Aerospace Industrial Development Corporation and Subsidiary

Consolidated Financial Statements for the Nine Months Ended September 30, 2025 and 2024 and Independent Auditors’ Review Report

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INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
Aerospace Industrial Development Corporation

Introduction

We have reviewed the accompanying consolidated balance sheets of Aerospace Industrial Development Corporation and its subsidiary (collectively referred to as the "Group") as of September 30, 2025 and 2024 and the related consolidated statements of comprehensive income for the three months ended September 30, 2025 and 2024 and for the nine months ended September 30, 2025 and 2024, the consolidated statements of changes in equity and cash flows for the nine months then ended, and the related notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as 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 Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

Except as explained in the basis for qualified conclusion, we conducted our reviews in accordance with the Standards on Review Engagements of the Republic of China 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As disclosed in Note 11 to the consolidated financial statements, the financial statements which were used as bases of investments accounted for by the equity method included in the consolidated financial statements referred to in the first paragraph were not reviewed. The carrying amounts of the related investments as of September 30, 2025 and 2024 were NT$1,058,275 thousand and NT$960,332 thousand, respectively. For the three months ended September 30, 2025 and 2024 and for the nine months ended September 30, 2025 and 2024, the amounts of the related share of profit of associates were NT$125,130 thousand, NT$93,186 thousand, NT$320,770 thousand, and NT$320,451 thousand, respectively.

Qualified Conclusion

Based on our reviews, except for the adjustments, if any, as might have been determined to be necessary had the financial statements which were used as bases of the investment accounted for using equity method as described in the basis for qualified conclusion been reviewed, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not give a true and fair view of the consolidated financial position of the Group as at September 30, 2025 and 2024, its consolidated financial performance for the three months ended September 30, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the nine months ended September 30, 2025 and 2024 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors' review report are Done-Yuin Tseng and Jui-Lung Hsu.

Deloitte & Touche
Taipei, Taiwan
Republic of China

November 10, 2025

Notice to Readers

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

For the convenience of readers, the independent auditors' review report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' review report and consolidated financial statements shall prevail.

AEROSPACE INDUSTRIAL DEVELOPMENT CORPORATION AND SUBSIDIARY

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

	September 30, 2025		December 31, 2024		September 30, 2024	
ASSETS	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	$ 2,737,880	5	$ 2,808,593	6	$ 1,714,327	3
Contract assets - current (Note 23)	3,827,907	8	4,955,859	10	3,259,933	7
Notes receivable (Note 8)	1,716	-	14,036	-	2,418	-
Trade receivables from unrelated parties (Note 8)	11,949,226	23	9,800,271	20	12,461,244	25
Trade receivables from related parties (Note 29)	414,224	1	520,698	1	204,475	-
Other receivables (Note 8)	36,423	-	88,255	-	113,822	-
Current income tax asset	197,342	-	6,285	-	-	-
Inventories (Note 9)	15,923,850	31	14,952,713	30	16,333,945	33
Other financial assets - current (Notes 15 and 30)	1,530,593	3	1,464,760	3	1,399,048	3
Other current assets (Notes 16 and 29)	1,281,837	3	849,340	2	846,504	2
Total current assets	37,900,998	74	35,460,810	72	36,335,716	73
NON-CURRENT ASSETS						
Financial assets at fair value through other comprehensive income - non-current (Note 7)	22,903	-	24,773	-	25,565	-
Investments accounted for using the equity method (Note 11)	1,058,275	2	1,058,087	2	960,332	2
Property, plant and equipment (Notes 12 and 30)	9,473,384	18	9,449,086	19	8,884,838	18
Right-of-use assets (Note 13)	1,352,425	3	1,439,782	3	1,469,329	3
Intangible assets (Note 14)	528,823	1	597,178	1	704,181	1
Deferred tax assets (Notes 4 and 25)	380,369	1	351,592	1	390,986	1
Prepayments for equipment	259,478	-	433,525	1	639,590	1
Net defined benefit assets - non-current (Notes 4 and 21)	448,774	1	448,774	1	228,172	1
Other financial assets - non-current (Notes 15 and 30)	8,057	-	8,057	-	8,057	-
Other non-current assets (Notes 8 and 16)	103,508	-	106,070	-	92,520	-
Total non-current assets	13,635,996	26	13,916,924	28	13,403,570	27
TOTAL	$ 51,536,994	100	$ 49,377,734	100	$ 49,739,286	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Note 17)	$ 5,313,353	10	$ 6,400,000	13	$ 9,700,000	20
Short-term bills payable (Note 17)	12,482,326	24	6,442,388	13	7,656,075	15
Contract liabilities (Note 23)	87,979	-	51,423	-	87,506	-
Trade payables to unrelated parties	2,703,253	5	2,968,257	6	2,949,715	6
Trade payables to related parties (Note 29)	206,634	1	74,232	-	119,660	-
Other payables (Notes 19 and 29)	2,434,550	5	4,113,604	9	3,843,688	8
Current tax liabilities -current (Notes 4 and 25)	102,895	-	83,755	-	61,070	-
Provisions -current (Notes 4 and 20)	815,615	2	790,260	2	794,903	2
Lease liabilities - current (Note 13)	111,323	-	112,713	-	114,830	-
Current portion of long-term borrowings and bonds payable (Notes 17 and 18)	1,125,000	2	-	-	-	-
Other current liabilities	1,541,538	3	1,463,816	3	1,422,143	3
Total current liabilities	26,924,466	52	22,500,448	46	26,749,590	54
NON-CURRENT LIABILITIES						
Bonds payable (Note 18)	3,448,327	7	3,447,854	7	3,447,696	7
Long-term borrowings (Note 17)	1,875,000	4	3,000,000	6	-	-
Current tax liabilities - non-current (Notes 4 and 25)	181,330	-	-	-	-	-
Deferred tax liabilities (Notes 4 and 25)	512,489	1	510,595	1	405,921	1
Lease liabilities - non-current (Note 13)	1,333,444	3	1,388,592	3	1,441,044	3
Long-term deferred revenue	18,884	-	11,652	-	9,520	-
Guarantee deposits	239,131	-	273,095	-	258,461	-
Total non-current liabilities	7,608,605	15	8,631,788	17	5,562,642	11
Total liabilities	34,533,071	67	31,132,236	63	32,312,232	65
EQUITY						
Ordinary shares	9,418,671	18	9,418,671	19	9,418,671	19
Capital surplus	18,251	-	18,251	-	18,251	-
Retained earnings						
Legal reserve	1,835,418	4	1,599,274	3	1,599,274	3
Special reserve	1,901,455	4	1,919,701	4	1,919,701	4
Unappropriated earnings	3,881,465	7	5,192,183	11	4,437,231	9
Other equity	(51,337)	-	97,418	-	33,926	-
Total equity	17,003,923	33	18,245,498	37	17,427,054	35
TOTAL	$ 51,536,994	100	$ 49,377,734	100	$ 49,739,286	100

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

(With Deloitte & Touche review report dated November 10, 2025)

AEROSPACE INDUSTRIAL DEVELOPMENT CORPORATION AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2025		2024		2025		2024	
	Amount	%	Amount	%	Amount	%	Amount	%
SALES (Notes 23 and 29)	$ 8,814,659	100	$ 8,638,846	100	$ 24,493,021	100	$ 28,016,857	100
COST OF GOODS SOLD (Notes 9, 24 and 29)	8,351,730	95	7,913,752	92	22,917,297	93	25,248,086	90
GROSS PROFIT	462,929	5	725,094	8	1,575,724	7	2,768,771	10
OPERATING EXPENSES (Note 24)								
Selling and marketing expenses	41,781	-	35,076	-	118,458	1	117,389	-
General and administrative expenses	141,824	2	140,817	2	466,620	2	495,407	2
Research and development expenses	109,321	1	119,657	1	312,251	1	338,419	1
Expected credit loss (gain) (Note 8)	4,355	-	694	-	4,149	-	(2,077)	-
Total operating expenses	297,281	3	296,244	3	901,478	4	949,138	3
PROFIT FROM OPERATIONS	165,648	2	428,850	5	674,246	3	1,819,633	7
NON-OPERATING INCOME AND EXPENSES								
Other income (Note 24)	25,615	-	24,326	1	102,141	-	51,042	-
Other gains and losses (Note 24)	34,554	-	(156,945)	(2)	(545,759)	(2)	28,786	-
Share of profit of associates	125,130	2	93,186	1	320,770	1	320,451	1
Interest income	10,731	-	20,448	-	39,320	-	62,683	-
Finance costs	(109,401)	(1)	(70,614)	(1)	(294,065)	(1)	(168,444)	-
Total non-operating income and expenses	86,629	1	(89,599)	(1)	(377,593)	(2)	294,518	1
PROFIT BEFORE INCOME TAX	252,277	3	339,251	4	296,653	1	2,114,151	8
INCOME TAX EXPENSE (Notes 4 and 25)	59,197	1	93,966	1	89,696	-	493,972	2
NET PROFIT FOR THE PERIOD	193,080	2	245,285	3	206,957	1	1,620,179	6
OTHER COMPREHENSIVE INCOME (LOSS)								
Items that will not be reclassified subsequently to profit or loss								
Unrealized (loss) gain on investments in equity instruments designated as at fair value through other comprehensive income	(610)	-	(696)	-	(1,870)	-	(4,845)	-
Items that may be reclassified subsequently to profit or loss								
Exchange differences on translating the financial statements of foreign operations	89,948	1	(44,130)	(1)	(146,885)	(1)	43,326	-
Other comprehensive income for the period, net of income tax	89,338	1	(44,826)	(1)	(148,755)	(1)	38,481	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	$ 282,418	3	$ 200,459	2	$ 58,202	-	$ 1,658,660	6
EARNINGS PER SHARE (Note 26)								
Basic	$ 0.21		$ 0.26		$ 0.22		$ 1.72	
Diluted	$ 0.21		$ 0.26		$ 0.22		$ 1.72	

