



Aerospace Industrial Development Corporation
Meeting Minutes
of
2026 Annual Shareholders' Meeting
(Translated from Mandarin)

Date: 22 May 2026

Location: Hsiang Yuan Resort

No. 176, Lane 20, Zhongzhen Road, Shalu District, Taichung
City, Taiwan

Meeting Type: Hybrid Shareholders' Meeting

(Physical Shareholders' Meeting Supported By Video Conference)

(The content of this document has been translated from the original which was written in Mandarin and is for reference purpose only. In the event of any inconsistency between the English version and the Mandarin version, the Mandarin version shall prevail.)

Aerospace Industrial Development Corporation (AIDC)

2026 Annual Shareholders' Meeting Agenda

Meeting Type: Hybrid Shareholders' Meeting
(Physical Shareholders' Meeting Supported By Video Conference)

Time: 10:00 a.m., 22 May 2026 (Friday)

Location: Hsiang Yuan Resort
No.176, Lane 20, Zhongzhen Road, Shalu District, Taichung
City, Taiwan

Virtual Meeting Platform: Taiwan Depository & Clearing Corporation
<https://stockservices.tdcc.com.tw>

- I. Meeting Commencement Announcement
- II. Chairman's Address
- III. Reports
 - (1) Business Report of 2025
 - (2) Audit Committee Review Report of 2025
 - (3) Report on 2025 Compensation to Employees and Directors
- IV. Ratifications
 - (1) Ratification of the 2025 Business Report and Financial Statements
 - (2) Ratification of the Proposal for Earnings Distribution of 2025 Profits
- V. Discussion
 - The Lifting of Non-Competition Restrictions on Directors and Their Representatives
- VI. Extempore Motions
- VII. Meeting Adjournment

Aerospace Industrial Development Corporation (AIDC)

2026 Annual Shareholders' Meeting Minutes

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Time: 10:00 a.m., 22 May 2026 (Friday)

Location: Hsiang Yuan Resort
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Total outstanding AIDC shares: 941,867,101 shares

Total shares represented by the shareholders who were present in person or by proxy: 519,163,239 shares (including 429,037,848 shares cast electronically, 8,000 shares cast through the virtual meeting platform.)

Percentage of outstanding shares held by shareholders who were present in person or represented by proxy: 55.12%, by which a quorum was present.

Chairman: Chin-Pin Tsao

Directors Present: Chin-Pin Tsao; Hsiu-Mei Chuang; Chia-Chang Chan (Convener of Audit Committee); Yin-Chin Chen; Yi-Shen Wang; Ming-Pin Chang; Cheng-Tao Yu; Kuo-Chang Chang; Total of 6 directors attended in-person and 2 directors attended via video conference.

The number of directors attending exceeded 1/2 of the total seats of the Board.

Additional Attendee: Jui-Lung Hsu (Accountant)

I. Meeting Commencement Announcement

(The aggregate shareholding of the shareholders present in person or by proxy constituted a quorum. The Chairman called the meeting to order.)

II. Chairman's Address (omitted)

III. Reports

Item 1: Business Report of 2025, as shown in Attachment I.

No questions raised by the shareholders.

Acknowledged.

Item 2: Audit Committee Review Report of 2025, as shown in Attachment II.

No questions raised by the shareholders.

Acknowledged.

Item 3: Report on 2025 Compensation to Employees and Directors, as shown in Attachment III.

No questions raised by the shareholders.

Acknowledged.

IV. Ratifications

Item 1: Ratification of the 2025 Business Report and Financial Statements.
(Proposed by the Board of Directors)

Description: I. AIDC's 2025 Financial Statements (including Balance Sheets, Statements of Comprehensive Income, Statements of Changes in Equity, and Statements of Cash Flows) had been reviewed and audited by Mr. Done-Yuin Tseng and Mr. Jui-Lung Hsu, CPAs of Deloitte & Touche.

II. Business Report of 2025, Independent Auditors' Report and 2025 Financial Statements are shown in Attachments I and IV. (The Company's Financial Reports are available on the MOPS. https://mops.twse.com.tw/mops/#/web/t57sb01_q1)

No questions raised by the shareholders.

Resolved, that the above proposal was accepted as proposed.

Voting Results:

Shares represented at the time of voting: 472,825,401

Item	Electronic vote	Video vote	In-person vote	Total (shares)	%
Approval	405,346,543	8,000	43,621,548	448,976,091	94.95%
Disapproval	1,343,152	0	0	1,343,152	0.28%
Invalid	0	0	0	0	0.00%
Abstention / No votes	22,348,153	0	158,005	22,506,158	4.75%

Item 2: Ratification of the Proposal for Earnings Distribution of 2025 Profits. (Proposed by the Board of Directors)

Description: I. The company's net profit after taxes for 2025 was \$733,068,169 NT dollars. Based on Article 28-1 "Reserve Allocation" of the Company's Articles of Incorporation, the Company plans to distribute a cash dividend of \$0.778 NT dollars per share, and the total amount is \$732,772,605 NT dollars. Please refer to the Proposal for Earnings Distribution of 2025 Profits in Attachment V.

II. The distribution of cash dividend will be calculated to the nearest NT dollar. Residual amount, if any, less than one NT dollar will be transferred into and recognized as other income of the company.

No questions raised by the shareholders.

Resolved, that the above proposal was accepted as proposed.

Voting Results:

Shares represented at the time of voting: 472,825,401

Item	Electronic vote	Video vote	In-person vote	Total (shares)	%
Approval	405,365,912	8,000	43,621,548	448,995,460	94.96%
Disapproval	1,416,154	0	0	1,416,154	0.29%
Invalid	0	0	0	0	0.00%
Abstention / No votes	22,255,782	0	158,005	22,413,787	4.74%

V. Discussion

Proposal: The Lifting of Non-Competition Restrictions on Directors and Their Representatives. (Proposed by the Board of Directors)

Description: I. Pursuant to Article 209 of the Company Act, a director who engages, for himself / herself or on behalf of another person, in any activity within the scope of the Company's business shall disclose the material details of such activity to the shareholders' meeting and obtain its approval.

