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Aerospace Industrial Development Corporation Annual Report 2025



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<https://mops.twse.com.tw>

AIDC's annual report website: <https://www.aidc.com.tw/tw/investor/shareholder>

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Company and plant address

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CPA who audited the financial statements

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Name of overseas stock exchange for overseas negotiable securities and inquiry method

N/A

Company Website

<https://www.aidc.com.tw>



Table of Contents

I. Letter to Shareholders	1
II. Corporate Governance Report	5
III. Capital Overview	101
IV. Business Overview	106
V. Discussion and Analysis of Financial Standing and Financial Performance and Risks	134
VI. Special Notes	146



I. Letter to Shareholders

Dear Shareholders,

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.

We are grateful to our shareholders for supporting the projects of AIDC, and will report our business performance in 2025 and business plan for 2026 below.

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.

We sincerely wish you
all the best

Chairman Tsao, Chin-Pin



II. Corporate Governance Report

I. Information on directors, president, and vice presidents

(I) Directors (I)

March 31, 2026

Title	Nationality/Place of Incorporation	Name	Gender Age	Date Elected	Term (Years)	Date First Elected	Shareholding When Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement	
							Shares	%	Shares	%	Shares	%	Shares	%
Chairman	R.O.C.	Ministry of Economic Affairs (Note 1)	-	2024/05/27	3 years	1996/07/01	331,301,773	35.17	331,301,773	35.17 (Note 5)	0	0.00	0	0.00
	R.O.C.	Representative: Tsao, Chin-Pin (Note 2, 3)	Male 61-65	2026/01/02	2 years	2025/06/30	0	0.00	0	0.00	0	0.00	0	0.00
Executive Director	R.O.C.	Ministry of Economic Affairs	-	2024/05/27	3 years	1996/07/01	331,301,773	35.17	331,301,773	35.17	0	0.00	0	0.00
	R.O.C.	Representative: Jennifer Chuang (Note 2)	Female 51-60	2026/01/02	1.4 years	2026/01/01	0	0.00	131,325	0.01	0	0.00	0	0.00
Director	R.O.C.	Ministry of Economic Affairs	-	2024/05/27	3 years	1996/07/01	331,301,773	35.17	331,301,773	35.17	0	0.00	0	0.00
	R.O.C.	Representative: Chang, Ming-Pin	Male 51-60	2024/05/27	3 years	2018/06/26	0	0.00	0	0.00	0	0.00	0	0.00
Director	R.O.C.	Ministry of Economic Affairs	-	2024/05/27	3 years	1996/07/01	331,301,773	35.17	331,301,773	35.17	0	0.00	0	0.00
	R.O.C.	Representative: Liu, Sung-Yu	Male 51-60	2024/05/27	3 years	2024/05/27	0	0.00	0	0.00	0	0.00	0	0.00
Director	R.O.C.	Ministry of Economic Affairs	-	2024/05/27	3 years	1996/07/01	331,301,773	35.17	331,301,773	35.17	0	0.00	0	0.00
	R.O.C.	Representative: Liu, Hans I. J.	Male >65	2024/05/27	3 years	2024/05/27	0	0.00	124,659	0.01	37	0.00	0	0.00
Director	R.O.C.	Ministry of Economic Affairs	-	2024/05/27	3 years	1996/07/01	331,301,773	35.17	331,301,773	35.17	0	0.00	0	0.00
	R.O.C.	Representative: Yu, Cheng-Tao (Note 4)	Male 51-60	2024/05/27	3 years	2017/12/18	0	0.00	0	0.00	0	0.00	0	0.00
Director	R.O.C.	Ministry of Economic Affairs	-	2024/05/27	3 years	1996/07/01	331,301,773	35.17	331,301,773	35.17	0	0.00	0	0.00
	R.O.C.	Representative: Chang, Kuo-Chang (Note 2)	Male 41-50	2026/01/01	1.4 years	2026/01/01	0	0.00	6	0.00	0	0.00	0	0.00
Director	R.O.C.	National Defense Industrial Development Foundation (Note 1)	-	2024/05/27	3 years	2014/04/03	11,063,201	1.17	11,063,201	1.17	0	0.00	0	0.00
	R.O.C.	Representative: Huang, Chih-Wei	Male 61-65	2024/12/13	2.5 years	2024/12/13	0	0.00	0	0.00	0	0.00	0	0.00
Independent Director (Executive Director)	R.O.C.	Chan, Chia-Chang	Male 61-65	2024/05/27	3 years	2018/06/26	0	0.00	0	0.00	0	0.00	0	0.00
Independent Director	R.O.C.	Chen, Yin-Chin	Female >65	2024/05/27	3 years	2018/06/26	0	0.00	0	0.00	0	0.00	0	0.00
Independent Director	R.O.C.	Wang, Yi-Shen	Male <40	2024/05/27	3 years	2024/05/27	0	0.00	0	0.00	0	0.00	0	0.00

Title	Name	Experience (Education)	Other Position Concurrently Held at the Company or Other Companies	Executives, Directors or Supervisors Who are Spouses or Within the Second Degree of Kinship			Remark
				Title	Name	Relation	
Chairman	Ministry of Economic Affairs (Note 1)	-	-	None	None	None	None
	Representative: Tsao, Chin-Pin (Note 2, 3)	President of AIDC Vice Commander-in-Chief, Air Force Chief of Staff, Air Force Command Commander, Air Force Combatant Command Deputy Chief of the General Staff for Communications, Electronics, and Information, Ministry of National Defense Deputy Chief of Staff, Air Force Command Director, Personnel and General Affairs Division, Air Force Command Master's, Institute of Management Science, National Chiao Tung University War College, National Defense University Air Command & Staff College, National Defense University	Chairman of AIDC Director, Industrial Technology Research Institute Chairman, Taiwan Aerospace Industry Association Chairman of Taiwan Excellence Drone International Business Opportunities Alliance (TEDIBOA)	None	None	None	None
Executive Director	Ministry of Economic Affairs	-	-	None	None	None	None
	Representative: Jennifer Chuang (Note 2)	Vice President of AIDC Director, Strategy & Operational Management Division, AIDC Director, Legal Affairs Division, AIDC Director, Materials Division, AIDC Deputy Director, Commercial Business	President of AIDC Executive Director, Taiwan Aerospace Industry Association Vice Chairman, Taiwan	None	None	None	None

Title	Name	Experience (Education)	Other Position Concurrently Held at the Company or Other Companies	Executives, Directors or Supervisors Who are Spouses or Within the Second Degree of Kinship			Remark
				Title	Name	Relation	
		Development Division, AIDC Director, Business Division, AIDC Master of Business Administration, College of Management, Tunghai University Bachelor, Department of Industrial Engineering and Systems Management, Feng Chia University	Composite Materials Industry Association				
Director	Ministry of Economic Affairs	-	-	None	None	None	None
	Representative: Chang, Ming-Pin	Acting Director, Department of Investment Review, Ministry of Economic Affairs Executive Secretary, Investment Commission, MOEA; Director General, DOIS, MOEA Vice Executive Secretary and Spokesperson, Investment Commission, MOEA Commissioner, Review Committee, National Development Fund, Executive Yuan Member, Examination Committee for Establishment Application of Business Entity in the Economic Processing Zone Master of Laws, Edinburgh University (Scotland) Bachelor of Laws, National Taiwan University	Director-General, Department of Investment Promotion, Ministry of Economic Affairs CEO, Invest Taiwan Services Center, MOEA Director, Kuo Kuang Power Co., Ltd.	None	None	None	None