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

(With Deloitte & Touche review report dated November 10, 2025)

AEROSPACE INDUSTRIAL DEVELOPMENT CORPORATION AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company							
			Retained Earnings (Note 22)			Other Equity		
	Ordinary Shares (Note 22)	Capital Surplus (Note 11)	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Investments in Equity Instruments Designated as at Fair Value Through Other Comprehensive Income (Note 7)	Total Equity
BALANCE AT JANUARY 1, 2024	$ 9,418,671	$ 11,746	$ 1,374,269	$ 1,946,538	$ 4,366,362	$ 11,235	$ (29,481)	$ 17,099,340
Appropriation of 2023 earnings								
Legal reserve	-	-	225,005	-	(225,005)	-	-	-
Special reserve	-	-	-	(26,837)	26,837	-	-	-
Cash dividends distributed by the Company	-	-	-	-	(1,337,451)	-	-	(1,337,451)
Changes in capital surplus from investments in associate accounted for using the equity method	-	6,505	-	-	-	-	-	6,505
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	(13,691)	-	13,691	-
Profit for the nine months ended September 30, 2024	-	-	-	-	1,620,179	-	-	1,620,179
Other comprehensive income (loss) for the nine months ended September 30, 2024, net of income tax	-	-	-	-	-	43,326	(4,845)	38,481
Total comprehensive income (loss) for the nine months ended September 30, 2024	-	-	-	-	1,620,179	43,326	(4,845)	1,658,660
BALANCE AT SEPTEMBER 30, 2024	$ 9,418,671	$ 18,251	$ 1,599,274	$ 1,919,701	$ 4,437,231	$ 54,561	$ (20,635)	$ 17,427,054
BALANCE AT JANUARY 1, 2025	$ 9,418,671	$ 18,251	$ 1,599,274	$ 1,919,701	$ 5,192,183	$ 118,845	$ (21,427)	$ 18,245,498
Appropriation of 2024 earnings								
Legal reserve	-	-	236,144	-	(236,144)	-	-	-
Special reserve	-	-	-	(18,246)	18,246	-	-	-
Cash dividends distributed by the Company	-	-	-	-	(1,299,777)	-	-	(1,299,777)
Profit for the nine months ended September 30, 2025	-	-	-	-	206,957	-	-	206,957
Other comprehensive income for the nine months ended September 30, 2025, net of income tax	-	-	-	-	-	(146,885)	(1,870)	(148,755)
Total comprehensive income for the nine months ended September 30, 2025	-	-	-	-	206,957	(146,885)	(1,870)	58,202
BALANCE AT SEPTEMBER 30, 2025	$ 9,418,671	$ 18,251	$ 1,835,418	$ 1,901,455	$ 3,881,465	$ (28,040)	$ (23,297)	$ 17,003,923

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

(With Deloitte & Touche review report dated November 10, 2025)

AEROSPACE INDUSTRIAL DEVELOPMENT CORPORATION AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)

	For The Nine Months Ended September 30	
	2025	**2024**
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 296,653	$ 2,114,151
Adjustments for:		
Depreciation expense	1,038,733	976,168
Amortization expense	174,066	195,053
Expected credit loss (reversed)	4,149	(2,077)
Finance costs	294,065	168,444
Interest income	(39,320)	(62,683)
Dividend income	(276)	(234)
Share of profit of associates	(320,770)	(320,451)
Loss on disposal of property, plant and equipment	-	2
Impairment loss recognized (reversed) on non-financial assets	(171,105)	17,658
Unrealized net loss on foreign currency exchange	63,530	86,886
Recognition of provisions	144,668	55,127
Other income from liabilities	(30,037)	(3,786)
Loss on disposal of financial assets	-	33,787
Benefits from lease modification	(12)	(4)
Net changes in operating assets and liabilities		
Contract assets	1,127,952	(1,874,810)
Notes receivable	12,320	9,177
Trade receivables	(2,037,158)	(5,100,563)
Other receivables	56,664	(90,425)
Inventories	(919,345)	(889,852)
Other current assets	(432,497)	151,593
Incremental costs of obtaining a contract	-	177,342
Contract liabilities	36,556	(1,038,915)
Trade payables	(114,094)	298,969
Other payables	(1,458,466)	(249,616)
Other current liabilities	(22,998)	55,846
Net defined benefit assets	-	(38,228)
Deferred income	7,232	2,172
Cash used in operations	(2,289,490)	(5,329,269)
Interest received	34,488	80,979
Interest paid	(264,174)	(166,909)
Income tax paid	(77,455)	(939,063)
Net cash used in operating activities	(2,596,631)	(6,354,262)
CASH FLOWS FROM INVESTING ACTIVITIES		
Disposal of financial assets at fair value through other comprehensive income	-	19,309
Payments for property, plant and equipment	(963,712)	(736,581)

(Continued)

AEROSPACE INDUSTRIAL DEVELOPMENT CORPORATION AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)

	For The Nine Months Ended September 30	
	2025	**2024**
Increase in refundable deposits	$ (26,954)	$ (37,695)
Decrease in refundable deposits	30,663	41,949
Payments for intangible assets	(87,040)	(111,076)
Decrease in other financial assets	35,016	385,524
Increase in other non-current assets	(11,523)	(5,395)
Increase in prepayments for equipment	(110,414)	(357,480)
Dividend received	239,470	471,850
Net cash used in investing activities	(894,494)	(329,595)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	26,684,526	18,760,000
Repayments of short-term borrowings	(27,841,444)	(9,560,000)
Proceeds from short-term bills payable	35,154,162	18,594,596
Repayments of short-term bills payable	(29,114,224)	(18,382,991)
Repayments of Bonds payable	-	(3,000,000)
Proceeds of guarantee deposits received	69,021	75,080
Refund of guarantee deposits received	(102,985)	(79,372)
Repayment of the principle portion of lease liabilities	(60,836)	(60,916)
Dividends paid to owners of the company	(1,299,777)	(1,337,451)
Net cash generated from financing activities	3,488,443	5,008,946
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	(68,031)	21,782
NET DECREASE IN CASH AND CASH EQUIVALENTS	(70,713)	(1,653,129)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	2,808,593	3,367,456
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	$ 2,737,880	$ 1,714,327

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

(With Deloitte & Touche review report dated November 10, 2025) (Concluded)

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. ORGANIZATION AND OPERATIONS

Aerospace Industrial Development Corporation (the "Company") was a state-owned enterprise formed by the Ministry of Economic Affairs on July 1, 1996 from Aero Industry Development Center, Chung-Shan Institute of Science and six other state-owned enterprises. The Company and its Subsidiaries (collectively referred to as the "Group") mainly engage in business categories as follows: design, manufacture, assembly, testing and maintenance of aircraft, engines, avionics and related components; consulting services and technology transfers of aerospace technology, logistical support and engineering technology management of large-scale projects; energy industry services; engineering and development of software and sales of aerospace products.

In July 2001, the initial public offering of the Company was approved by the Securities and Futures Commission (renamed as Securities and Futures Bureau of the Financial Supervisory Commission (FSC) of the Republic of China (ROC)). On September 13, 2013, in accordance with Rule No. 1020055531, the Company started its privatization process. On August 25, 2014, the Company was listed on the Taiwan Stock Exchange.