II. In response to the amendment to Article 2 of the Company's Articles of Incorporation as approved by the 2025 Annual Shareholders' Meeting, which expanded the scope of the Company's business, it is proposed that the Shareholders'

Meeting approve the lifting of non-competition restrictions on the Company's directors and their representatives, allowing them to hold positions in or engage in businesses of other companies with the same or similar business scope, provided that no damage is caused to the Company's interests.

III. Details of the positions for which the non-competition restrictions are proposed to be lifted are provided in Attachment VI.

No questions raised by the shareholders.

Resolved, that the above proposal was approved as proposed.

Voting Results:

Shares represented at the time of voting: 472,825,401

Item	Electronic vote	Video vote	In-person vote	Total (shares)	%
Approval	384,752,307	8,000	43,621,548	428,381,855	90.60%
Disapproval	1,956,272	0	0	1,956,272	0.41%
Invalid	0	0	0	0	0.00%
Abstention / No votes	42,329,269	0	158,005	42,487,274	8.98%

VI. Extempore Motion

Question raised by the shareholder (Account #146082) :

Within Taiwan's national unmanned aircraft team, does AIDC envision its future core positioning as a leader in system integration, or as a specialist in composites and component contract manufacturing?

What is the expected timeline for the unmanned aircraft business to meaningfully contribute to AIDC's revenue and profitability?

Chairman Tsao:

AIDC is steadily increasing its investment in the unmanned aircraft business. In response to a competitive market, the Company is partnering with technologically advanced companies to reduce R&D costs and accelerate business development. Going forward, the Company will continue to strengthen its capabilities by accumulating technical expertise, starting with collaborative manufacturing and subsequently expanding into advanced unmanned aircraft development.

VII. Meeting Adjournment (10:28 a.m., 22 May 2026)

The Chairman announced the meeting adjourned.

This meeting minutes is a summary of the Shareholders' Meeting.
The video/audio recording shall prevail as to the actual proceeding.

Aerospace Industrial Development Corporation Business Report of 2025

Looking back at 2025, the global political and economic situation was highly volatile. **In the military business**, maintaining stable supply of key components has been highly challenging due to the risk of supply chain disruptions in the aerospace industry, the imbalance in allocation of global defense resources caused by the Russia-Ukraine War, and the America First policy. **In the civilian business**, our export performance was impacted by the rise of international trade protectionism, tariffs imposed by the Trump Administration, and China's restrictions on the export of dual-use items. **In terms of technology services**, although the Company was awarded the new STATCOM project of Taiwan Power Company's Fenglin Plant, the energy projects of some customers were delayed, and their contribution to revenue did not meet expectations. In addition, non-operating income was also affected by exchange rate losses due to the depreciation of the US dollar.

Despite disruptions from the external environment, the Company continues to implement ESG practices for sustainability. In terms of corporate governance, we will improve board performance and the transparency of our operations, and accelerate the application of digital technology and AI to make our operations more resilient. For the environment, we will actively engage in low-carbon transition towards the goal of carbon neutrality by 2050. As for social efforts, we are deeply committed to creating a friendly workplace and caring for society, striving to create long-term value for stakeholders.

Revenue and Profitability

AIDC's 2025 consolidated operating revenue was NT\$35.45213 billion (down 9.9% compared with the previous year); gross profit was NT\$2.53209 billion (down 32% compared with the previous year); operating profit was NT\$1.16828 billion (down 47.3% compared with the previous year); net profit after tax was NT\$0.73307 billion (down 66.19% compared with the previous year); EPS was NT\$0.78.

Research and Development

The Company invested approximately NT\$600 million in R&D expenses to implement 24 R&D projects in 2025, so as to secure its technological leadership. The scope of R&D covers: The following five core areas: military aircraft development, new product R&D, management technology, maintenance technology, and manufacturing technology. The purpose of R&D is to enhance the Company's core competitiveness and prepare for opportunities to expand our military and civilian businesses in the future.

Outlook for 2026

The Company will uphold the principle of "transition through innovation with aerospace at the core," support the government's national defense and energy transition policies, deepen its core advantages, and more quickly expand into emerging fields to ensure that the Company will hold a key strategic position in the global supply chain.

***Military Businesses**

Stable contract performance: We will ensure that the manufacturing of new advanced jet trainers, fleet maintenance, commercial maintenance services for the IDF fleet and various types of helicopters (Cobra, Black Hawk), scientific research projects of the National Chung-Shan Institute of Science and Technology, and the integration and manufacturing of military aircraft payloads are completed according to schedule while meeting quality requirements.

Pursue business opportunities: We will expand business related to performance upgrades, maintenance, and outsourcing for various aircraft types and fleets, as well as maintenance and service life extension for F-16 fighters.

Drone-related efforts: To support the government's policy, we will leverage our superior system integration capabilities to provide assistance in mass production by small and medium enterprises (SMEs) that have R&D capabilities, assist other manufacturers in the drone alliance to participate in large-scale projects, and actively expand the global market for drones and anti-drone systems.

***Civil Aviation Businesses**

Seize Business Opportunities: Focus on the growing commercial aviation market and aggressively seek additional orders for core products.

Production capacity optimization: We will focus on products with high profit margins, enhance our vertical integration capabilities through strategic alliances, and provide customers with "one-stop" services.

Technology upgrade: We will develop thermoplastic composites and high-value forging and casting technologies, and pursue opportunities to participate in new development projects of major manufacturers around the world (Airbus, Boeing, Bombardier, General Electric Company, Rolls-Royce).

Business expansion: We will improve our profitability by expanding into civilian engine repair and spare parts supply.