Title	Name	Experience (Education)	Other Position Concurrently Held at the Company or Other Companies	Executives, Directors or Supervisors Who are Spouses or Within the Second Degree of Kinship			Remark
				Title	Name	Relation	
		Executive Leadership Program, Harvard University (USA)					
Director	Ministry of Economic Affairs	-	-	None	None	None	None
	Representative: Liu, Sung-Yu	Senior Manager, Diwan & Company (or known as Ernst & Young since 2012) Supervisor, Taichung Certified Public Accountant Association BS in Accounting, Department of Accountancy, National Cheng Kung University	CPA, Solomon & Co., CPAs Independent Director, Cashbox Partyworld Co., Ltd	None	None	None	None
Director	Ministry of Economic Affairs	-	-	None	None	None	None
	Representative: Liu, Hans I. J.	Advisor, Aerospace Industrial Development Corp. (AIDC) Section Chief, Deputy Manager, Manager, Senior Engineer, Flight Science Division, Engineering Department, Aerospace Industrial Development Corp. (AIDC) Team Leader, Aeronautical Systems Research Division, National Chung Shan Institute of Science and Technology MS of Aerospace Engineering, University of Maryland	-	None	None	None	None

Title	Name	Experience (Education)	Other Position Concurrently Held at the Company or Other Companies	Executives, Directors or Supervisors Who are Spouses or Within the Second Degree of Kinship			Remark
				Title	Name	Relation	
Director	Ministry of Economic Affairs	-	-	None	None	None	None
	Representative: Yu, Cheng-Tao (Note 4)	(8th-term) Director of AIDC Chairman (7th-term), Aerospace Industrial Development Corporation Labor Union in Taichung Adjunct Assistant Professor, National Chi-Yi University of Technology Ph.D. in Industrial Engineering and Management, National Yunlin University of Science and Technology Master in Industrial Engineering, Feng Chia University	Chairman, Aerospace Industrial Development Corporation Labor Union in Taichung Quality Assurance Engineer, AIDC Adjunct Assistant Professor, National Taichung University of Science and Technology Adjunct Assistant Professor, Overseas Chinese University	None	None	None	None
Director	Ministry of Economic Affairs	-	-	None	None	None	None
	Representative: Chang, Kuo-Chang (Note 2)	Executive Director, Director of the AIDC Kang-Shan Complex Labor Union Bachelor, Department of Distribution Management, Shu-Te University	Chairman of the AIDC Kang-Shan Complex Labor Union Mechanical technician, AIDC Vice Chairman, Kaohsiung City Confederation of Trade Unions	None	None	None	None
Director	National Defense	-	-	None	None	None	None

Title	Name	Experience (Education)	Other Position Concurrently Held at the Company or Other Companies	Executives, Directors or Supervisors Who are Spouses or Within the Second Degree of Kinship			Remark
				Title	Name	Relation	
	Industrial Development Foundation (Note 1)						
	Representative: Huang, Chih-Wei	Vice Commander-in-Chief, Air Force Command Commander, Air Force Combatant Command Chief of Staff and Inspector General, Air Force Command Wing Commander, the 455th Tactical Fighter Wing Vice President and Commander, Air Force Academy United States Air War College Air Force Academy	Deputy Chief of Staff (Executive), General Staff Headquarter, Ministry of National Defense (MND)	None	None	None	None
Independent Director (Executive Director)	Chan, Chia-Chang	Dean, College of Management, Tunghai University Director, Institute of Continuing Education, Tunghai University Director, Department of Finance, Tunghai University Secretary General, Tunghai University Director, Department of Finance, Providence University Convener of the Audit Committee, Convener of the Compensation Committee, and Member of the Information & Communication Security Committee, AIDC Convener of the Compensation Committee and Audit	Vice President and Professor of Finance Department, Tunghai University Independent Director, Mobiletron Group Independent Director, Langxp Biomedical Co., Ltd.	None	None	None	None

Title	Name	Experience (Education)	Other Position Concurrently Held at the Company or Other Companies	Executives, Directors or Supervisors Who are Spouses or Within the Second Degree of Kinship			Remark
				Title	Name	Relation	
		Committee, Mobiletron Group Independent Director, Edison Technology Co., Ltd Independent Director, Full Wang International Development Co., Ltd. Ph.D. in Business Administration, National Sun Yat-Sen University					
Independent Director	Chen, Yin-Chin	Director and Associate Professor of the Department of Financial and Economic Law, Chung Yuan Christian University Adjunct Associate Professor, Tainan University of Technology Adjunct Associate Professor, Shih Chien University Associate Professor, Department of Public Finance and Taxation, Takming University of Science and Technology Commissioner, Fair Trade Commission; Commissioner, Complaint Review Board for Government Procurement, Public Construction Commission Executive Yuan; Advisory, Department of Nuclear Regulation, Atomic Energy Council Member, International Trade Commission, Ministry of Economic Affairs Member, Advisory	Associate Professor, Department of Financial and Economic Law, Chung Yuan Christian University Independent Director, Advanced Material Systems Corporation	None	None	None	None

Title	Name	Experience (Education)	Other Position Concurrently Held at the Company or Other Companies	Executives, Directors or Supervisors Who are Spouses or Within the Second Degree of Kinship			Remark
				Title	Name	Relation	
		Committee on Handling of State Compensation Cases, Ministry of National Defense; Commissioner, Complaint Review Board for Government Procurement, Taoyuan City Government; Commissioner, Medical Review Board, Health Bureau Member, Advisory Committee on Handling of State Compensation Cases, Taipei City Government Member, Management Board of Nuclear Emergency Response Fund, Executive Yuan Member, Appeals Review Committee, Ministry of Transportation and Communications Member, Advisory Committee on Handling of State Compensation Cases, Army Command Headquarters Commissioner, Listing Review Committee, Taiwan Stock Exchange Corporation Commissioner, Mainboard Listing Review Committee of Taipei Exchange (GreTai Securities Market); Convener of the Audit Committee, Convener of the Information & Communication Security Committee, and Member					

Title	Name	Experience (Education)	Other Position Concurrently Held at the Company or Other Companies	Executives, Directors or Supervisors Who are Spouses or Within the Second Degree of Kinship			Remark
				Title	Name	Relation	
		of the Compensation Committee, AIDC Supervisor, Andes Technology Corporation (Representative of the National Development Fund, Executive Yuan) Supervisor, Light's American Sportscopier Inc. (Representative of the National Development Fund, Executive Yuan) Director, CSBC Corp., Taiwan (Representative of the MOEA) Ph. D of Laws, National Chung Hsing University					
Independent Director	Wang, Yi-Shen	Adjunct Lecturer, Department of Accounting, Chaoyang University of Technology Adjunct Lecturer, Ling Tung University Convener of the Compensation Committee, Member of the Audit Committee, and Member of the Information & Communication Security Committee, AIDC Director, Nantou Bar Association Member of Lawyers Code of Ethic Interpretation Committee, Taiwan Bar Association Master of Laws, Graduate School of Science and Technology Law, National Yunlin University of Science & Technology	Managing Attorney, Hong Der Law Firm Independent Director, Agricultural Bank of Taiwan Adjunct Lecturer, College of Law, Tunghai University	None	None	None	None

- Note 1: Names of institutional shareholders and representatives are listed in Table 1 and Table 2.
- Note 2: The Ministry of Economic Affairs appointed Tsao, Chin-Pin to replace Ma, Wan-June as its new representative on June 30, 2025; appointed Chang, Kuo-Chang to replace Hsiao, Mu-Lai as its new representative and appointed Jennifer Chuang as its representative on January 1, 2026.
- Note 3: Chairman Hu, Kai-Hung, representative of the Ministry of Economic Affairs, retired on August 28, 2025. The Company's Executive Board of Directors elected Executive Director Tsao, Chin-Pin on August 29, 2025 to serve as acting chairman, and he was elected as chairman by the Board of Directors on January 2, 2026.
- Note 4: Yu, Cheng-Tao was appointed as the Company's director representing the Ministry of Economic Affairs for the first time on December 18, 2017. He was not reappointed after the directors election in 2021, and was appointed again after the directors election on May 27, 2024.
- Note 5: The Ministry of Economic Affairs holds 35.175% of shares, rounded down to 35.17%.
- Note 6: The Company has established the Audit Committee.