The consolidated financial statements are presented in the Company's functional currency, New Taiwan dollars.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the board of directors on November 10, 2025.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

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

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

b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2026

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity"	January 1, 2026
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
IFRS 17 "Insurance Contracts" (including the 2020 and 2021 amendments to IFRS 17)	January 1, 2023

Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"

a) The amendments to the application guidance of classification of financial assets

   The amendments mainly amend the requirements for the classification of financial assets, including:

   i. If a financial asset contains a contingent feature that could change the timing or amount of contractual cash flows and the contingent event itself does not relate directly to changes in basic lending risks and costs (e.g., whether the debtor achieves a contractually specified reduction in carbon emissions), the financial asset has contractual cash flows that are solely payments of principal and interest on the principal amount outstanding if, and only if,

      - In all possible scenarios (before and after the occurrence of a contingent event), the contractual cash flows are solely payments of principal and interest on the principal amount outstanding; and

      - In all possible scenarios, the contractual cash flows would not be significantly different from the contractual cash flows on a financial instrument with identical contractual terms, but without such a contingent feature.

   ii. To clarify that a financial asset has non-recourse features if an entity's ultimate right to receive cash flows is contractually limited to the cash flows generated by specified assets.

   iii. To clarify that the characteristics of contractually linked instruments include a prioritization of payments to the holders of financial assets using multiple contractually linked instruments (tranches) established through a waterfall payment structure, resulting in concentrations of credit risk and a disproportionate allocation of cash shortfalls from the underlying pool between the tranches.

b) The amendments to the application guidance of derecognition of financial liabilities

   The amendments mainly stipulate that a financial liability is derecognized on the settlement date. However, when settling a financial liability in cash using an electronic payment system, the Group can choose to derecognize the financial liability before the settlement date if, and only if, the Group has initiated a payment instruction that resulted in:

   - The Group having no practical ability to withdraw, stop or cancel the payment instruction;

   - The Group having no practical ability to access the cash to be used for settlement as a result of the payment instruction; and

   - The settlement risk associated with the electronic payment system being insignificant.

   An entity shall apply the amendments retrospectively but is not required to restate prior periods. The effect of initially applying the amendments shall be recognized as an adjustment to the opening balance at the date of initial application. An entity may restate prior periods if, and only if, it is possible to do so without the use of hindsight.

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact of the application of the amendments on the Group's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

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

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between An Investor and Its Associate or Joint Venture"	To be determined by IASB
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027 (Note2)
IFRS 19 "Subsidiaries without Public Accountability: Disclosures"(inclusive of the 2025 amendmentsto IFRS 19)	January 1, 2027

Note 1: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: On September 25, 2025, the FSC announced that IFRS 18 will take effect starting from January 1, 2028. Domestic entities could elect to apply IFRS 18 for an earlier period after the endorsement of IFRS 18 by the FSC.

IFRS 18 "Presentation and Disclosure in Financial Statements"

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

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

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

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

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

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the other impacts of the above amended standards and interpretations on the Group's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of compliance

These interim consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 "Interim Financial Reporting" as endorsed and issued into effect by the FSC. Disclosure information included in these interim consolidated financial statements is less than the disclosure information required in a complete set of annual consolidated financial statements.

b. Basis of preparation

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

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

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

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

3) Level 3 inputs are unobservable inputs for the asset or liability.

c. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e. its subsidiaries).

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company.

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

See Note 10 and Table 5 for the detailed information of subsidiaries (including percentages of ownership and main businesses).

d. Other material accounting policies

Except for the following, please refer to the consolidated financial statements for the year ended December 31, 2024.

1) Carbon fee provision

In accordance with the Regulations Governing the Collection of Carbon Fees and related regulations of the ROC, the carbon fee provision is recognized and measured on the basis of the best estimate of the expenditure required to settle the obligation for the current year and the proportion of actual emissions to the total annual emissions.

2) Retirement benefits

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant plan amendments, settlements, or other significant one-off events.

3) Income tax expense

Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period's pre-tax income the tax rate that would be applicable to expected total annual earnings.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

When developing material accounting estimates, the Group considers the possible impact of US reciprocal tariffs on the cash flow projection, growth rates, discount rates, profitability and other relevant material estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

The material accounting judgments and key sources of estimation uncertainty of these consolidated financial statements were the same as those applied to the preparation of the consolidated financial statements for the year ended December 31, 2024.

6. CASH AND CASH EQUIVALENTS

	September 30, 2025	December 31, 2024	September 30, 2024
Cash on hand and petty cash	$ 915	$ 648	$ 823
Checking accounts and demand deposits	1,652,422	1,987,834	895,045
Cash equivalents			
Time deposits with original maturities of three months or less	884,543	820,111	818,459
Repurchase agreements	200,000	-	-
	1,084,543	820,111	818,459
	$ 2,737,880	$ 2,808,593	$ 1,714,327
Rates of bank balance (%)			
Demand deposits	0.001-4.05	0.002-4.70	0.000-4.60
Time deposits	3.9-4.30	4.25	1.285-4.80
Repurchase agreements	1.42	-	-

7. FINANCIAL ASSETS AT FVTOCI

	September 30, 2025	December 31, 2024	September 30, 2024
Unlisted ordinary shares			
Aerovision Avionics Inc. (AAI)	$ 20,634	$ 22,496	$ 23,321
Taipei Metro Consulting Service Ltd. (Metro Ltd.)	2,269	2,277	2,244
	$ 22,903	$ 24,773	$ 25,565

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

From May to June 2024, the Group sold common shares of Company UHT Ltd. at a fair value of $19,309 thousand and other equity - unrealized losses on investments in equity instruments designated as at fair value through other comprehensive income of $(13,691) thousand was transferred to retained earnings.

8. NOTES RECEIVABLE, TRADE RECEIVABLES AND OTHER RECEIVABLES

	September 30, 2025	December 31, 2024	September 30, 2024
Notes receivable	$ 1,716	$ 14,036	$ 2,418
Trade receivables from unrelated parties			
At amortized cost			
Gross carrying amount	$ 11,955,067	$ 9,801,868	$ 12,462,546
Less: Allowance for impairment loss	(5,841)	(1,597)	(1,302)
	$ 11,949,226	$ 9,800,271	$ 12,461,244
Other receivables			
Tax refund receivable	$ 30,059	$ 86,837	$ 109,887
Other	6,364	1,418	3,935
	$ 36,423	$ 88,255	$ 113,822

The Group's customers are mostly national defense organizations and international aerospace corporations. The international aerospace corporations' average credit period of sales of goods is 60 to 120 days on average. Trade receivables from government depends on budget allocation. The Group adopted a policy of only dealing with entities that are rated the equivalent of investment grade or higher and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. Credit rating information is obtained from independent rating agencies where available or, if not available, the Group uses other publicly available financial information or its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

The Group uses the lifetime expected loss provision for all trade receivables to providing for expected credit losses. The expected credit losses on trade receivables are estimated using a provision matrix approach considering the historical credit rate of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecasted direction of economic conditions at the reporting date. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Group's different customer base.

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

The following table details the loss allowance of notes receivable, trade receivables and overdue receivables (accounted as other non-current assets):

	Not Past Due	Less than 90 Days	91 to 180 Days	181 to 365 Days	Over 365 Days	Total
September 30, 2025						
Expected credit loss rate	0%	0%-2%	2%-15%	10%-50%	100%	
Gross carrying amount	$ 11,891,296	$ 23,849	$ 41,638	$ 9,507	$ 3,905	$ 11,970,195
Loss allowance (Lifetime ECLs)	-	(29)	(5,812)	(1,591)	(3,905)	(11,337)
Amortized cost	$ 11,891,296	$ 23,820	$ 35,826	$ 7,916	$ -	$ 11,958,858
December 31, 2024						
Expected credit loss rate	0%	0%-2%	2%-15%	10%-50%	100%	
Gross carrying amount	$ 9,598,993	$ 207,250	$ 9,661	$ 9,488	$ 4,003	$ 9,829,395
Loss allowance (Lifetime ECLs)	-	(249)	(1,348)	(1,588)	(4,003)	(7,188)
Amortized cost	$ 9,598,993	$ 207,001	$ 8,313	$ 7,900	$ -	$ 9,822,207
September 30, 2024						
Expected credit loss rate	0%	0%-2%	2%-11%	10%-50%	100%	
Gross carrying amount	$ 12,338,668	$ 88,710	$ 37,586	$ 1,069	$ 3,556	$ 12,469,589
Loss allowance (Lifetime ECLs)	-	(550)	(752)	(417)	(3,556)	(5,275)
Amortized cost	$ 12,338,668	$ 88,160	$ 36,834	$ 652	$ -	$ 12,464,314

The movements of the loss allowance of trade receivables and overdue receivables were as follows:

	For the Nine Months Ended September 30, 2025		For the Nine Months Ended September 30, 2024	
	Trade Receivables	Overdue Receivables	Trade Receivables	Overdue Receivables
Balance at January 1	$ 1,597	$ 5,591	$ 189	$ 7,163
Impairment loss recognized (reversed)	4,244	(95)	1,113	(3,190)
Balance at September 30	$ 5,841	$ 5,496	$ 1,302	$ 3,973

9. INVENTORIES

	September 30, 2025	December 31, 2024	September 30, 2024
Raw materials	$ 9,171,831	$ 8,820,133	$ 9,800,279
Work in progress	6,387,813	5,594,139	6,110,282
Inventory in transit	364,206	538,441	423,384
	$ 15,923,850	$ 14,952,713	$ 16,333,945

Cost of goods sold related to inventory include the following items:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Recognition (reversal) of inventory write-downs	$ (73,034)	$ 16,978	$ (171,105)	$ (5,662)
Loss on disposal of inventories	13,104	4,974	30,397	22,018
Income from sales of scraps	(4,229)	(5,456)	(12,062)	(14,147)
Indemnity income	(2,445)	(6,743)	(11,080)	(50,839)

Reversal of inventory write-downs resulted from sold inventories and price increasing.