***Technology Services**

We will focus on business opportunities brought by energy transition, continue to build system planning, design, integration, construction, operation and maintenance capabilities, pursue energy storage turnkey projects and system integration business, and partner with major companies to expand into blue ocean markets. We will actively expand the energy creation, energy storage, and energy control/use markets, and continue to expand into the aviation, information services, AI simulation, and space technology markets.

In terms of business management, AIDC will follow the five major strategies below with "sustainability" at the core:

- *Enhance technological capabilities: Deepen R&D to drive the industry chain towards more advanced technologies.

- *Strive to secure a position early: Control key technologies to secure long-term mass production orders.

- *Expand the scope of business: Diversify business to reduce the risk of relying on a single market.

- *Improve management performance: Activate human resources and optimize organizational efficiency.

- *Implement ESG measures: Actively respond to trends in carbon reduction and turn challenges into opportunities for transition.

2026 is a crucial year for the Company to consolidate its capabilities and prepare for future growth. We will continue to consistently generate long-term value for our shareholders, and express our sincere gratitude to all shareholders for their trust and support.

Chairman: Tsao, Chin-Pin President: Chuang, Hsiu-Mei Accounting Supervisor: Huang, Hsiu-Yen

Attachment II

Date: March 30, 2026

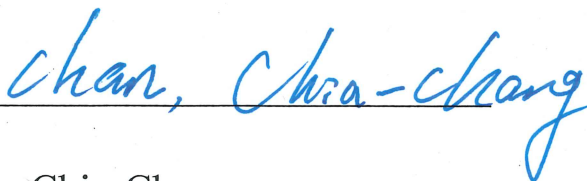
To: Aerospace Industrial Development Corporation
2026 Annual Shareholders' Meeting

Subject: Audit Committee Review Report

Dear Valued Shareholders,

The Board of Directors has prepared the Company's 2025 Business Report, Financial Statements, and proposal for allocation of profits. The CPA firm of Deloitte & Touche Tohmatsu was retained to audit AIDC's Financial Statements and has issued an audit report relating to Financial Statements. The Business Report, Financial Statements, and proposal for allocation of profits have been reviewed and determined to be correct and accurate by the Audit Committee of Aerospace Industrial Development Corporation. According to Article 219 of the Company Law and Article 14-4 of the Securities and Exchange Act, I hereby submit this report.

Sincerely,

A handwritten signature in blue ink that reads "Chan, Chia-Chang". The signature is written in a cursive style and is positioned above a horizontal line.

Chan, Chia-Chang
Chairman of the Audit Committee

Aerospace Industrial Development Corporation
2025 Compensation to Employees and Directors

The Board of Directors has approved the proposal of the 2025 Employees' Compensation and Remuneration to Directors in the board meeting of March 30, 2026. The compensation will be distributed after the Annual Shareholders' Meeting.

1. Employees' compensation and the directors' remuneration are totaled respectively at NT\$40,099,402 and NT\$5,001,646 in cash.
2. The amounts, cited above as expenses of the 2025 net profit before income tax, are the same as the amounts proposed by the Board of Directors.



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INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Aerospace Industrial Development Corporation

Opinion

We have audited the accompanying consolidated financial statements of Aerospace Industrial Development Corporation and its Subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheets as of December 31, 2025 and 2024, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including material accounting policies (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the 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, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2025. 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.

The key audit matter identified in the Group's consolidated financial statements for the year ended December 31, 2025 is stated as follows:

Impairment loss of inventory

The Group assesses the impairment of inventory by identifying raw materials individually. The Group's assessment of impairment loss of raw materials was based on current market conditions and future consumption in accordance with IAS 2. Refer to Notes 5 and 9 to the consolidated financial statements. The assessment of impairment loss of raw materials involves management's critical judgment; therefore, we considered the impairment of inventory as a key audit matter. Our key audit procedures performed in regard to the impairment assessment included the following:

1. We selected samples of the inventory aging report and tested the completeness and accuracy of the inventory.
2. We selected samples of raw materials that were over 1 year, which were not recognized as obsolete, and confirmed the reasonableness of not recognizing the raw materials' obsolescence.
3. We tested the net realizable value of raw materials which were not recognized as obsolete and selected samples and calculated the allowance for impairment loss.

Other Matter

We have also audited the parent company only financial statements of Aerospace Industrial Development Corporation as of and for the years ended December 31, 2025 and 2024 on which we have issued an unmodified opinion.

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

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

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

Those charged with governance, including members of the audit committee, are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2025 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 30, 2026

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 audit such consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' 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' report and consolidated financial statements shall prevail.

AEROSPACE INDUSTRIAL DEVELOPMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2025 AND 2024 (In Thousands of New Taiwan Dollars)