Table 1: Major Shareholders

March 31, 2026

Name of Institutional Shareholder (Note 1)	Major Shareholders
Ministry of Economic Affairs	N/A
National Defense Industrial Development Foundation	Executive Yuan (100%)

- Note 1: The names of the institutional shareholders shall be listed for directors and supervisors who are representatives of institutional shareholders.
- Note 2: Fill in the names of the major institutional shareholders (with shareholding percentages ranking in the top ten) and their shareholding percentage. If the major shareholder is a legal person, then fill in Table 2 below.
- Note 3: For institutional shareholders that are not corporate, the major shareholders and shares shall be disclosed, specifically the sponsors' or donors' names and donation ratios shall be disclosed. If donors are deceased, they shall be labeled "Deceased".

Table 2: Major shareholders in Table 1 are major shareholders of institutional shareholders

March 31, 2026

Name of Institutional Shareholder (Note 1)	Major Shareholders (Note 2)
Executive Yuan	N/A

- Note 1: If the major shareholder in the above table is a legal person, fill in the name of the legal person.
- Note 2: Fill in the names of the major shareholders (with shareholding percentages ranking in the top ten) of the institutions and their shareholding percentage.
- Note 3: For institutional shareholders that are not corporate, the major shareholders and shares shall be disclosed, specifically the sponsors' or donors' names and donation ratios shall be disclosed. If donors are deceased, they shall be labeled "Deceased".

(I) Directors (II)

1. Disclosure of information on the professional qualifications of directors and independence of independent directors:

March 31, 2026

Title Name	Professional Qualifications and Experiences	Independence	Number of Other Public Companies where the Individual Concurrently Serves as an Independent Director
Chairman Tsao, Chin-Pin	<p>Expertise: Corporate governance; business administration; aerospace industry; government & supervision; risk management</p> <p>Education: Institute of Management Science, National Chiao Tung University; War College, National Defense University; Air Command & Staff College, National Defense University</p> <p>Current Position: Chairman of AIDC</p> <p>Work experiences: Held important positions in the domestic aerospace industry, government, and ICT area, such as President of AIDC; Deputy Commander of the Air Force; Vice Commander-in-Chief of the Air Force; Chief of Staff of the Air Force Command; Commander of the Air Force Combatant Command; Deputy Chief of the General Staff for Communications, Electronics, and Information of the Ministry of National Defense; Deputy Chief of Staff of the Air Force Command; Director of the Personnel and General Affairs Division of the Air Force Command. Currently holds the position of Director of the Industrial Technology Research Institute; Chairman of Taiwan Aerospace Industry Association; Chairman of Taiwan Excellence Drone International Business Opportunities Alliance (TEDIBOA).</p>	<p>Director Tsao is a representative of institutional director Ministry of Economic Affairs and not an independent director. Director Tsao formerly held a position in a supervisory agency of the Ministry of National Defense.</p> <p>All others meet independence requirements set forth in Article 3, Paragraph 1 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.</p>	0
Executive Director Jennifer Chuang	<p>Expertise: Corporate governance; business administration; aerospace industry; government & supervision; risk management</p> <p>Education: Master of Business Administration, College of Management, Tunghai University; Bachelor, Department of Industrial Engineering and Systems Management, Feng Chia University</p> <p>Current Position: President of AIDC</p> <p>Work experiences: Held important positions in the domestic aerospace industry, research institutes, and the ICT area, such as Vice President, Director of the Strategy & Operational Management Division, Director of the Legal Affairs Division, Director of the Materials Division, Deputy Director of the Commercial Business Development Division, and Deputy Director of the Business Division of AIDC. Currently serves</p>	<p>Director Chuang is a representative of institutional director Ministry of Economic Affairs, and is also an employee and natural person shareholder of the Company. Director Chuang is not an independent director.</p> <p>All others meet independence requirements set forth in Article 3, Paragraph 1 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.</p>	0

Title Name	Professional Qualifications and Experiences	Independence	Number of Other Public Companies where the Individual Concurrently Serves as an Independent Director
	as Executive Director of the Taiwan Aerospace Industry Association, Vice Chairman of the Taiwan Composite Materials Industry Association, and a member of the Information & Communication Security Committee of AIDC.		
Director Chang, Ming-Pin	<p>Expertise: Corporate governance; business administration; government & supervision; law; risk management</p> <p>Education: Master of Laws, Edinburgh University (Scotland); Bachelor of Laws, National Taiwan University</p> <p>Current Position: Director-General, Department of Investment Promotion, Ministry of Economic Affairs</p> <p>Work experiences: Held important positions in domestic industry, government, and legal field, such as: Acting Director, Department of Investment Review, MOEA; Executive Secretary of the Investment Commission, MOEA; Director General, DOIS, MOEA; Vice Executive Secretary and Spokesperson, Investment Commission, MOEA; Member, Review Committee, National Development Fund, Executive Yuan; Member, Examination Committee for Establishment Application of Business Entity in the Economic Processing Zone, MOEA. Currently holds the position of CEO, Invest Taiwan Services Center, MOEA; Director, Kuo Kuang Power Co., Ltd.</p>	<p>Director Chang is a representative of institutional director Ministry of Economic Affairs and not an independent director. Director Chang holds a position in a supervisory agency of the Ministry of Economic Affairs.</p> <p>All others meet independence requirements set forth in Article 3, Paragraph 1 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.</p>	0
Director Liu, Sung-Yu	<p>Expertise: Corporate governance; business administration; government and supervision; finance and accounting; risk management</p> <p>Education: BS in Accounting, Department of Accountancy, National Cheng Kung University</p> <p>Current Position: CPA, Solomon & Co., CPAs</p> <p>Work experiences: Held important finance and accounting positions in domestic industry, such as senior manager of Diwan & Company (now known as Ernst & Young), and currently serves as an independent director of Cashbox Partyworld Co., Ltd.</p>	<p>Director Liu is a representative of institutional director Ministry of Economic Affairs and not an independent director.</p> <p>All others meet independence requirements set forth in Article 3, Paragraph 1 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.</p>	1