10. SUBSIDIARIES

Subsidiary included in consolidated financial statements:

		% of Ownership		
Investor	Investee	September 30, 2025	December 31, 2024	September 30, 2024
The Company	AIDC USA LLC (AIDC USA)	100	100	100
	Hsiang Yuan Co., Ltd. (HYCO)	100	100	100

For the main businesses of investee, refer to Table 5.

11. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	September 30, 2025		December 31, 2024		September 30, 2024	
	Amount	% of Ownership	Amount	% of Ownership	Amount	% of Ownership
Investment in associates						
International Turbine Engine Company LLC (ITEC)	$ 1,042,114	22.05	$ 1,042,129	22.05	$ 944,485	22.05
Jung Sheng Precision IND Co., Ltd. (JSPCO)	16,161	20.00	15,958	20.00	15,847	20.00
	$ 1,058,275		$ 1,058,087		$ 960,332	

On September 12, 2024, the board of directors of JSPCO approved the cash injection amounted to $40,000 thousand. The Company did not participate in this subscription. Therefore, the Company’s percentage of ownership interest in JSPCO decreased to 20%.

Refer to “Table 5: Information on Investees” for the nature of activities, principal place of business and country of incorporation of the associates.

The investments accounted for using the equity method and the share of profit or loss of the associate were based on the associates’ financial statements which have not been reviewed.

12. PROPERTY, PLANT AND EQUIPMENT

	Land	Land Improvements	Buildings	Machinery and Equipment	Transportation Equipment	Other Equipment	Property in Construction	Total
Cost								
Balance at January 1, 2025	$ 194,775	$ 119,336	$ 7,038,459	$17,740,994	$ 788,673	$ 1,018,906	$ 1,290	$26,902,433
Additions	-	-	55,501	549,270	2,199	113,289	2,791	723,050
Disposals	-	-	-	(57,430)	(2,564)	(4,201)	-	(64,195)
Reclassification	-	-	1,290	281,231	-	3,230	(1,290)	284,461
Effects of foreign currency exchange differences	(4,716)	-	(21,743)	(571)	(156)	(131)	-	(27,317)
Balance at September 30, 2025	$ 190,059	$ 119,336	$ 7,073,507	$18,513,494	$ 788,152	$ 1,131,093	$ 2,791	$27,818,432
Accumulated depreciation and impairment								
Balance at January 1, 2025	$ -	$ 117,851	$ 3,870,116	$12,033,059	$ 739,458	$ 692,863	$ -	$17,453,347
Depreciation expense	-	278	117,331	778,750	9,931	49,825	-	956,115
Disposals	-	-	-	(57,430)	(2,564)	(4,201)	-	(64,195)
Effects of foreign currency exchange differences	-	-	(131)	(21)	(27)	(40)	-	(219)
Balance at September 30, 2025	$ -	$ 118,129	$ 3,987,316	$12,754,358	$ 746,798	$ 738,447	$ -	$18,345,048
Carrying amounts at January 1, 2025	$ 194,775	$ 1,485	$ 3,168,343	$ 5,707,935	$ 49,215	$ 326,043	$ 1,290	$ 9,449,086
Carrying amounts at September 30, 2025	$ 190,059	$ 1,207	$ 3,086,191	$ 5,759,136	$ 41,354	$ 392,646	$ 2,791	$ 9,473,384
Cost								
Balance at January 1, 2024	$ 5,932	$ 119,436	$ 6,684,409	$16,796,133	$ 777,925	$ 998,639	$ 69	$25,382,543
Additions	58,373	-	275,005	405,615	13,192	23,085	1,641	776,911
Disposals	-	(100)	-	(117,516)	(2,450)	(6,334)	-	(126,400)
Reclassification	-	-	-	75,977	-	-	-	75,977
Effects of foreign currency exchange differences	(517)	-	(2,541)	10	(20)	(13)	-	(3,081)
Balance at September 30, 2024	$ 63,788	$ 119,336	$ 6,956,873	$17,160,219	$ 788,647	$ 1,015,377	$ 1,710	$26,105,950
Accumulated depreciation and impairment								
Balance at January 1, 2024	$ -	$ 117,277	$ 3,710,469	$11,274,521	$ 719,769	$ 632,484	$ -	$16,454,520
Depreciation expenses	-	547	120,656	704,379	16,829	50,550	-	892,961
Disposals	-	(98)	-	(117,516)	(2,450)	(6,334)	-	(126,398)
Effects of foreign currency exchange differences	-	-	22	6	(2)	3	-	29
Balance at September 30, 2024	$ -	$ 117,726	$ 3,831,147	$11,861,390	$ 734,146	$ 676,703	$ -	$17,221,112
Carrying amounts at January 1, 2024	$ 5,932	$ 2,159	$ 2,973,940	$ 5,521,612	$ 58,156	$ 366,155	$ 69	$ 8,928,023
Carrying amounts at September 30, 2024	$ 63,788	$ 1,610	$ 3,125,726	$ 5,298,829	$ 54,501	$ 338,674	$ 1,710	$ 8,884,838

The above items of property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives of the assets:

Land improvements	2-50 years
Buildings	
Main buildings	20-45 years
Others	3-60 years
Machinery and equipment	2-40 years
Transportation equipment	2-15 years
Other equipment	2-35 years

Property, plant and equipment pledged as collateral for bank borrowings were set out in Note 30.

13. LEASE ARRANGEMENTS

a. Right-of-use assets

	September 30, 2025	December 31, 2024	September 30, 2024
Carrying amounts			
Land	$ 1,336,087	$ 1,416,252	$ 1,443,838
Buildings	5,961	9,358	10,490
Machinery and equipment	1,220	1,662	1,809
Transportation equipment	8,582	8,378	7,813
Other equipment	575	4,132	5,379
	$ 1,352,425	$ 1,439,782	$ 1,469,329

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Additions to right-of-use assets	$ 2,087	$ 7,212	$ 3,753	$ 65,944
Depreciation charge for right-of-use assets				
Land	$ 26,617	$ 27,586	$ 81,231	$ 82,912
Buildings	1,132	1,134	3,397	3,569
Machinery and equipment	147	122	442	263
Transportation equipment	744	493	2,031	942
Other equipment	1,295	1,249	3,841	3,747
	$ 29,935	$ 30,584	$ 90,942	$ 91,433

Except for the aforementioned addition and recognized depreciation, the Group did not have significant sublease or impairment of right-of-use assets during the nine months ended September 30, 2025 and 2024.

b. Lease liabilities

	September 30, 2025	December 31, 2024	September 30, 2024
Carrying amounts			
Current	$ 111,323	$ 112,713	$ 114,830
Non-current	$ 1,333,444	$ 1,388,592	$ 1,441,044

Range of discount rate for lease liabilities was as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Land	1.60-2.45	1.60	1.45-1.60
Buildings	1.95	1.95	1.95
Machinery and equipment	1.50-1.95	1.50-1.95	1.50-1.95
Transportation equipment	1.95-5.89	1.95-5.89	1.95-5.89
Other equipment	1.75-2.615	1.75-1.95	1.75-1.95

c. Material lease-in activities and terms

The Group leases land and buildings for the use of plants and office spaces with lease terms of 2 to 42 years.

d. Other lease information

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Expenses relating to short-term leases	$ 9,439	$ 9,108	$ 25,816	$ 23,617
Expenses relating to low-value asset leases	$ 259	$ 296	$ 803	$ 911
Total cash outflow for leases	$ (13,090)	$ (12,524)	$ (87,455)	$ (85,444)

The Group’s leases of certain land, buildings, machinery and equipment, transportation equipment and other equipment qualify as short-term leases, and certain transportation equipment qualify as low-value asset leases. The Group has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

14. INTANGIBLE ASSETS

	September 30, 2025	December 31, 2024	September 30, 2024
Other intangible assets			
Computer software	$ 61,549	$ 89,235	$ 54,890
Deferred technical cooperation expenses	8,523	13,637	15,342
Patent	1,251	1,375	1,382
Trademark	36	47	50
	71,359	104,294	71,664
Intangible assets in development			
Non-recurring costs of projects	457,464	492,884	632,517
	$ 528,823	$ 597,178	$ 704,181

	Other Intangible Assets	Intangible Assets in Development
Cost		
Balance at January 1, 2025	$ 1,176,614	$ 7,440,409
Additions from internal developments	-	91,237
Additions	5,379	-
Disposals	(6,198)	-
Effects of foreign currency exchange differences	(72)	-
Balance at September 30, 2025	1,175,723	7,531,646
Accumulated amortization and impairment		
Balance at January 1, 2025	1,072,320	6,947,525
Amortization expense	38,272	126,657
Disposals	(6,198)	-
Effects of foreign currency exchange differences	(30)	-
Balance at September 30, 2025	1,104,364	7,074,182
Carrying amounts at September 30, 2025	$ 71,359	$ 457,464
Cost		
Balance at January 1, 2024	$ 1,136,110	$ 7,357,445
Additions from internal developments	-	90,887
Additions	29,002	-
Disposals	(8,256)	(29,499)
Reclassification transfer-in	346	-
Effects of foreign currency exchange differences	(6)	-
Balance at September 30, 2024	1,157,196	7,418,833
Accumulated amortization and impairment		
Balance at January 1, 2024	1,067,112	6,656,363
Amortization expense	26,674	159,452
Disposals	(8,256)	(29,499)
Effects of foreign currency exchange differences	2	-
Balance at September 30, 2024	1,085,532	6,786,316
Carrying amounts at September 30, 2024	$ 71,664	$ 632,517

Non-recurring costs of projects include the costs related to product design, tooling design and fabrication, production planning, specimen and prototype trial fabrication. Deferred technical cooperation expenses include the participation fees or royalties for participation in international cooperation and development of new business. The amounts were allocated by the proportion of actual sales volume divided by expected sales volume.