	December 31			
	2025		2024	
ASSETS	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 2,433,153	4	\$ 2,808,593	6
Contract assets - current (Notes 4 and 23)	6,843,676	13	4,955,859	10
Notes receivable (Notes 4 and 8)	14,573	-	14,036	-
Trade receivables from unrelated parties (Notes 4 and 8)	12,779,357	24	9,800,271	20
Trade receivables from related parties (Notes 4 and 29)	382,486	1	520,698	1
Other receivables (Notes 4 and 8)	75,691	-	88,255	-
Current income tax asset	160,379	-	6,285	-
Inventories (Notes 4, 5 and 9)	14,327,837	27	14,952,713	30
Other financial assets - current (Notes 4, 15 and 30)	1,589,613	3	1,464,760	3
Other current assets (Notes 4 and 16)	<u>1,372,836</u>	<u>2</u>	<u>849,340</u>	<u>2</u>
Total current assets	<u>39,979,601</u>	<u>74</u>	<u>35,460,810</u>	<u>72</u>
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 7)	23,426	-	24,773	-
Investments accounted for using the equity method (Notes 4 and 11)	1,226,117	2	1,058,087	2
Property, plant and equipment (Notes 4, 12 and 30)	9,580,389	18	9,449,086	19
Right-of-use assets (Notes 4 and 13)	1,333,325	3	1,439,782	3
Intangible assets (Notes 4 and 14)	433,297	1	597,178	1
Deferred tax assets (Notes 4 and 25)	360,715	1	351,592	1
Prepayments for equipment	143,249	-	433,525	1
Net defined benefit assets - non-current (Notes 4 and 21)	750,938	1	448,774	1
Other financial assets - non-current (Notes 4, 15 and 30)	8,057	-	8,057	-
Other non-current assets (Notes 4, 8 and 16)	<u>85,515</u>	<u>-</u>	<u>106,070</u>	<u>-</u>
Total non-current assets	<u>13,945,028</u>	<u>26</u>	<u>13,916,924</u>	<u>28</u>
TOTAL	<u>\$ 53,924,629</u>	<u>100</u>	<u>\$ 49,377,734</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Note 17)	\$ 6,601,853	12	\$ 6,400,000	13
Short-term bills payable (Note 17)	12,283,140	23	6,442,388	13
Contract liabilities (Notes 4 and 23)	104,225	-	51,423	-
Trade payables to unrelated parties	2,614,003	5	2,968,257	6
Trade payables to related parties (Note 29)	4,919	-	74,232	-
Other payables (Notes 19 and 29)	3,048,679	6	4,113,604	9
Current tax liabilities (Notes 4 and 25)	99,063	-	83,755	-
Provisions - current (Notes 4 and 20)	829,997	1	790,260	2
Lease liabilities - current (Notes 4 and 13)	117,643	-	112,713	-
Current portion of long-term borrowings and bonds payable (Note 17)	1,500,000	3	-	-
Other current liabilities	<u>1,573,317</u>	<u>3</u>	<u>1,463,816</u>	<u>3</u>
Total current liabilities	<u>28,776,839</u>	<u>53</u>	<u>22,500,448</u>	<u>46</u>
NON-CURRENT LIABILITIES				
Bonds payable (Note 18)	3,448,484	7	3,447,854	7
Long-term borrowings (Note 17)	1,500,000	3	3,000,000	6
Current tax liabilities - non-current (Notes 4 and 25)	157,804	-	-	-
Deferred tax liabilities (Notes 4 and 25)	647,780	1	510,595	1
Lease liabilities - non-current (Notes 4 and 13)	1,283,976	2	1,388,592	3
Long-term deferred revenue (Note 4)	18,050	-	11,652	-
Guarantee deposits	<u>249,132</u>	<u>1</u>	<u>273,095</u>	<u>-</u>
Total non-current liabilities	<u>7,305,226</u>	<u>14</u>	<u>8,631,788</u>	<u>17</u>
Total liabilities	<u>36,082,065</u>	<u>67</u>	<u>31,132,236</u>	<u>63</u>
EQUITY				
Ordinary shares	9,418,671	17	9,418,671	19
Capital surplus	18,251	-	18,251	-
Retained earnings				
Legal reserve	1,835,418	3	1,599,274	3
Special reserve	1,901,455	4	1,919,701	4
Unappropriated earnings	4,649,307	9	5,192,183	11
Other equity	<u>19,462</u>	<u>-</u>	<u>97,418</u>	<u>-</u>
Total equity	<u>17,842,564</u>	<u>33</u>	<u>18,245,498</u>	<u>37</u>
TOTAL	<u>\$ 53,924,629</u>	<u>100</u>	<u>\$ 49,377,734</u>	<u>100</u>

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

AEROSPACE INDUSTRIAL DEVELOPMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Year Ended December 31			
	2025		2024	
	Amount	%	Amount	%
SALES (Notes 4, 23 and 29)	\$ 35,452,130	100	\$ 39,338,315	100
COST OF GOODS SOLD (Notes 9, 24 and 29)	<u>32,920,041</u>	<u>93</u>	<u>35,613,870</u>	<u>90</u>
GROSS PROFIT	<u>2,532,089</u>	<u>7</u>	<u>3,724,445</u>	<u>10</u>
OPERATING EXPENSES (Notes 24 and 29)				
Selling and marketing expenses	152,369	-	159,699	-
General and administrative expenses	669,240	2	722,126	2
Research and development expenses	537,626	2	624,161	2
Expected credit loss (gain) (Notes 4 and 8)	<u>4,570</u>	<u>-</u>	<u>(164)</u>	<u>-</u>
Total operating expenses	<u>1,363,805</u>	<u>4</u>	<u>1,505,822</u>	<u>4</u>
PROFIT FROM OPERATIONS	<u>1,168,284</u>	<u>3</u>	<u>2,218,623</u>	<u>6</u>
NON-OPERATING INCOME AND EXPENSES				
Other income (Notes 4 and 24)	182,809	1	93,410	-
Other gains and losses (Notes 4, 14 and 24)	(512,783)	(1)	237,945	1
Share of profit of associates (Note 4)	482,445	1	403,561	1
Interest income	54,805	-	85,850	-
Finance costs	<u>(404,859)</u>	<u>(1)</u>	<u>(258,919)</u>	<u>(1)</u>
Total non-operating income and expenses	<u>(197,583)</u>	<u>-</u>	<u>561,847</u>	<u>1</u>
PROFIT BEFORE INCOME TAX	970,701	3	2,780,470	7
INCOME TAX EXPENSE (Notes 4 and 25)	<u>237,633</u>	<u>1</u>	<u>612,403</u>	<u>1</u>
NET PROFIT FOR THE YEAR	<u>733,068</u>	<u>2</u>	<u>2,168,067</u>	<u>6</u>
OTHER COMPREHENSIVE INCOME (LOSS) (Note 4)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	241,731	1	207,064	-
Unrealized (loss) gain on investments in equity instruments designated as at fair value through other comprehensive income	<u>(1,347)</u>	<u>-</u>	<u>(5,637)</u>	<u>-</u>