Title Name	Professional Qualifications and Experiences	Independence	Number of Other Public Companies where the Individual Concurrently Serves as an Independent Director
Director Liu, Hans I. J.	<p>Expertise: Corporate governance; business administration; aerospace industry; government & supervision; risk management</p> <p>Education: MS of Aerospace Engineering, University of Maryland</p> <p>Current Position: Director of AIDC</p> <p>Work experiences: Held important positions in the domestic aerospace industry and research institutes, such as Advisor, AIDC; Section Chief, Deputy Manager, Manager, Senior Engineer - Flight Science Division, Engineering Department, AIDC; Team Leader - Aeronautical Systems Research Division, National Chung Shan Institute of Science and Technology.</p>	<p>Director Liu is a representative of institutional director Ministry of Economic Affairs and not an independent director.</p> <p>All others meet independence requirements set forth in Article 3, Paragraph 1 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.</p>	0
Director Yu, Cheng-Tao	<p>Expertise: Corporate governance; business administration; aerospace industry; government & supervision; risk management</p> <p>Education: Ph.D. in Industrial Engineering and Management, National Yunlin University of Science and Technology; Master in Industrial Engineering, Feng Chia University</p> <p>Current Position: Chairman, Aerospace Industrial Development Corporation Labor Union in Taichung; Quality Assurance Engineer, AIDC</p> <p>Work experiences: Held important positions in the domestic aerospace industry and academia, such as (8th-term) Director, AIDC; (7th-term) Chairman, Aerospace Industrial Development Corporation Labor Union in Taichung; Adjunct Assistant Professor, National Chin-Yi University of Technology. Currently holds the position of Adjunct Assistant Professor, National Taichung University of Science and Technology; Adjunct Assistant Professor, Overseas Chinese University.</p>	<p>Director Yu is a representative of institutional director Ministry of Economic Affairs, and is also an employee of the Company. Director Yu is not an independent director.</p> <p>All others meet independence requirements set forth in Article 3, Paragraph 1 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.</p>	0
Director Chang, Kuo-Chang	<p>Expertise: Corporate governance; business administration; aerospace industry; government & supervision; risk management</p> <p>Education: Bachelor, Department of Distribution Management, Shu-Te University</p> <p>Current Position: Chairman, AIDC Kang-Shan Complex Labor Union; Mechanical</p>	<p>Director Chang is a representative of institutional director Ministry of Economic Affairs, and is also an employee of the Company. Director Chang is not an independent director.</p>	0

Title Name	Professional Qualifications and Experiences	Independence	Number of Other Public Companies where the Individual Concurrently Serves as an Independent Director
	<p>Technician, AIDC</p> <p>Work experiences: Held important positions in the domestic aerospace industry, such as Executive Director and Director of the AIDC Kang-Shan Complex Labor Union. Currently holds the position of Vice Chairman of Kaohsiung City Confederation of Trade Unions.</p>	<p>All others meet independence requirements set forth in Article 3, Paragraph 1 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.</p>	
<p>Director Huang, Chih-Wei</p>	<p>Expertise: Corporate governance; business administration; aerospace industry; government & supervision; risk management</p> <p>Education: United States Air War College, Air Force Academy</p> <p>Current Position: Deputy Chief of Staff (Executive), General Staff Headquarter, Ministry of National Defense (MND)</p> <p>Work experiences: Held important positions in the domestic aerospace industry, government, and academia, such as Vice Commander-in-Chief, Air Force Command; Commander, Air Force Combatant Command; Chief of Staff and Inspector General, Air Force Command; Wing Commander, the 455th Tactical Fighter Wing; Vice President and Commander, Air Force Academy.</p>	<p>Director Huang is a representative of institutional director National Defense Industrial Development Foundation and not an independent director. Director Huang holds a position in a government supervision agency of the MND.</p> <p>All others meet independence requirements set forth in Article 3, Paragraph 1 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.</p>	<p>0</p>
<p>Independent Director (Executive Director) Chan, Chia-Chang</p>	<p>Expertise: Corporate governance; Audit Committee; Compensation Committee; Information & Communication Security Committee; business administration; finance and accounting; risk management</p> <p>Education: Ph.D. in Business Administration, National Sun Yat-Sen University</p> <p>Current Position: Professor, Finance Department, Tunghai University since February 2006; Vice President, Tunghai University since August 2016</p> <p>Work experiences: Specializes in finance and served as a professor of the Finance Department for more than 20 years since February 2006. Held important positions in domestic industry, academia, and finance, such as: Independent Director, Ginko International Co., Ltd.; Independent Director, Edison Technology Co.,</p>	<p>The Company handles matters in accordance with the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.</p> <p>Aside from the written statement from Executive and Independent Director Chan, Chia-Chang, the Company also checked the Company's employee system for shares of the Company held by the independent director, spouse, and relatives within the second degree of kinship, list of directors of affiliates, list of the Company's shareholders, and checked the financial system for remuneration</p>	<p>2</p>

Title Name	Professional Qualifications and Experiences	Independence	Number of Other Public Companies where the Individual Concurrently Serves as an Independent Director
	<p>Ltd.; Independent Director, Full Wang International Development Co., Ltd.; Director, Luce Co., Ltd.; Chief Secretary, Director of the Department of Finance, Director of Extension Education Center, and Dean of College of Management, Tunghai University; Director, Department of Finance, Providence University; Member, Education and Training Committee, Financial Planning Association of Taiwan; Director, Association of Continuing Education of Colleges and Universities in Taiwan. Currently holds the position of Independent Director, Mobiletron Group; Independent Director, Langxp Biomedical Co., Ltd.</p> <p>The company searched the judicial information retrieval system of the Judicial Yuan, the Taiwan Clearing House, etc., and found no conditions specified in Article 30 of the Company Act.</p>	<p>paid for commercial, legal, financial, and accounting services provided to the Company or affiliates in the past 2 years.</p> <p>The Company verified the independent director's independence based on audit results.</p>	
Independent Director Chen, Yin-Chin	<p>Expertise: Corporate governance; Information & Communication Security Committee; Audit Committee; Compensation Committee; business administration; government and supervision; law; risk management</p> <p>Education: Ph. D of Laws, National Chung Hsing University</p> <p>Current Position: Associate Professor, Department of Financial and Economic Law, Chung Yuan Christian University</p> <p>Work experiences: Specializes in financial and economic law and served as a professor of the Department of Financial and Economic Law for more than 30 years since 1995. Held important positions in domestic industry, government, academia, and law, such as: Associate Professor and Director, Department of Financial and Economic Law, Chung Yuan Christian University; Associate Professor, Department of Public Finance and Taxation, Takming University of Science and Technology; Adjunct Associate Professor, Tainan University of Technology; Adjunct Associate Professor, Shih Chien University; Supervisor, Andes Technology</p>	<p>The Company handles matters in accordance with the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.</p> <p>Aside from the written statement from Independent Director Chen, Yin-Chin, the Company also checked the Company's employee system for shares of the Company held by the independent director, spouse, and relatives within the second degree of kinship, list of directors of affiliates, list of the Company's shareholders, and checked the financial system for remuneration paid for commercial, legal, financial, and accounting services provided to the Company or affiliates in the past 2 years.</p> <p>The Company verified the independent director's independence based on audit results.</p>	1