The above items of intangible assets are amortized on a straight-line basis over their estimated useful lives of the assets as follows:

Trademark	10-25 years
Patent	10-20 years
Computer software	2-3 years

15. OTHER FINANCIAL ASSETS

Other financial assets are time deposits with original maturities over three months from the date of acquisition and deposits held for the National Defense Industrial Development Foundation. For pledged assets information, refer to Note 30.

	September 30, 2025	December 31, 2024	September 30, 2024
Other financial assets - current	$ 1,530,593	$ 1,464,760	$ 1,399,048
Other financial assets - non-current	8,057	8,057	8,057
	$ 1,538,650	$ 1,472,817	$ 1,407,105
Rates of interest per annum (%)	1.335-1.80	1.335-1.80	1.335-2.20

16. OTHER ASSETS

	September 30, 2025	December 31, 2024	September 30, 2024
Current			
Prepayment	$ 890,782	$ 543,899	$ 384,040
Others	391,055	305,441	462,464
	$ 1,281,837	$ 849,340	$ 846,504
Non-current			
Overdue receivables (Note 8)	$ 13,412	$ 13,491	$ 4,625
Less: Allowance for impairment loss	(5,496)	(5,591)	(3,973)
	7,916	7,900	652
Refundable deposits	57,739	61,451	63,058
Others	37,853	36,719	28,810
	$ 103,508	$ 106,070	$ 92,520

17. BORROWINGS

a. Short-term borrowings

	September 30, 2025	December 31, 2024	September 30, 2024
Unsecured borrowings	$ 5,313,353	$ 6,400,000	$ 9,700,000
Rates of interest per annum (%)	1.74-4.80	1.74-1.846	1.64-1.86

b. Short-term bills payable

	September 30, 2025	December 31, 2024	September 30, 2024
Commercial paper	$ 12,500,000	$ 6,450,000	$ 7,670,000
Less: Unamortized discount on bills payable	(17,674)	(7,612)	(13,925)
	$ 12,482,326	$ 6,442,388	$ 7,656,075
Rates of interest per annum (%)	1.46-1.58	1.72-1.80	1.65-1.75

c. Long-term borrowings

	September 30, 2025	December 31, 2024	September 30, 2024
Unsecured borrowings	$ 3,000,000	$ 3,000,000	$ -
Less: Current portion	(1,125,000)	-	-
Long-term borrowings	$ 1,875,000	$ 3,000,000	$ -
Rates of interest per annum (%)	1.785	1.785	-

The loan period is from December 13, 2024, to December 13, 2027. According to the loan agreement, interest is paid monthly, with the first disbursement date serving as the interest payment date. Starting from March 13, 2026, principal will be repaid quarterly, with a total of 8 principal repayments over 2 years.

18. BONDS PAYABLE

	September 30, 2025	December 31, 2024	September 30, 2024
Unsecured domestic bonds	$ 3,450,000	$ 3,450,000	$ 3,450,000
Less: Unamortized discount on bonds payable	(1,673)	(2,146)	(2,304)
	$ 3,448,327	$ 3,447,854	$ 3,447,696

In September 2019, the Company issued a 5-year NTD-denominated unsecured bonds of $3,000,000 thousand at 0.71% in Taiwan. An interest per annum will be paid at the simple coupon rate, and the repayment is due 5 years from the date of issuance, repayable in September 17, 2024.

In May 2021, the Company issued a 7-year NTD-denominated unsecured bonds of $3,450,000 thousand at 0.52% in Taiwan. An interest per annum will be paid at the simple coupon rate, and the due date for repayment is 7 years from the date of issuance.

19. OTHER PAYABLES

	September 30, 2025	December 31, 2024	September 30, 2024
Payable for salaries and bonuses	$ 752,469	$ 1,638,947	$ 1,261,180
Payable for outsourcing	544,401	778,947	757,592
Payable for annual leave	283,863	237,224	281,830
Payable for purchase of equipment	92,404	333,066	247,440
Payable for service fee	66,223	83,603	97,066
Payable for employees compensation and remuneration of directors	11,239	140,216	105,853
Others	683,951	901,601	1,092,727
	$ 2,434,550	$ 4,113,604	$ 3,843,688

20. PROVISIONS - CURRENT

	September 30, 2025	December 31, 2024	September 30, 2024
Warranties	$ 815,264	$ 783,798	$ 788,441
Others	351	6,462	6,462
	$ 815,615	$ 790,260	$ 794,903

The provision for warranty claims represents the present value of management's best estimate of the future outflow of economic benefits that will be required under the Group's obligations for warranties under contracts for the sale of goods. The estimate had been made on the basis of historical warranty trends and may vary as a result of other events affecting product quality.

Others refer to the obligation of the Group to improve its Taichung Complex groundwater pollution remediation site as ordered by the Environmental Protection Administration. The Group has the obligation to improve this site and recognized the discounted value of the best estimate of the remediation expenses as provisions. Starting from 2025, the Group recognizes the carbon fee provision in accordance with the Regulations Governing the Collection of Carbon Fees and related regulations of the ROC. The carbon fee provision was calculated based on the standard rate.

21. RETIREMENT BENEFIT PLANS

Employee benefit expenses in respect of the Group's defined benefit retirement plans were calculated using the actuarially determined pension cost discount rate as of December 31, 2024 and 2023. Employee benefit expenses for the three months ended September 30, 2025 and 2024 were $71,960 thousand and $84,670 thousand and for the nine months ended September 30, 2025 and 2024 were $215,882 thousand and $254,010 thousand, respectively.

22. EQUITY

a. Ordinary shares

	September 30, 2025	December 31, 2024	September 30, 2024
Number of shares authorized (in thousands)	1,500,000	1,500,000	1,500,000
Shares authorized	$ 15,000,000	$ 15,000,000	$ 15,000,000
Number of shares issued and fully paid (in thousands)	941,867	941,867	941,867
Shares issued	$ 9,418,671	$ 9,418,671	$ 9,418,671

b. Capital surplus

The types of capital surplus of the Company and the requirements for its use are as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
May only be used to offset a deficit			
Share of changes in capital surplus of associates	$ 18,251	$ 18,251	$ 18,251

c. Retained earnings and dividend policy

The Company's Articles of Incorporation provide that the annual net income after paying income tax should be used first to make up for prior years' losses, set aside 10% as a legal reserve and appropriate or reverse special reserve. The residual earnings will be allocated by the resolution in the shareholders' meeting. For information about the accrual basis of the compensation of employees and remuneration of directors and the actual appropriations, please refer to Note 24 (d).

Profits of the Company may be distributed by way of cash dividend or share dividend. Distribution of profits shall be made preferably by way of cash dividend. However, the ratio of share dividend shall not exceed 50% of total distribution.

Appropriation of earnings to legal reserve shall be made until the legal reserve equals the Company's capital surplus. Legal reserve may be used to offset deficit. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's capital surplus, the excess may be transferred to capital or distributed in cash.

Under Rule No. 1090150022 issued by the FSC and the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRS Accounting Standards", the Company should appropriate to or reverse from special reserve.