(Continued)

AEROSPACE INDUSTRIAL DEVELOPMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Year Ended December 31			
	2025		2024	
	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	\$ (76,609)	-	\$ 107,610	-
Other comprehensive income for the year, net of income tax	163,775	1	309,037	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	\$ 896,843	3	\$ 2,477,104	6
EARNINGS PER SHARE (Note 26)				
Basic	\$ 0.78		\$ 2.30	
Diluted	\$ 0.78		\$ 2.29	

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

(Concluded)

AEROSPACE INDUSTRIAL DEVELOPMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024 (In Thousands of New Taiwan Dollars)

		Equity Attributable to Owners of the Company						Other Equity	
		Common Stock (Note 22)	Capital Surplus (Notes 4 and 11)	Retained Earnings (Note 22)			Exchange Differences on Translation of the Financial Statement of Foreign Operations	Unrealized gain (loss) on Investments in Equity Instruments Designated as at Fair Value Through Other Comprehensive Income	Total Equity
				Legal Reserve	Special Reserve	Unappropriated Earnings			
BALANCE ON	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 associates 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 year ended December 31, 2024		-	-	-	-	2,168,067	-	-	2,168,067
Other comprehensive income (loss) for the year ended December 31, 2024, net of income tax		-	-	-	-	207,064	107,610	(5,637)	309,037
Total comprehensive income (loss) for the year ended December 31, 2024		-	-	-	-	2,375,131	107,610	(5,637)	2,477,104
BALANCE ON	DECEMBER 31, 2024	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 year ended December 31, 2025		-	-	-	-	733,068	-	-	733,068
Other comprehensive income (loss) for the year ended December 31, 2025, net of income tax		-	-	-	-	241,731	(76,609)	(1,347)	163,775
Total comprehensive income (loss) for the year ended December 31, 2025		-	-	-	-	974,799	(76,609)	(1,347)	896,843
BALANCE ON	DECEMBER 31, 2025	\$ 9,418,671	\$ 18,251	\$ 1,835,418	\$ 1,901,455	\$ 4,649,307	\$ 42,236	\$ (22,774)	\$ 17,842,564

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

AEROSPACE INDUSTRIAL DEVELOPMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024 (In Thousands of New Taiwan Dollars)

	For the Year Ended December 31	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 970,701	\$ 2,780,470
Adjustments for:		
Depreciation expense	1,397,146	1,307,749
Amortization expense	320,085	373,053
Expected credit loss (reversed)	4,570	(164)
Finance costs	404,859	258,919
Interest income	(54,805)	(85,850)
Dividend income	(276)	(234)
Share of profit of associates	(482,445)	(403,561)
Loss on disposal of property, plant and equipment	-	457
Impairment loss recognized (reversed) on non-financial assets	(113,100)	25,544
Unrealized net gain on foreign currency exchange	(187,722)	(100,247)
Recognition of provisions	213,308	78,256
Other income from liabilities	(30,453)	(4,281)
(Gain) loss on lease modification	(12)	2
Net changes in operating assets and liabilities		
Contract assets	(1,887,817)	(3,570,736)
Notes receivable	(537)	(2,441)
Trade receivables	(2,622,488)	(2,569,500)
Other receivables	17,363	(64,690)
Inventories	570,659	456,640
Other current assets	(523,865)	147,839
Incremental costs of obtaining a contract	-	177,342
Contract liabilities	52,802	(1,074,998)
Trade payables	(403,846)	263,311
Other payables	(1,006,362)	(70,235)
Other current liabilities	(40,553)	50,394
Deferred income	6,398	4,304
Cash used in operations	(3,396,390)	(2,022,657)
Interest received	50,006	103,993
Interest paid	(397,010)	(252,235)
Income tax paid	(131,834)	(964,863)
Net cash (used in) generated from operating activities	(3,875,228)	(3,135,762)
CASH FLOWS FROM INVESTING ACTIVITIES		
Disposal of financial assets at fair value through other comprehensive income	-	19,309
Payments for property, plant and equipment	(1,178,661)	(1,385,896)
Increase in refundable deposits	(39,807)	(49,849)
Decrease in refundable deposits	50,821	55,713

(Continued)

AEROSPACE INDUSTRIAL DEVELOPMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024 (In Thousands of New Taiwan Dollars)

	For the Year Ended December 31	
	2025	2024
Payments for intangible assets	\$ (132,709)	\$ (177,130)
Decrease in other financial assets	25,205	401,385
Increase in other non-current assets	(13,672)	(16,496)
Increase in prepayments for equipment	(20,364)	(271,690)
Dividends received	<u>270,071</u>	<u>494,863</u>
Net cash used in investing activities	<u>(1,039,116)</u>	<u>(929,791)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	33,955,429	29,660,000
Repayments of short-term borrowings	(33,782,335)	(23,760,000)
Proceeds from short-term bills payable	47,437,303	25,936,984
Repayments of short-term bills payable	(41,596,551)	(26,939,066)
Repayments of Bonds payable	-	(3,000,000)
Proceeds from long-term borrowings	-	3,000,000
Proceeds of guarantee deposits received	108,125	114,822
Refund of guarantee deposits received	(132,088)	(104,480)
Repayment of the principal portion of lease liabilities	(115,180)	(116,498)
Dividends paid to owners of the company	<u>(1,299,777)</u>	<u>(1,337,451)</u>
Net cash generated from financing activities	<u>4,574,926</u>	<u>3,454,311</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES		
	<u>(36,022)</u>	<u>52,379</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(375,440)	(558,863)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>2,808,593</u>	<u>3,367,456</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 2,433,153</u>	<u>\$ 2,808,593</u>

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

(Concluded)



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INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Aerospace Industrial Development Corporation

Opinion

We have audited the accompanying parent company only financial statements of Aerospace Industrial Development Corporation (the "Company"), which comprise the parent company only balance sheets as of December 31, 2025 and 2024, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the parent company only financial statements, including material accounting policy information (collectively referred to as the "parent company only financial statements").