Title Name	Professional Qualifications and Experiences	Independence	Number of Other Public Companies where the Individual Concurrently Serves as an Independent Director
	<p>Corporation (Representative of National Development Fund, Executive Yuan); Supervisor, Light's American Sportscopter Inc. (Representative of National Development Fund, Executive Yuan); Director, CSBC CORP., Taiwan (Representative of MOEA); Commissioner, Fair Trade Commission; Commissioner, Complaint Review Board for Government Procurement, Public Construction Commission Executive Yuan; Advisory, Department of Nuclear Regulation, Atomic Energy Council; Commissioner, International Trade Commission, Ministry of Economic Affairs; Advisory, Advisory Committee on Handling of State Compensation Cases. Currently holds the position of Independent Director, Advanced Material Systems Corporation and has served as a member of review boards of various government agencies for numerous years (such as: Commissioner, Complaint Review Board for Government Procurement, Taoyuan City Government; Petitions and Appeals Committee, Ministry of Transportation and Communications; Nuclear Emergency Response Fund Management Committee, Executive Yuan; Compensation Review Committee for State Compensation Claims, Army Headquarters); Commissioner, Listing Review Committee of Taiwan Stock Exchange Corporation; Commissioner, Mainboard Listing Review Committee of Taipei Exchange (OTC).</p> <p>The company searched the judicial information retrieval system of the Judicial Yuan, the Taiwan Clearing House, etc., and found no conditions specified in Article 30 of the Company Act.</p>		
Independent Director Wang, Yi-Shen	<p>Expertise: Corporate governance; Audit Committee; Compensation Committee; Information & Communication Security Committee; business administration; government and supervision; law; risk management</p> <p>Education: Master of Laws, Graduate School of Science and Technology Law, National Yunlin University of Science</p>	<p>The Company handles matters in accordance with the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.</p> <p>Aside from the written statement from Independent Director Wang, Yi-Shen, the</p>	1

Title Name	Professional Qualifications and Experiences	Independence	Number of Other Public Companies where the Individual Concurrently Serves as an Independent Director
	<p style="text-align: center;">& Technology</p> <p>Current Position: Managing Attorney of Hong Der Law Firm since December, 2014</p> <p>Work experiences: Has an expertise in law, passed the bar examination in 2012, obtained a lawyer's certificate in 2013, and practiced the law for over 11 years since establishing a law firm in December 2014.</p> <p>Held important positions in domestic industry, academia, and law, such as Director, Nantou Bar Association; Member, Lawyers Code of Ethic Interpretation Committee, Taiwan Bar Association; Adjunct Lecturer, Department of Accounting, Chaoyang University of Technology; Adjunct Lecturer, Ling Tung University.</p> <p>Director of Taiwan Shih-Hsi Engineering Consulting Co., Ltd.</p> <p>Currently holds the position of Independent Director, Agricultural Bank of Taiwan and Adjunct Lecturer, College of Law, Tunghai University.</p> <p>The company searched the judicial information retrieval system of the Judicial Yuan, the Taiwan Clearing House, etc., and found no conditions specified in Article 30 of the Company Act.</p>	<p>Company also checked the Company's employee system for shares of the Company held by the independent director, spouse, and relatives within the second degree of kinship, list of directors of affiliates, list of the Company's shareholders, and checked the financial system for remuneration paid for commercial, legal, financial, and accounting services provided to the Company or affiliates in the past 2 years.</p> <p>The Company verified the independent director's independence based on audit results.</p>	

Note 1: The Company's directors do not have any of the conditions specified in Article 30 of the Company Act.

Note 2: Please refer to II. (I) Directors in this chapter or the company website for the experience (education) of the Company's directors:

<https://www.aidc.com.tw/tw/investor/governance/board>

2. Board Diversity and Independence

(1) Attainment of management goals of the Board diversity policy

A. Diversity policy:

AIDC's Corporate Governance Guidelines requires diversity to be considered in board composition, and a diversity policy to be formulated based on the Company's operating dynamics and development needs, in order to strengthen corporate governance and increase the diversity of board composition and structure. In addition, AIDC's Procedures for Election of Directors passed by the shareholders' meeting requires board members to have the knowledge, skills, and experience necessary to perform their duties. The specific abilities required include the ability to make operational judgments, perform accounting and financial analysis, management ability (including supervision of subsidiary management), crisis management ability, knowledge of the industry, an international perspective, ability to lead, and ability to make policy decisions.

B. Specific management goals:

The Company's Board of Directors shall be accountable to the shareholders' meeting, and operations and arrangements of the corporate governance system shall ensure that the Board of Directors exercises its functions and powers in accordance with the law, Articles of Incorporation, or the resolutions of the shareholders' meeting. The board diversity goals are as follow: 1. Female director (at least 1 seat), 2. Independent directors shall serve no more than three consecutive terms, 3. Labor union representative (at least 2 seats), 4. No more than one third of the Company's directors shall be concurrently held by managers of the Company, 5. The professional background of members should include business administration, aerospace industry, financial accounting, law, risk management, and government & supervision.

C. Attainment of diversity management goals:

Female director (at least 1 seat): Achieved.

Labor union representative (at least 2 seats): Achieved.

Independent directors shall serve no more than three consecutive terms: Achieved.

No more than one third of the Company's directors shall be concurrently held by managers of the Company: Achieved.

D. Measures to increase the gender diversity of directors:

The Company currently has two female directors (accounting for 18.18%), one more than in 2025, but is less than one-third of all board seats. This is mainly due to characteristics of the Company's industry, and it is difficult for shareholders to find suitable female director candidates with expertise in defense or aerospace engineering. In the future, the Company will cooperate with the FSC and TWSE in promoting gender diversity of directors and the sound development of board composition in response to the international trend of gender equality. We will continue to urge shareholders to nominate more female director candidates, and follow procedure to establish a nomination committee, in order to implement gender equality in corporate governance and achieve a balance in professional competencies and gender of board members.

Core diversity elements Name	Basic composition							Industry experience			Professional competence				
	Title	Gender	Nationality	Age					Has employee status	Business administration	Aerospace industry	Government supervision	Finance and accounting	Law	Risk management
				<40	41-50	51-60	61-65	>65							
MOEA Representative: Tsao, Chin-Pin	Chairman	Male	R.O.C.				v			v	v	v			v
MOEA Representative: Jennifer Chuang	Executive Director	Female	R.O.C.			v			v	v	v	v			v
MOEA Representative: Chang, Ming-Pin	Director	Male	R.O.C.			v				v		v		v	v
MOEA Representative: Liu, Sung-Yu	Director	Male	R.O.C.			v				v		v	v		v
MOEA Representative: Liu, Hans I. J.	Director	Male	R.O.C.					v		v	v	v			v
MOEA Representative: Yu, Cheng-Tao	Director	Male	R.O.C.			v			v	v	v	v			v
MOEA Representative: Chang, Kuo-Chang	Director	Male	R.O.C.		v				v	v	v	v			v
NDIDF representative: Huang, Chih-Wei	Director	Male	R.O.C.				v			v	v	v			v
Chan, Chia-Chang	Independent Director (Executive Director)	Male	R.O.C.				v			v			v		v
Chen, Yin-Chin	Independent Director	Female	R.O.C.					v		v		v		v	v
Wang, Yi-Shen	Independent Director	Male	R.O.C.	v						v		v		v	v

Note 1: Please refer to II. (I) Directors in this chapter or the company website for the experience (education) of directors.

The Company has 2 female directors (18.18%) and 9 male directors (81.82%);

3 directors (27.27%) are also employees (1 manager and 2 labor union representatives).

The average age of all directors is 58.91 years old (1 director is under 40 years old, 1 director is 41-50 years old, 4 directors are 51-60 years old, 3 directors are 61-65 years old, and 2 directors are older than 65 years old).