The appropriations of earnings for 2024 and 2023 were approved in the shareholders' meetings on May 22, 2025 and May 27, 2024, respectively, were as follows:

	Appropriation of Earnings		Dividends Per Share (NT$)	
	2024	2023	2024	2023
Legal reserve	$ 236,144	$ 225,005		
Special reserve	-	18,246		
Reversal of special reserve	(18,246)	(45,083)		
Cash dividends	1,299,777	1,337,451	$ 1.38	$ 1.42

23. REVENUE

a. Sales

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Aircraft/Vehicle Maintenance	$ 4,193,412	$ 5,536,732	$ 12,687,201	$ 16,583,701
Aero/Industrial Engine	4,422,911	2,867,363	11,333,557	10,341,037
Industrial Technology Services	198,336	234,751	472,263	1,092,119
	$ 8,814,659	$ 8,638,846	$ 24,493,021	$ 28,016,857

Based on the execution status of customer contracts, the Company estimates the potential overdue delivery penalty amounts. The amounts recognized are $443,137 thousand, $247,289 thousand, $928,528 thousand and $369,760 thousand for the three months and for the nine months ended September 30, 2025 and 2024, respectively, and are recorded as a reduction in sales revenue. In the future, adjustments will be made based on the outcome of negotiations to seek penalty exemptions due to force majeure factors.

b. Contract balances

	September 30, 2025	December 31, 2024	September 30, 2024	January 1, 2024
Contract assets				
Aircraft/vehicle maintenance	$ 3,827,907	$ 4,955,859	$ 3,249,452	$ 540,735
Others	-	-	10,481	844,388
	$ 3,827,907	$ 4,955,859	$ 3,259,933	$ 1,385,123
Contract liabilities				
Aircraft/vehicle maintenance	$ 40,184	$ 9,866	$ 45,869	$ 1,094,817
Others	47,795	41,557	41,637	31,604
	$ 87,979	$ 51,423	$ 87,506	$ 1,126,421

The Group measures the loss allowance for contract assets at an amount equal to lifetime ECLs. The contract assets will be transferred to accounts receivable when the corresponding invoice is billed to the client, and the contract assets have substantially the same risk characteristics as the trade receivables. Therefore, the Group concluded that the expected loss rates for trade receivables can be applied to the contract assets.

	September 30, 2025	December 31, 2024	September 30, 2024
Expected credit loss rate	0%	0%	0%
Gross carrying amount	$ 3,827,907	$ 4,955,859	$ 3,259,933
Allowance for impairment loss (Lifetime ECLs)	-	-	-
	$ 3,827,907	$ 4,955,859	$ 3,259,933

24. NET PROFIT

a. Other income

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Subsidy income	$ 571	$ 8,453	$ 38,491	$ 16,556
Remedy income	8,479	1,326	13,085	7,273
Others	16,565	14,547	50,565	27,213
	$ 25,615	$ 24,326	$ 102,141	$ 51,042

b. Other gains and losses

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Net foreign exchange gains (losses)	$ 65,027	$ (128,305)	$ (438,668)	$ 177,777
Impairment loss(Note 12)	-	-	-	(23,320)
Loss on disposal of property, plant and equipment	-	(2)	-	(2)
Handling fee	(6,530)	(3,977)	(22,829)	(18,584)
Others	(23,943)	(24,661)	(84,262)	(107,085)
	$ 34,554	$ (156,945)	$ (545,759)	$ 28,786

The Group recognized an impairment loss of $23,320 thousand on prepaid equipment in June 2024 because the equipment purchased did not meet the acceptance criteria and the contract was terminated in default. The Group expects that future cash inflows from the production of the equipment will decrease, and the recoverable amount of the prepaid equipment will be less than the carrying amount. The Group used the value-in-use as the recoverable amount of this prepaid equipment. The impairment loss was included in other gains and losses in the consolidated statements of income.

c. Employee benefits, depreciation and amortization

	Operating Cost	Operating Expense	Non-operating Expense	Transfer to Development Intangible Assets	Capital Cost	Total
For the Three Months Ended September 30, 2025						
Employee benefits expense						
Salaries expense	$ 1,115,737	$ 144,478	$ -	$ 8,604	$ 315	$ 1,269,134
Retirement benefit						
Defined contribution plans	35,757	5,951	-	313	11	42,032
Defined benefit plans	61,387	10,004	-	550	19	71,960
Labor and health insurance	91,724	9,813	17,932	681	27	120,177
Other employee benefits	13,919	1,630	2,693	6	1	18,249
Depreciation expense	341,208	12,514	-	3,618	77	357,417
Amortization expense	45,817	5,668	-	588	4	52,077

	Operating Cost	Operating Expense	Non-operating Expense	Transfer to Development Intangible Assets	Capital Cost	Total
For the Three Months Ended September 30, 2024						
Employee benefits expense						
Salaries expense	$ 1,219,031	$ 146,823	$ -	$ 7,665	$ 16	$ 1,373,535
Retirement benefit						
Defined contribution plans	33,018	4,050	-	255	-	37,323
Defined benefit plans	74,811	9,291	-	566	2	84,670
Labor and health insurance	86,993	7,436	17,515	526	1	112,471
Other employee benefits	14,458	1,473	2,861	5	-	18,797
Depreciation expense	314,848	12,112	412	2,317	5	329,694
Amortization expense	60,927	3,036	-	146	-	64,109
For the Nine Months Ended September 30, 2025						
Employee benefits expense						
Salaries expense	3,426,929	433,755	-	19,129	726	3,880,539
Retirement benefit						
Defined contribution plans	103,974	15,662	-	684	25	120,345
Defined benefit plans	187,056	27,544	-	1,237	45	215,882
Labor and health insurance	289,900	31,203	55,413	1,504	60	378,080
Other employee benefits	38,780	5,697	7,459	13	1	51,950
Depreciation expense	998,494	39,242	997	8,163	161	1,047,057
Amortization expense	157,424	16,642	-	1,241	11	175,318
For the Nine Months Ended September 30, 2024						
Employee benefits expense						
Salaries expense	4,175,700	486,583	-	24,116	404	4,686,803
Retirement benefit						
Defined contribution plans	141,244	17,704	-	1,023	16	159,987
Defined benefit plans	224,221	28,134	-	1,631	24	254,010
Labor and health insurance	289,697	27,998	54,329	1,808	32	373,864
Other employee benefits	44,600	5,302	8,296	16	-	58,214
Depreciation expense	934,740	40,211	1,217	8,088	138	984,394
Amortization expense	186,243	8,810	-	580	7	195,640

d. Compensation of employees and remuneration of directors

According to the Company’s Articles, the Company accrues distribution of compensation of employees at the rates no less than 0.58% and no higher than 4.65% and remuneration of directors at the rates no more than 0.58%, respectively, of net profit before income tax. In accordance with the amendments to the Securities and Exchange Act in August 2024, the shareholders of the Company expect to resolve the amendments to the Company’s Articles at their 2025 regular meeting. For the three months ended September 30, 2025 and 2024, and for the nine months ended September 30, 2025 and 2024, the compensation of employees and remuneration of directors were as follows:

	For the Nine Months Ended September 30	
	2025	2024
The Proportion of Estimate		
Compensation of employees	4.65%	4.65%
Remuneration of directors	0.58%	0.58%

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Amount				
Compensation of employees	$ 9,984	$ 14,467	$ 9,984	$ 94,114
Remuneration of directors	1,245	1,805	1,245	11,739

If there is a change in the amounts after the annual consolidated financial statements are authorized for issue, the differences are recorded as a change in accounting estimate.

The appropriations of compensation of employees and remuneration of directors for 2024 and 2023 that were resolved by the board of directors on March 27, 2025 and March 26, 2024, respectively, are as shown below:

	For the Year Ended December 31	
	2024	2023
Compensation of employees	$ 124,666	$ 127,108
Remuneration of directors	15,550	15,855

There is no difference between the actual amounts of compensation of employees and remuneration of directors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2024 and 2023.

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

e. Gain or loss on foreign currency exchange

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Foreign exchange gains	$ 750,814	$ 130,955	$ 1,071,993	$ 783,978
Foreign exchange losses	(685,787)	(259,260)	(1,510,661)	(606,201)
Net gains (losses)	$ 65,027	$ (128,305)	$ (438,668)	$ 177,777

25. INCOME TAXES

a. Tax expense recognized in profit or loss

Major components of tax expense (benefit) are as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Current tax				
In respect of the current period	$ (38,253)	$ 96,252	$ 86,868	$ 433,583
Adjustments for prior years	-	1,050	-	1,540
Deferred tax				
In respect of the current period	97,450	(3,336)	2,828	58,849
Income tax expense recognized in profit or loss	$ 59,197	$ 93,966	$ 89,696	$ 493,972

The federal tax rates used by a Subsidiary in the United States were both 21% for the nine months ended September 30, 2025 and 2024, the state tax rates is determined by the state government where the residence is located.

b. Income tax recognized in other comprehensive income

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Deferred tax				
Exchange differences on translation of the financial statements of foreign operations	$ -	$ (11,032)	($ 29,711)	$ 10,831

c. Income tax assessments

Income tax returns of the Company through 2023 have been examined and cleared by the tax authorities.

26. EARNINGS PER SHARE

Unit: NT$ Per share

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Basic earnings per share	$ 0.21	$ 0.26	$ 0.22	$ 1.72
Diluted earnings per share	$ 0.21	$ 0.26	$ 0.22	$ 1.72

The earnings and weighted average number of ordinary shares outstanding in the computation of earnings per share were as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Profit for the period attributable to owners of the Company				
Earnings used in the computation of basic earnings per share (Earnings used in the computation of diluted earnings per share)	$ 193,080	$ 245,285	$ 206,957	$ 1,620,179
Weighted average number of ordinary shares outstanding (in thousand shares)				
Weighted average number of ordinary shares in computation of basic earnings per share	$ 941,867	$ 941,867	$ 941,867	$ 941,867
Effect of potentially dilutive ordinary shares				
Employees' compensation issue to employees	177	1,953	921	2,768
Weighted average number of ordinary shares used in the computation of diluted earnings per share	942,044	943,820	942,788	944,635

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

27. CAPITAL MANAGEMENT

The Group must maintain adequate capital necessary for profitable operations and business expansion, equipment upgrade and participation in international new aircraft developing and engine development cooperation project. Therefore, the Group manages its capital to ensure that the Group will have enough financial resources to respond accordingly to its working capital requirements at least for the next 12 months, capital expenditures, participation in international new aircraft developing and repayments of liabilities.