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as of December 31, 2025 and 2024, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements for the year ended December 31, 2025. 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.

The key audit matter identified in the Company's financial statements for the year ended December 31, 2025 is stated as follows:

Impairment loss of inventory

The Company assesses the impairment of inventory by identifying raw materials individually. The Company's assessment of the impairment loss of raw materials was based on current market conditions and future consumption in accordance with IAS 2. Refer to Notes 5 and 9 to the financial statements. The assessment of impairment loss of raw materials involves management's critical judgment; therefore, we considered the impairment of inventory as a key audit matter. Our key audit procedures performed in regard to the impairment assessment included the following:

1. We selected samples of the inventory aging report and tested the completeness and accuracy of the inventory.
2. We selected samples of raw materials that were over 1 year, which were not recognized as obsolete, and confirmed the reasonableness of not recognizing the raw materials' obsolescence.
3. We tested the net realizable value of raw materials which were not recognized as obsolete and selected samples and calculated the allowance for impairment loss.

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

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

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

Those charged with governance, including members of the audit committee, are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements for the year ended December 31, 2025 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 30, 2026

Notice to Readers

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

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

AEROSPACE INDUSTRIAL DEVELOPMENT CORPORATION

PARENT COMPANY ONLY BALANCE SHEETS DECEMBER 31, 2025 AND 2024 (In Thousands of New Taiwan Dollars)

	December 31			
	2025		2024	
	Amount	%	Amount	%
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 1,462,792	3	\$ 1,943,546	4
Contract assets - current (Notes 4 and 23)	6,843,676	13	4,955,859	10
Notes receivable (Notes 4 and 8)	14,573	-	14,036	-
Trade receivables from unrelated parties (Notes 4 and 8)	12,778,690	24	9,798,558	20
Trade receivables from related parties (Notes 4 and 29)	380,391	1	518,644	1
Other receivables (Notes 4, 8 and 29)	69,593	-	87,035	-
Current tax assets (Notes 4 and 25)	159,104	-	-	-
Inventories (Notes 4, 5 and 9)	14,302,251	26	14,947,222	30
Other financial assets - current (Notes 4, 15 and 30)	1,569,613	3	1,437,260	3
Other current assets (Notes 4, 16 and 29)	<u>1,362,428</u>	<u>2</u>	<u>835,576</u>	<u>2</u>
Total current assets	<u>38,943,111</u>	<u>72</u>	<u>34,537,736</u>	<u>70</u>
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 7)	23,426	-	24,773	-
Investments accounted for using the equity method (Notes 4 and 10)	2,652,502	5	2,357,584	5
Property, plant and equipment (Notes 4, 11 and 30)	9,164,486	17	9,064,067	18
Right-of-use assets (Notes 4 and 12)	1,331,782	3	1,437,488	3
Investment properties (Notes 4 and 13)	16,672	-	11,891	-
Intangible assets (Notes 4 and 14)	432,940	1	596,515	1
Deferred tax assets (Notes 4 and 25)	360,715	1	351,593	1
Prepayments for equipment	143,249	-	433,525	1
Net defined benefit assets - non-current (Notes 4 and 21)	750,938	1	448,774	1
Other financial assets - non-current (Notes 4, 15 and 30)	8,057	-	8,057	-
Other non-current assets (Notes 4, 8 and 16)	<u>82,027</u>	<u>-</u>	<u>105,675</u>	<u>-</u>
Total non-current assets	<u>14,966,794</u>	<u>28</u>	<u>14,839,942</u>	<u>30</u>
TOTAL	<u>\$ 53,909,905</u>	<u>100</u>	<u>\$ 49,377,678</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Note 17)	\$ 6,601,853	12	\$ 6,400,000	13
Short-term bills payable (Note 17)	12,283,140	23	6,442,388	13
Contract liabilities (Notes 4 and 23)	99,630	-	51,034	-
Trade payables to unrelated parties	2,611,500	5	2,965,161	6
Trade payables to related parties (Note 29)	14,490	-	75,888	-
Other payables (Notes 19 and 29)	3,038,834	6	4,120,231	9
Current tax liabilities (Notes 4 and 25)	94,102	-	82,484	-
Provisions - current (Notes 4 and 20)	829,997	1	790,260	2
Lease liabilities - current (Notes 4 and 12)	116,953	-	111,965	-
Current portion of long-term borrowings and bonds payable (Note 17)	1,500,000	3	-	-
Other current liabilities	<u>1,572,604</u>	<u>3</u>	<u>1,463,190</u>	<u>3</u>
Total current liabilities	<u>28,763,103</u>	<u>53</u>	<u>22,502,601</u>	<u>46</u>
NON-CURRENT LIABILITIES				
Bonds payable (Note 18)	3,448,484	7	3,447,854	7
Long-term borrowings (Note 17)	1,500,000	3	3,000,000	6
Current tax liabilities (Notes 4 and 25)	157,804	-	-	-
Deferred tax liabilities (Notes 4 and 25)	647,646	1	510,455	1
Lease liabilities - non-current (Notes 4 and 12)	1,283,438	2	1,387,524	3
Long-term deferred revenue (Note 4)	18,050	-	11,652	-
Guarantee deposits (Note 29)	<u>248,816</u>	<u>1</u>	<u>272,094</u>	<u>-</u>
Total non-current liabilities	<u>7,304,238</u>	<u>14</u>	<u>8,629,579</u>	<u>17</u>
Total liabilities	<u>36,067,341</u>	<u>67</u>	<u>31,132,180</u>	<u>63</u>
EQUITY				
Ordinary shares	9,418,671	17	9,418,671	19
Capital surplus	18,251	-	18,251	-
Retained earnings				
Legal reserve	1,835,418	3	1,599,274	3
Special reserve	1,901,455	4	1,919,701	4
Unappropriated earnings	4,649,307	9	5,192,183	11
Other equity	<u>19,462</u>	<u>-</u>	<u>97,418</u>	<u>-</u>
Total equity	<u>17,842,564</u>	<u>33</u>	<u>18,245,498</u>	<u>37</u>
TOTAL	<u>\$ 53,909,905</u>	<u>100</u>	<u>\$ 49,377,678</u>	<u>100</u>