The Company attaches importance to corporate governance and the diversity of Board members, and continues to dedicate its efforts to achieve goals set in the Corporate Governance 3.0 -Sustainable Development Roadmap.

Note 2: The Company's directors have the abilities to perform their duties as a director. Directors with an expertise in business judgment, business administration, risk management, leadership and decision-making, and have an international market perspective include Chairman Tsao, Executive Director Chuang, Director Chang, Ming-Pin, Director Liu, Sung-Yu, Director Liu, Director Yu, Director Chang, Kuo-Chang, Director Huang, Executive and Independent Director Chan, Independent Director Chen, and Independent Director Wang. Directors with an expertise in the aerospace industry include Chairman Tsao, Executive Director Chuang, Director Liu, Director Yu, Director Chang, Kuo-Chang, and Director Huang. Director Liu, Sung-Yu and Executive and Independent Director Chan are experts in finance and accounting. Director Chang, Ming-Pin, Independent Director Chen, and Independent Director Wang are legal experts. Directors who currently hold (previously held) important positions in industry, government, academia, research institutes, financial institutions, and law firms are as follows: Chairman Tsao was formerly the president of AIDC; Executive Director Chuang is currently the president of AIDC; Director Chang, Ming-Pin is currently the Director General of the Department of Investment Promotion, MOEA; Director Huang is currently the Deputy Chief of Staff (Executive), General Staff Headquarter, MND. Representatives of academia include Executive and Independent Director Chang, who is the vice president of Tunghai University, and Independent Director Chen, who is an associate professor at the Department of Financial and Economic Law of Chung Yuan Christian University. Independent Director Wang is currently a practicing lawyer and concurrently holds the position of lecturer at the Department of Law, Tunghai University. Director Liu, Sung-Yu is currently a practicing accountant. Furthermore, Executive and Independent Director Chan, Independent Director Chen, Independent Director Wang, and Director Liu, Sung-Yu concurrently hold the position of independent director at other financial institutions or director at other public companies.

The Company's directors have the abilities to perform their duties as a director. Directors have business judgment, business administration, risk management, leadership and decision-making abilities, an international market perspective, and have diverse and complementing expertise and experience.

(2) Independence of the Board

A. Board Structure:

The Company's directors are elected in an open and fair manner in accordance with the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies and Article 14-2 of the Securities and Exchange Act, which is in compliance with the Company's Articles of Incorporation, Procedure for the Election of Directors, and Corporate Governance Guidelines. As of March 31, 2025, the Company has 11 directors (including 3 independent directors, accounting for 27.27%). The board of directors has 3 executive directors, 1 of which is an independent director (accounting for 33.33%). None of the Company's directors are the spouse or relative within the second degree of kinship, in compliance with Article 26-3, Paragraphs 3 and 4 of the Securities and Exchange Act.

B. Board independence:

The board of directors shall provide guidance for the Company's strategies, supervise management, and is accountable to the Company and its shareholders. The board of directors serves its functions

according to the Articles of Incorporation and resolutions of the shareholders' meeting, and urges the Company to implement corporate governance. The independent directors audit the Company's management of existing or potential risks based on the powers of the Audit Committee, and supervise the effective implementation of the Company's internal control, the audit quality of the accountants (independence and competence), and the fair preparation of financial statements on this basis.

The Company's independent directors that have held the position for consecutive terms include Executive and Independent Director Chan for 7.7 years, Independent Director Chen for 7.7 years, and Independent Director Wang for 1.8 years. None of the independent directors has served more than three consecutive terms, in compliance with regulations of the FSC governing independent directors. The independence of independent directors is as follows:

Name	Is the individual, his/her spouse, and relatives within the second degree of kinship a director, supervisor, or employee of the Company or its affiliated enterprises?	Number of shares and shareholding percentage of the Company held by the individual, his/her spouse, and relative within the second degree of kinship	Is the individual a director, supervisor, or employee in a company that has a certain relationship with the Company?	Amount of remuneration received for providing the Company or its affiliated enterprises with commercial, legal, financial, or accounting services in the last 2 years
Chan, Chia-Chang	No	N/A	No	N/A
Chen, Yin-Chin	No	N/A	No	N/A
Wang, Yi-Shen	No	N/A	No	N/A

(II) Supervisors: N/A

(III) President, Vice Presidents, and Managers of Departments and Branches

March 31, 2026

Title	Nationality	Name	Gender	Date Elected	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Managers Who are Spouses or Within the Second Degree of Kinship			Remark
					Shares	%	Shares	%	Shares	%	Title	Name	Relation	
President	R.O.C.	Jennifer Chuang	Female	2026.01.02	131,325	0.014	-	-	-	-	-	-	-	-
Vice President	R.O.C.	Du, Shie-Chun	Male	2016.02.01	143,260	0.015	-	-	-	-	-	-	-	-
Vice President	R.O.C.	Jennifer Chuang	Female	2020.10.01	131,325	0.014	-	-	-	-	-	-	-	-
Vice President	R.O.C.	Louis Tseng	Male	2021.11.5	50,367	0.005	-	-	-	-	-	-	-	-
Vice President	R.O.C.	Wei, Chia-Yu	Male	2022.08.05	50,000	0.005	-	-	-	-	-	-	-	-

Title	Nationality	Name	Gender	Date Elected	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Managers Who are Spouses or Within the Second Degree of Kinship			Remark
					Shares	%	Shares	%	Shares	%	Title	Name	Relation	
Vice President	R.O.C.	King, Hwai Sheng	Female	2024.12.23	78,899	0.008	0	0.00	0	0.00	-	-	-	-

Note 1: President Ma, Wan-June retired on June 29, 2025. President Tsao, Chin-Pin was appointed on July 1, 2025.

Note 2: President Tsao, Chin-Pin was promoted to chairman on January 2, 2026, and Vice President Jennifer Chuang was promoted to president on January 2, 2026.

Title	Name	Experience (Education)	Other Positions
President	Jennifer Chuang	Director, Procurement; Director, Strategy & Operational Management, AIDC; Master of Science in Management, Tunghai University	Vice Chairman, Taiwan Composites Association; Executive Director, Taiwan Aerospace Industry Association.
Vice President	Du, Shie-Chun	Director, Strategy & Operational Management; Director, Engineering; Director, IT, AIDC; Ph.D. in Mechanical Engineering, National Taiwan University	Director, Aeronautical and Astronautical Society of the Republic of China.
Vice President	Louis Tseng	Director, Flight Safety; Director, Quality Assurance; Director, Manufacturing; Director, Civil Aircraft Project; Director, Commercial Business; Chief Auditor, AIDC; Master in Power Mechanical Engineering, National Tsing Hua University	Director, Taiwan Aerospace Industry Association
Vice President	Wei, Chia-Yu	Director, Production; Director, Business Administration; Director, Materials; Director, Commercial Business; Master in Aerospace Business Management, Toulouse Business School	Executive Director, Taiwan Aerospace Industry Association
Vice President	King, Hwai Sheng	Director, Materials Division, AIDC; Director, Human Resources Division, AIDC; Master's in Business Administration, Imperial College London, UK	-

III. Remuneration Paid to Directors (Including Independent Directors), President, and Vice President in the Most Recent Year

(I) Remuneration of directors (including independent directors)