The capital structure of the Group consists of net debt (long-term and short-term borrowings offset by cash and cash equivalents and other financial assets) and equity (comprising ordinary shares, capital surplus, retained earnings and other equity).

28. FINANCIAL INSTRUMENTS

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

The management believes that carrying amounts of financial assets and financial liabilities recognized in the consolidated financial statements approximate their fair values or their fair values cannot be reliably measured.

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

1) Fair value hierarchy

	Level 1	Level 2	Level 3	Total
September 30, 2025				
Financial assets at FVTOCI				
Investments in equity instruments				
Unlisted shares	$ -	$ -	$ 22,903	$ 22,903
December 31, 2024				
Financial assets at FVTOCI				
Investments in equity instruments				
Emerging market shares	$ -	$ -	$ 24,773	$ 24,773
September 30, 2024				
Financial assets at FVTOCI				
Investments in equity instruments				
Emerging market shares	$ -	$ -	$ 25,565	$ 25,565

There were no transfers between Level 1 and 2 in for the nine months ended September 30, 2025 and 2024, respectively.

2) Reconciliation of Level 3 fair value measurements of financial instruments

For the nine months ended September 30, 2025

Financial Assets	Financial Assets at FVTOCI Equity Instruments
Balance at January 1, 2025	$ 24,773
Recognized in other comprehensive loss	(1,870)
Balance at September 30, 2025	$ 22,903

For the nine months ended September 30, 2024

Financial Assets	Financial Assets at FVTOCI Equity Instruments
Balance at January 1, 2024	$ 27,389
Recognized in other comprehensive loss	(1,824)
Balance at September 30, 2024	$ 25,565

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

The marketable securities of unlisted shares held by the Group is estimated using the evaluation method when there is no market price reference. The fair value of unlisted shares was evaluated using the asset-based approach.

c. Categories of financial instruments

	September 30, 2025	December 31, 2024	September 30, 2024
Financial assets			
Financial assets at amortized cost	$ 16,743,774	$ 14,774,021	$ 15,967,101
Financial assets at fair value through other comprehensive income - non-current	22,903	24,773	25,565
Financial liabilities			
Financial liabilities at amortized cost	30,264,622	26,086,938	27,662,708

Financial assets at amortized cost comprise cash and cash equivalents, notes receivable, trade receivables, other receivables, overdue receivables, other financial assets and refundable deposits.

Financial liabilities at amortized cost comprise short-term borrowings, short-term bills payable, trade payables, other payables (excluded payables for salaries and bonuses, payables for annual leave and payables for of employees compensation and remuneration of directors), bonds payable (included not later than one year), other financial liabilities (accounted at other current liabilities), long-term borrowings (included not later than one year) and guarantee deposits.

d. Financial risk management objectives and policies

The Group’s major financial risk management objectives are to manage the market risk (including currency risk and interest rate risk), credit risk and liquidity risk of operating activities. The Group minimizes the unfavorable effects of these risks by identification and assessment of the risks and by applying aversion methods to the uncertainties.

The Group’s financial targets including its investment plan for property, plant and equipment are laid out in its “Five-Year Business Plan”, which were approved by the board of directors. The financial plan includes risk management policies and the division of responsibilities.

The Group’s major financial instruments include cash and cash equivalents, trade receivable, short-term borrowings, short-term bills payable, trade payables, bonds payable (included not later than one year) and long-term borrowings (included not later than one year). The financial department coordinates access to domestic financial markets.

1) Market risk

The Group’s activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

There had been no change to the Group’s exposure to market risks or the manner in which these risks were managed and measured.

Foreign currency risk

The Group minimizes its currency exposure by natural hedging. Foreign currency operation performance is reported to the key management personnel every quarter and the expected foreign currency and operation direction are set for the next quarter.

The carrying amounts of the Group’s foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are set out in Note 32.

Sensitivity analysis

The Group was mainly exposed to the U.S. dollar. The Group’s sensitivity to an increase or decrease of 0.5% in New Taiwan dollars against the relevant foreign currencies means profit before income tax would increased/decreased by $17,450 thousand and $28,971 thousand for the nine months ended September 30, 2025 and 2024, respectively. The sensitivity rate of 0.5% represents the management’s assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis included only outstanding foreign currency denominated monetary items, with the foreign currency rates at the end of the reporting period adjusted for a 0.5% change.

Interest rate risk

The Group’s interest risk is evaluated in terms of short-term borrowings, short-term bills payable, bonds payable (included not later than one year), long-term borrowings (included not later than one year) and lease liabilities. Borrowing and repayment require budget planning in advance to control the interest risk. Interest rates of short-term loans from different financial organizations are compared and lowest one will be selected.

Sensitivity analysis

If interest rates had been 25 basis points higher/lower and all other variables were held constant, the Group’s pre-tax profit for the nine months ended September 30, 2025 and 2024 would decrease/increase by $15,588 thousand and $10,875 thousand, respectively, which was mainly attributable to the Group’s exposure to interest rates on its variable-rate bank borrowings. A 25 basis point increase or decrease was used when reporting interest rate risk internally to key management personnel and represents management’s assessment of the reasonably possible change in interest rates.

2) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The possible financial loss would equal to the carrying amount of the recognized financial assets as stated in the balance sheets. However, the Group is executing forward exchange only with the correspondent financial institutions, and they are creditworthy with no credit risks.

The Group's dealing counterparties are national defence organizations and international aerospace corporations, and they are creditworthy with extreme low risk of bankruptcy. The Group's key management checks the accounts receivable every month, and instructs the project team to collect the past due amounts.

The Group's concentration of credit risk by geographical location was mainly in the United States, which accounted for 39%, 41% and 30% of the total trade receivables as of September 30, 2025, December 31, 2024 and September 30, 2024, respectively.

3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

The Group relies on bank borrowings as a significant source of liquidity. As of September 30, 2025, December 31, 2024 and September 30, 2024, the Group had available unutilized bank loan facilities as set out in (b) below.

a) Liquidity and interest risk rate tables for non-derivative financial liabilities

The following tables details the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables had been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The tables included both interest and principal cash flows. Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed repayment dates.

Non-derivative Financial Liabilities	**Less than 1 Year**	**1 to 5 Year**	**More than 5 Year**
September 30, 2025			
Non-interest bearing liabilities	$ 5,781,485	$ 239,131	$ -
Lease liabilities	113,853	315,076	1,368,110
Variable interest rate liabilities	6,438,353	1,875,000	-
Fixed interest rate liabilities	12,500,000	3,450,000	-
	$ 24,833,691	$ 5,879,207	$ 1,368,110
December 31, 2024			
Non-interest bearing liabilities	$ 6,523,601	$ 273,095	$ -
Lease liabilities	136,323	356,897	1,392,440
Variable interest rate liabilities	5,500,000	3,000,000	-
Fixed interest rate liabilities	7,350,000	3,450,000	-
	$ 19,509,924	$ 7,079,992	$ 1,392,440

Non-derivative Financial Liabilities	Less than 1 Year	1 to 5 Year	More than 5 Year
September 30, 2024			
Non-interest bearing liabilities	$ 6,600,476	$ 258,461	$ -
Lease liabilities	139,156	396,472	1,416,555
Variable interest rate liabilities	5,800,000	-	-
Fixed interest rate liabilities	11,570,000	3,450,000	-
	$ 24,109,632	$ 4,104,933	$ 1,416,555

The amounts included above for variable interest rate instruments for both non-derivative financial assets and liabilities are subject to change if changes in variable interest rates differ from those estimates of interest rates determined at the end of the reporting period.

b) Financing facilities (reviewed annually)

	September 30, 2025	December 31, 2024	September 30, 2024
Unsecured bank loan facility:			
Amount unused	$ 17,528,378	$ 16,232,507	$ 12,887,905

29. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its Subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and related parties are disclosed below.

a. Related party name and categories

Related Party Name	Relationship with the Consolidated Company
ITEC	Associate
JSPCO	Associate
Ministry of Economic Affairs	Corporate director

b. Sales of goods

Related Parties Name	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
ITEC	$ 682,367	$ 463,392	$ 1,876,399	$ 1,641,849
JSPCO	-	-	9	23
	$ 682,367	$ 463,392	$ 1,876,408	$ 1,641,872

The Group's sales prices to related party are based on the contracts. The collection terms are as follows:

Item	Collection terms
Engine	30 days after the invoice date
Backup parts	Offset accounts receivable with accounts payable