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

AEROSPACE INDUSTRIAL DEVELOPMENT CORPORATION

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Year Ended December 31			
	2025		2024	
	Amount	%	Amount	%
SALES (Notes 4, 23 and 29)	\$ 35,378,960	100	\$ 39,246,798	100
COST OF GOODS SOLD (Notes 9, 24 and 29)	<u>32,908,893</u>	<u>93</u>	<u>35,605,763</u>	<u>91</u>
GROSS PROFIT	<u>2,470,067</u>	<u>7</u>	<u>3,641,035</u>	<u>9</u>
OPERATING EXPENSES (Notes 24 and 29)				
Selling and marketing expenses	157,273	-	165,221	-
General and administrative expenses	589,172	2	648,043	2
Research and development expenses	537,626	2	624,161	1
Expected credit loss (gain) (Notes 4 and 8)	<u>4,570</u>	<u>-</u>	<u>(164)</u>	<u>-</u>
Total operating expenses	<u>1,288,641</u>	<u>4</u>	<u>1,437,261</u>	<u>3</u>
PROFIT FROM OPERATIONS	<u>1,181,426</u>	<u>3</u>	<u>2,203,774</u>	<u>6</u>
NON-OPERATING INCOME AND EXPENSES				
Other income (Notes 4 and 24)	182,422	-	93,155	-
Other gains and losses (Notes 4, 14 and 24)	(512,512)	(1)	238,074	1
Share of profits of subsidiaries and associates (Note 4)	397,577	1	360,539	1
Interest income	18,217	-	44,316	-
Finance costs	<u>(404,777)</u>	<u>(1)</u>	<u>(258,870)</u>	<u>(1)</u>
Total non-operating income and expenses	<u>(319,073)</u>	<u>(1)</u>	<u>477,214</u>	<u>1</u>
PROFIT BEFORE INCOME TAX	862,353	2	2,680,988	7
INCOME TAX EXPENSE (Notes 4 and 25)	<u>129,285</u>	<u>-</u>	<u>512,921</u>	<u>1</u>
NET PROFIT FOR THE YEAR	<u>733,068</u>	<u>2</u>	<u>2,168,067</u>	<u>6</u>
OTHER COMPREHENSIVE INCOME (LOSS) (Note 4)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	241,731	1	207,064	-
Unrealized (loss) gain on investments in equity instruments designated as at fair value through other comprehensive income	(1,347)	-	(5,637)	-

(Continued)

AEROSPACE INDUSTRIAL DEVELOPMENT CORPORATION

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Year Ended December 31			
	2025		2024	
	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	\$ (76,609)	-	\$ 107,610	-
Other comprehensive income for the year, net of income tax	163,775	1	309,037	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 896,843</u>	<u>3</u>	<u>\$ 2,477,104</u>	<u>6</u>
EARNINGS PER SHARE (Note 26)				
Basic	<u>\$ 0.78</u>		<u>\$ 2.30</u>	
Diluted	<u>\$ 0.78</u>		<u>\$ 2.29</u>	

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

AEROSPACE INDUSTRIAL DEVELOPMENT CORPORATION

PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024 (In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company						Other Equity		Total Equity
	Common Stock (Note 22)	Capital Surplus (Notes 4 and 10)	Retained Earnings (Note 22)			Exchange Differences on Translation of the Financial Statement of Foreign Operations	Unrealized Gain (Loss) on Investments in Equity Instruments Designated as at Fair Value Through Other Comprehensive Income (Note 7)		
			Legal Reserve	Special Reserve	Unappropriated Earnings				
BALANCE ON 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 associates 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 year ended December 31, 2024	-	-	-	-	2,168,067	-	-	2,168,067	
Other comprehensive income (loss) for the year ended December 31, 2024, net of income tax	-	-	-	-	207,064	107,610	(5,637)	309,037	
Total comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	2,375,131	107,610	(5,637)	2,477,104	
BALANCE ON DECEMBER 31, 2024	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 year ended December 31, 2025	-	-	-	-	733,068	-	-	733,068	
Other comprehensive income (loss) for the year ended December 31, 2025, net of income tax	-	-	-	-	241,731	(76,609)	(1,347)	163,775	
Total comprehensive income (loss) for the year ended December 31, 2025	-	-	-	-	974,799	(76,609)	(1,347)	896,843	
BALANCE ON DECEMBER 31, 2025	\$ 9,418,671	\$ 18,251	\$ 1,835,418	\$ 1,901,455	\$ 4,649,307	\$ 42,236	\$ (22,774)	\$ 17,842,564	

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

AEROSPACE INDUSTRIAL DEVELOPMENT CORPORATION

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024 (In Thousands of New Taiwan Dollars)

