 of the "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies", if more than two Independent Directors are elected, the shareholdings by all Directors and supervisors outside the Independent Directors shall be reduced to 80%. The Company has set up an Audit Committee, so no applicable for the minimum shareholdings by the supervisors.

Disclaimer: this document is a translation from the Chinese version. In the case for any discrepancy the original document shall supersede this version.