There is no unrelated party with similar product item to compare the engine (parts) sales price. The backup parts are no significant difference between the sale price and conditions for related parties and non-related parties.

c. Purchase of goods

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
Related Parties Name	**2025**	**2024**	**2025**	**2024**
ITEC	$ 472,372	$ 319,397	$ 1,098,558	$ 915,441

The Group's buying prices from related party are based on contract. The payment term in principle is 1-2 months or paying after offset of accounts receivable. There are no unrelated parties with similar product items that can serve as basis of comparison of prices and terms.

d. Manufacturing expenses

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
Related Parties Name	**2025**	**2024**	**2025**	**2024**
JSPCO	$ 18,854	$ 21,760	$ 54,441	$ 66,743
ITEC	-	5,750	-	11,762
	$ 18,854	$ 27,510	$ 54,441	$ 78,505

e. Receivables from related parties

Related Parties Name	September 30, 2025	December 31, 2024	September 30, 2024
ITEC	$ 414,224	$ 520,698	$ 204,475

The outstanding trade receivables from related parties are unsecured and without recognition of expected credit loss were recognized on trade receivables from related parties.

f. Payables to related parties

Related Parties Name	September 30, 2025	December 31, 2024	September 30, 2024
ITEC	$ 206,634	$ 74,232	$ 119,660

The outstanding trade payables to related parties are unsecured.

g. Other payables

Related Parties Name	September 30, 2025	December 31, 2024	September 30, 2024
JSPCO	$ 4,621	$ 4,666	$ 6,375

h. Remuneration of key management personnel

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Short-term benefits	$ 10,832	$ 8,945	$ 42,278	$ 41,234
Post-employment benefits	3,498	449	7,057	1,347
	$ 14,330	$ 9,394	$ 49,335	$ 42,581

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

30. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following time deposits and property, plant and equipment were provided as collateral for obligation:

	September 30, 2025	December 31, 2024	September 30, 2024
Property, plant and equipment	$ 1,633,824	$ 1,686,719	$ 1,705,037
Other financial assets - current	-	4,807	4,549
Other financial assets - non-current	8,057	8,057	8,057
	$ 1,641,881	$ 1,699,583	$ 1,717,643

31. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant commitments and contingencies of the Group were as follows:

a. As of September 30, 2025, December 31, 2024 and September 30, 2024, unused letters of credit for purchases of raw materials and machinery and equipment amounted to approximately $126,918 thousand, $625,688 thousand and $779,554 thousand, respectively.

b. As of September 30, 2025, December 31, 2024 and September 30, 2024, unpaid contract for purchases of raw materials and machinery and equipment amounted to approximately $29,100,656 thousand, $25,558,275 thousand and $27,414,034 thousand, respectively.

32. OTHER

The Group's significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies of the entities in the Group and the related exchange rates between foreign currencies and respective functional currencies were as follows:

	September 30, 2025			December 31, 2024		
	Foreign Currencies	Exchange Rate	New Taiwan Dollars	Foreign Currencies	Exchange Rate	New Taiwan Dollars
Financial assets						
Monetary items						
USD	$ 274,804	30.445	$ 8,366,408	$ 241,382	32.785	$ 7,913,709
Non-monetary items						
USD	78,703	30.445	2,396,115	70,590	32.785	2,314,306
Financial liabilities						
Monetary items						
USD	160,171	30.445	4,876,406	50,716	32.785	1,662,724

	September 30, 2024		
	Foreign Currencies	Exchange Rate	New Taiwan Dollars
Financial assets			
Monetary items			
USD	$ 239,252	31.65	$ 7,572,326
Non-monetary items			
USD	67,955	31.65	2,150,782
Financial liabilities			
Monetary items			
USD	56,184	31.65	1,778,224

The significant unrealized foreign exchange gains (losses) were as follows:

	For the Nine Months Ended September 30			
	2025		2024	
Foreign Currencies	Exchange Rate	Net Foreign Exchange Loss	Exchange Rate	Net Foreign Exchange Loss
USD	30.445	$ (71,502)	31.65	$ (90,409)

	For the Three Months Ended September 30			
	2025		2024	
Foreign Currencies	Exchange Rate	Net Foreign Exchange Gain	Exchange Rate	Net Foreign Exchange Loss
USD	30.445	$ 367,673	31.65	$ (198,434)

33. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and b. investees:

1) Financing provided to others. (None)

2) Endorsements/guarantees provided. (None)

3) Significant marketable securities held (excluding investment in subsidiaries, associates and joint controlled entities). (Table 1)

4) Total purchases from or sales to related parties amounting to at least $100 million or 20% of the paid-in capital. (Table 2)

5) Receivables from related parties amounting to at least $100 million or 20% of the paid-in capital. (Table 3)

6) Intercompany relationships and significant intercompany transactions. (Table 4)

7) Information on investees. (Table 5)

b. Information on investments in mainland China. (None)

34. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the type of services delivered or provided.

The Group has only one operating segment which is the main business, i.e. design, manufacture, assembly, testing and maintenance of aircraft.

AEROSPACE INDUSTRIAL DEVELOPMENT CORPORATION AND SUBSIDIARY

MARKETABLE SECURITIES HELD
SEPTEMBER 30, 2025
(In Thousands of New Taiwan Dollars or Shares, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	September 30, 2025			
				Number of Shares	Carrying Amount	Percentage of Ownership	Fair Value
The Company	Share capital						
	AAI	The Company is a corporate director.	Financial assets at FVTOCI - non-current	4,968	$ 20,634	13.09%	$ 20,634
	Metro Ltd.	The Company is a corporate director.	Financial assets at FVTOCI - non-current	300	2,269	6%	2,269

Note: Information about Subsidiaries and associates is provided in Table 5.

AEROSPACE INDUSTRIAL DEVELOPMENT CORPORATION AND SUBSIDIARY

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST $100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025
(In Thousands of New Taiwan Dollars)

Purchaser or Seller	Related Party	Nature of Relationship with the Purchaser or Seller	Transaction Details				Abnormal Transaction		Notes and Accounts Receivable (Payable)		Note
			Purchases (Sales)	Amount	% to Total	Collection Terms	Unit Price	Collection Terms	Ending Balance	% to Total	
The Company	ITEC	Associate	Sale	$ (1,855,883)	(8)	Note	Note	Note	$ 412,001	3	
			Purchase	1,098,558	7	Note	Note	Note	(206,634)	(7)	

Note: Information is provided in Note 29.

TABLE 3

AEROSPACE INDUSTRIAL DEVELOPMENT CORPORATION AND SUBSIDIARY

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
SEPTEMBER 30, 2025
(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
The Company	ITEC	Associate	$ 412,001	5.32	$ -	-	$ 404,021	$ -

TABLE 4

AEROSPACE INDUSTRIAL DEVELOPMENT CORPORATION AND SUBSIDIARY

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT TRANSACTIONS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025
(In Thousands of New Taiwan Dollars)

No.	Investee Company	Counterparty (Note)	Relationship	Transactions Details			
				Financial Statement Accounts	Amount	Payment Terms	% to Total Sales or Assets
0	The Company	AIDC USA	Parent company to subsidiary	Operating revenue	$ 7,129	T/T 30 - 60 days	-
		AIDC USA	Parent company to subsidiary	Purchase	8,948	T/T 30 - 60 days	-
		AIDC USA	Parent company to subsidiary	Manufacturing expenses	22,462	T/T 30 - 60 days	-
		AIDC USA	Parent company to subsidiary	Operation expenses	22,028	T/T 30 - 60 days	-
		AIDC USA	Parent company to subsidiary	Accounts payables	17,908	T/T 30 - 60 days	-
		HYCO	Parent company to subsidiary	Manufacturing expenses	6,128	T/T 30 - 60 days	-

Note: Transactions have been eliminated.

AEROSPACE INDUSTRIAL DEVELOPMENT CORPORATION AND SUBSIDIARY

INFORMATION ON INVESTEES
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025
(In Thousands of New Taiwan Dollars or Shares, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of September 30, 2025			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				September 30, 2025	December 31, 2024	Shares	%	Carrying Amount			
The Company	AIDC USA	Delaware, USA	Provide program management and relevant services for purchasing and selling raw materials, parts and components of aircraft, engines and subsystems.	$ 288,661	$ 288,661	-	100	$ 2,396,115	$ 250,642	$ 258,403 (Note)	Subsidiary
	HYCO	Taichung City, ROC	Venue and premises leasing, retail of cultural and creative commodities and medical aids, catering and education and training activities	15,000	15,000	1,500,000	100	31,901	4,576	4,581 (Note)	Subsidiary
	JSPCO	Kaohsiung City, ROC	Design, maintain and manufacture of moulds, jigs, fixtures and mechanical parts	50,000	50,000	5,000,000	20	16,161	1,056	203	Associate
AIDC USA	ITEC	Delaware, USA	Development, production engines of aircraft	728	728	-	22.05	1,042,114	1,418,621	320,567	Associate

Note: The share of profits of subsidiary included the effect of unrealized gross profit on intercompany transactions.