	For the Year Ended December 31	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 862,353	\$ 2,680,988
Adjustments for:		
Depreciation expense	1,392,563	1,305,278
Amortization expense	319,428	372,849
Expected credit loss (reversed)	4,570	(164)
Finance costs	404,777	258,870
Interest income	(18,217)	(44,316)
Dividend income	(276)	(234)
Share of profit of subsidiaries and associates	(397,577)	(360,539)
Loss on disposal of property, plant and equipment	-	457
Impairment loss recognized (reversed) on non-financial assets	(113,100)	25,544
Unrealized net gain on foreign currency exchange	(187,722)	(100,247)
Recognition of provisions	213,308	78,256
Other income from liabilities	(30,453)	(4,281)
Benefits from lease modification	-	(5)
Net changes in operating assets and liabilities		
Other receivables	17,472	(65,063)
Contract assets	(1,887,817)	(3,570,736)
Notes receivable	(537)	(2,441)
Trade receivables	(2,623,493)	(2,568,839)
Inventories	590,754	458,841
Other current assets	(527,221)	154,564
Incremental costs of obtaining a contract	-	177,342
Contract liabilities	48,596	(1,074,559)
Trade payables	(395,338)	262,986
Other payables	(1,022,835)	(63,652)
Other current liabilities	(40,640)	50,191
Deferred income	6,398	4,304
Cash used in operations	(3,385,007)	(2,024,606)
Interest received	18,187	44,367
Interest paid	(397,010)	(252,234)
Income tax paid	(32,179)	(852,626)
Net cash (used in) generated from operating activities	<u>(3,796,009)</u>	<u>(3,085,099)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Disposal of financial assets at FVTOCI	-	19,309
Payments for property, plant and equipment	(1,119,785)	(1,049,186)
Increase in refundable deposits	(39,806)	(49,790)
Decrease in refundable deposits	50,821	55,623
Payments for intangible assets	(132,709)	(176,278)
Payments for investment properties	(14,094)	-

(Continued)

AEROSPACE INDUSTRIAL DEVELOPMENT CORPORATION

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024 (In Thousands of New Taiwan Dollars)

	For the Year Ended December 31	
	2025	2024
Decrease (increase) in other financial assets	\$ 17,705	\$ (7,486)
Increase in other non-current assets	(10,197)	(16,372)
Increase in prepayments for equipment	(20,364)	(271,690)
Dividends received	<u>7,176</u>	<u>8,334</u>
Net cash used in investing activities	<u>(1,261,253)</u>	<u>(1,487,536)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	33,955,429	29,660,000
Repayments of short-term borrowings	(33,782,335)	(23,760,000)
Proceeds from short-term bills payable	47,437,303	25,936,984
Repayments of short-term bills payable	(41,596,551)	(26,939,066)
Repayments of Bonds payable	-	(3,000,000)
Proceeds from long-term borrowings	-	3,000,000
Proceeds of guarantee deposits	108,810	115,585
Refund of guarantee deposits	(132,088)	(106,007)
Repayment of the principal portion of lease liabilities	(114,283)	(114,965)
Dividends paid to owners of the Company	<u>(1,299,777)</u>	<u>(1,337,451)</u>
Net cash generated from financing activities	<u>4,576,508</u>	<u>3,455,080</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(480,754)	(1,117,555)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>1,943,546</u>	<u>3,061,101</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 1,462,792</u>	<u>\$ 1,943,546</u>

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

Aerospace Industrial Development Corporation Proposal for Earnings Distribution of 2025 Profits

Currency: in NTD

Item	Amounts
Distributable earnings at beginning of period	3,674,506,497
Remeasurement of defined benefit plans	241,731,200
Distributable earnings after adjustment	3,916,237,697
Annual net profit after tax	733,068,169
Less Items:	
Legal reserve (10%)	-97,479,937
Accumulate available for distribution surplus	4,551,825,929
Distribution Items :	
Cash dividend to shareholders (NT\$0.778 per share)	-732,772,605
Total distribution	-732,772,605
Unappropriated earnings at the end of period	3,819,053,324

Chairman: Tsao, Chin-Pin President: Chuang, Hsiu-Mei Accounting Supervisor: Huang, Hsiu-Yen

Aerospace Industrial Development Corporation
Details of Non-Competition Restriction Lifting for Directors
and Their Representatives

Director Name	Other Company and Position Held	Businesses Overlapped with AIDC
MOEA Representative: Chang, Ming-Pin (Director)	Director, Kuo Kuang Power Co., LTD. (Representative of CPC Corp.)	Combined Heat and Powe Machinery Installation
MOEA Representative: Liu, Sung-Yu (Director)	Independent Director, Cashbox Partyworld Co., Ltd	Rental and Leasing Computer Equipment Installation International Trade Management Consulting Information Software Services Automatic Control Equipment Engineering Instrument and Meters Installation Engineering Retail Sale of Telecommunication Apparatus
Chan, Chia-Chang (Independent Director)	Independent Director, Mobiletron Co., Ltd.	Mechanical Equipment Manufacturing Rental and Leasing Energy Technical Services Manufacture of Power Generation, Transmission and Distribution Machinery Motor Vehicles and Parts Manufacturing Information Software Services Electronics Components Manufacturing Other Electrical Engineering and Electronic Machinery Equipment Manufacturing Retail Sale of Motor Vehicle Parts and Motorcycle Parts, Accessories
	Independent Director, Launxp Biomedical Co., Ltd.	Instrument and Meters Installation Engineering International Trade Management Consulting

Director Name	Other Company and Position Held	Businesses Overlapped with AIDC
Chen, Yin-Chin (Independent Director)	Independent Director, Advanced Material Systems Corporation	Metal Containers Manufacturing International Trade
Wang, Yi-Shen (Independent Director)	Director, Ceci Engineering Consultants, Inc., Taiwan (Representative of China Engineering Consultants, Inc.)	Energy Technical Services Computer Equipment Installation Power Consuming Equipment Inspecting and Maintenance Management Consulting Information Software Services Automatic Control Equipment Engineering Other Electrical Engineering and Electronic Machinery Equipment Manufacturing Fuel Catheter Installation Engineering Piping Engineering Electric Appliance Construction Cable Installation Engineering Fire Safety Equipment Installation Engineering Machinery Installation Environmental Testing Services