Unit: NT\$ thousands; %

Title	Name (Note 1)	Remuneration						Ratio of Total Remuneration (A+B+C+D) to Net Income		Relevant Remuneration Received by Directors Who are Also Employees						Ratio of Total Compensation (A+B+C+D+E+F+G) to Net Income		Compensation from Ventures Other Than Subsidiaries or from the Parent Company			
		Base Compensation (A)		Severance Pay and Pension (B)		Director's remuneration (C) (Note 2)		Business Execution Expenses (D)		Salary, Bonuses, and Allowances (E)		Severance Pay and Pension (F)		Employee Compensation (G)		Ratio of Total Compensation (A+B+C+D+E+F+G) to Net Income					
		The Company	All Companies in the Financial Statements	The Company	All Companies in the Financial Statements	The Company	All Companies in the Financial Statements	The Company	All Companies in the Financial Statements	The Company	All Companies in the Financial Statements	The Company	All Companies in the Financial Statements	The Company	All Companies in the Financial Statements	The Company	All Companies in the Financial Statements		The Company	All Companies in the Financial Statements	
Chairman (Note 1)	Ministry of Economic Affairs Representative: Hu, Kai-Hung																				
Executive Director (Note 1)	Ministry of Economic Affairs Representative: Tsao, Chin-Pin																				
Executive Director (Note 1)	Ministry of Economic Affairs Representative: Ma, Wan-June	408		0	5,002	0		5,410 0.74		8,438		5,700	44	0	44	0		19,593 2.67		0	
Director	Ministry of Economic Affairs Representative: Chang, Ming-Pin																				
Director	Ministry of Economic Affairs																				

Title	Name (Note 1)	Remuneration								Ratio of Total Remuneration (A+B+C+D) to Net Income				Relevant Remuneration Received by Directors Who are Also Employees				Ratio of Total Compensation (A+B+C+D+E+F+G) to Net Income		Compensation from Ventures Other Than Subsidiaries or from the Parent Company
		Base Compensation (A)		Severance Pay and Pension (B)		Director's remuneration (C) (Note 2)		Business Execution Expenses (D)		Salary, Bonuses, and Allowances (E)		Severance Pay and Pension (F)		Employee Compensation (G)		The Company	All Companies in the Financial Statements			
		The Company	All Companies in the Financial Statements	The Company	All Companies in the Financial Statements	The Company	All Companies in the Financial Statements	The Company	All Companies in the Financial Statements	The Company	All Companies in the Financial Statements	The Company	All Companies in the Financial Statements	Cash	Stock			Cash	Stock	
Independent Director	Wang, Yi-Shen																			
<p>1. The policy, system, standard, and structure of remuneration to independent directors, and the correlation between duties, risk, and time input with the amount of remuneration: Based on the level of participation and contribution of independent directors to the Company's operations; calculated in number of months an independent director actually served at the Company.</p> <p>2. Other than as disclosed in the above table, the remuneration earned by directors for providing services (e.g. providing consulting services as a non-employee of the parent company/all companies in financial statements/investees) in the latest fiscal year: None.</p>																				

Note 1: The Ministry of Economic Affairs appointed Tsao, Chin-Pin to replace Ma, Wan-June as its new representative on June 30, 2025. Chairman Hu, Kai-Hung, a representative of the Ministry of Economic Affairs, retired on August 28, 2025, and the vacant board seat is pending reassignment by the Ministry of Economic Affairs.

Note 2: "Director's remuneration (C)" refers to the remuneration of the Company's institutional directors. The amount in this field is collected by the institutional director. Directors' remuneration is only an estimate and has not yet been distributed.

Note 3: The remuneration disclosed in this table is different from the income concept of the Income Tax Act. Thus, the purpose of this table is for information disclosure, not for tax purposes.

Note 4: The annual report does not include NT\$323 thousand in gifts and physical examinations for directors.

Range of remuneration paid to each director	Name of director			
	Total amount of (A+B+C+D)		Total amount of (A+B+C+D+E+F+G)	
	The Company	All Companies in the Financial Statements (H)	The Company	All Companies in the Financial Statements (I)
Less than NT\$1,000,000	Tsao, Chin-Pin, Hu, Kai-Hung, Ma, Wan-June, Hsiao, Mu-Lai, Yu, Cheng-Tao, Liu, Sung-Yu, Chang, Ming-Pin, Liu, Ying-Chun, Huang, Chih-Wei, Chan, Chia-Chang, Chen, Yin-Chin, Wang, Yi-Shen, National Defense Industrial Development Foundation	Same as the left	Tsao, Chin-Pin, Liu, Sung-Yu, Chang, Ming-Pin, Liu, Ying-Chun, Huang, Chih-Wei, Chan, Chia-Chang, Chen, Yin-Chin, Wang, Yi-Shen, National Defense Industrial Development Foundation	Same as the left
NT\$1,000,000 (included) – NT\$2,000,000 (excluded)	-	-	Hsiao, Mu-Lai, Yu, Cheng-Tao	Same as the left
NT\$2,000,000 (included) – NT\$3,500,000 (excluded)	-	-	-	-
NT\$3,500,000 (included) – NT\$5,000,000 (excluded)	-	-	Ma, Wan-June	Same as the left
NT\$5,000,000 (included) – NT\$10,000,000 (excluded)	-	-	Hu, Kai-Hung	Same as the left
NT\$10,000,000 (included) – NT\$15,000,000 (excluded)	Ministry of Economic Affairs	Same as the left	Ministry of Economic Affairs	Same as the left
NT\$15,000,000 (included) – NT\$30,000,000 (excluded)	-	-	-	-
NT\$30,000,000 (included) – NT\$50,000,000 (excluded)	-	-	-	-
NT\$50,000,000 (included) – NT\$100,000,000 (excluded)	-	-	-	-
Greater Than or Equal to NT\$100,000,000	-	-	-	-
Total	14 people	Same as the left	14 people	Same as the left

Note: All remuneration of directors was collected by institutional directors, remuneration includes salaries and employee bonuses for representatives of institutional directors who are concurrently employees of the Company.

(II) Remuneration to supervisors: N/A

(III) Remunerations to the president and vice presidents

Unit: NT\$ thousands; %

Title	Name	Salary (A)		Severance Pay and Pension (B)		Bonuses and Allowances (C)		Employee Bonus (D)				Ratio of Total Remuneration (A+B+C+D) to Net Income		Compensation from Ventures Other Than Subsidiaries or from the Parent Company
		The Company	All Companies in the Financial Statements	The Company	All Companies in the Financial Statements	The Company	All Companies in the Financial Statements	The Company		All Companies in the Financial Statements		The Company	All Companies in the Financial Statements	
								Cash	Stock	Cash	Stock			
President	Tsao, Chin-Pin													
President	Ma, Wan-June													
Vice President	Du, Shie-Chun													
Vice President	Jennifer Chuang	14,490	14,490	0	0	9,108	9,108	154	0	154	0	23,754 3.24	23,754 3.24	0
Vice President	Louis Tseng													
Vice President	Wei, Chia-Yu													
Vice President	King, Hwai Sheng													

Note 1: Provides the employee remunerations approved by the Board of Directors and distributed to the managers in the most recent year (including shares and cash); if they cannot be estimated, calculate the value intended to be distributed this year according to the actual value distributed last year.

Note 2: President Ma, Wan-June was dismissed on June 29, 2025, and Tsao, Chin-Pin was appointed on June 30, 2025.

Range of Remuneration Table

Range of remuneration paid to presidents and vice presidents	Names of president and vice presidents	
	The Company	All Companies in the Financial Statements (E)
Less than NT\$1,000,000	-	-
NT\$1,000,000 (included) – NT\$2,000,000 (excluded)	Tsao, Chin-Pin	Same as the left
NT\$2,000,000 (included) – NT\$3,500,000 (excluded)	Wei, Chia-Yu, King, Hwai Sheng	Same as the left
NT\$3,500,000 (included) – NT\$5,000,000 (excluded)	Ma, Wan-June, Du, Shie-Chun, Jennifer Chuang, Louis Tseng	Same as the left
NT\$5,000,000 (included) – NT\$10,000,000 (excluded)	-	-
NT\$10,000,000 (included) – NT\$15,000,000 (excluded)	-	-
NT\$15,000,000 (included) – NT\$30,000,000 (excluded)	-	-
NT\$30,000,000 (included) – NT\$50,000,000 (excluded)	-	-
NT\$50,000,000 (included) – NT\$100,000,000 (excluded)	-	-
Greater Than or Equal to NT\$100,000,000	-	-
Total	7 people	Same as the left

(IV) Names of managerial officers that received employee bonuses and status of the distribution

March 31, 2026

Title		Name	Stock	Cash	Total	Ratio of Total Amount to Net Income (%)
Managers	President	Tsao, Chin-Pin	0	154	154	0.0211
	President	Ma, Wan-June				
	Vice President	Du, Shie-Chun				
	Vice President	Jennifer Chuang				
	Vice President	Louis Tseng				
	Vice President	Wei, Chia-Yu				
	Vice President	King, Hwai Sheng				

Note 1: Managers that receive employee bonuses in this table are vice president and higher level managers according to the Articles of Incorporation. The employee bonuses will be distributed after approval by the Board of Directors.

Note 2: The Company has not yet distributed employee bonuses. The estimate is the amount distributed in the previous year. Employee bonuses are calculated according to the proportion of the year they worked at the Company.

Note 3: The president does not receive employee bonuses.

Note 4: Unit: NT\$ thousands.

(V) Compare and describe separately the analysis of total remunerations paid to the Company's directors, president, and vice president for the past two years by the Company and all companies in the stand alone financial statements as a percentage of the net income after tax, and describe the correlation among the remuneration payment policy, standards and combination, remuneration establishing procedures, and management performance and future risks.

1. The amount of remuneration to the Company's directors, president, and vice presidents from the Company and all companies on the consolidated financial statements in the past two years as a percentage of after-tax net profit

Unit: NT\$ thousands

Identity \ Year	2024		2025	
	The Company	Consolidated financial statements (Note)	The Company	Consolidated financial statements (Note)
Remuneration	18,202	18,202	7,749	7,749
Directors' remuneration as a percentage of net profit after tax	0.84%	0.84%	1.06%	1.06%
Remunerations to the president and vice presidents	23,619	23,619	23,754	23,754
Remunerations to the president and vice presidents as a percentage of net profit after tax	1.09%	1.09%	3.24%	3.24%

Note: Directors' remuneration in this table do not include the Company's employee bonuses.

2. The policies and standards of paying remunerations, and packages of remuneration; the

procedure for making such decisions; and relation to business performance and future risks

The Board of Directors is authorized to approve the remuneration to directors (including chairman and independent directors) according to the Company's Articles of Incorporation. In addition, the Articles of Incorporation stipulate that if the Company makes a profit for the year, it shall allocate no less than 0.58% and no more than 4.65% of pre-tax profit as employee bonuses, in which no less than 40% of the amount allocated for employee bonuses shall be distributed to entry-level employees. No more than 0.58% of pre-tax profits shall be allocated as directors' remuneration. When there is an accumulated loss, the Company shall set aside the amount in advance to offset the loss.

- Article 7, Paragraph 2, Subparagraph 2 of the Compensation Committee Charter states that performance evaluations and remuneration of directors and managers should take into consideration industry standards, the time input by the individual, duties, achievement of individual goals, performance in other positions, and remuneration provided by the Company to others at the same job level. The Company's achievement of short-term and long-term business goals and financial position are used to evaluate the reasonableness of the connection between individual performance and the Company's business performance and future risks.

IV. Implementation of corporate governance

(I) Operations of the Board of Directors

- A total of 7 Board meetings were held in 2025. The attendance was as follows:

Title	Name	Attendance in Person	By Proxy	Attendance rate (%)	Remark
Chairman	MOEA Representative: Hu, Kai-Hung	5	0	100.00	Retired on August 28, 2025, required to attend 5 board meetings in 2025.
Executive Director	MOEA Representative: Tsao, Chin-Pin	4	0	100.00	Appointed on June 30, 2025, required to attend 4 board meetings in 2025.
Executive Director	MOEA Representative: Ma, Wan-June	3	0	100.00	Dismissed on June 30, 2025, required to attend 3 board meetings in 2025.
Director	MOEA Representative: Chang, Ming-Pin	6	0	85.71	-
Director	MOEA Representative: Liu, Sung-Yu	7	0	100.00	-
Director	MOEA Representative: Liu, Hans I. J.	7	0	100.00	-
Director	MOEA Representative: Hsiao, Mu-Lai	6	0	85.71	-

Title	Name	Attendance in Person	By Proxy	Attendance rate (%)	Remark
Director	MOEA Representative: Yu, Cheng-Tao	7	0	100.00	-
Director	NDIDF representative: Huang, Chih-Wei	1	1	14.29	-
Independent Director (Executive Director)	Chan, Chia-Chang	7	0	100.00	-
Independent Director	Chen, Yin-Chin	7	0	100.00	-
Independent Director	Wang, Yi-Shen	7	0	100.00	-
Actual attendance of all directors in Board meetings		67	1	89.33	-

Note: Chairman Hu, Kai-Hung, representative of the Ministry of Economic Affairs, retired on August 28, 2025. The Company's Executive Board of Directors elected Executive Director Tsao, Chin-Pin on August 29, 2025 to serve as acting chairman. The acting period is from August 29, 2025 until a new chairman is elected.

2. Other disclosures

(1) Opinions of the independent directors on matters listed in Article 14-3 of the Securities and Exchange Act and the Company's handling of independent directors' opinions

Date of Meeting/Term of the Board of Directors	Details of the proposal and follow-up	Attendance of independent directors in person	Matters listed in Article 14-3 of the Securities and Exchange Act	Opinions of independent directors	The Company's handling of independent directors' opinions	Dissenting or qualified opinion of independent director(s)
2025/02/24 4th meeting of 10th-term	The Company's self-reported 2024 financial information Resolution: Approved by all directors in attendance.	3	✓	None	NA	None
	Proposal to convene the Company's 2025 Annual General Meeting Resolution: Approved by all directors in attendance.	3	✓	None	NA	None
	Proposal to appoint senior manager for the Company's Procedures for Engaging in Financial Derivative Transactions Resolution: Approved by all directors in attendance.	3	NA	NA	NA	None
	Proposal to determine the scope of the Company's entry-level employees Resolution: Approved by all directors in attendance.	3	NA	NA	NA	None

Date of Meeting/Term of the Board of Directors	Details of the proposal and follow-up	Attendance of independent directors in person	Matters listed in Article 14-3 of the Securities and Exchange Act	Opinions of independent directors	The Company's handling of independent directors' opinions	Dissenting or qualified opinion of independent director(s)
2025/03/27 5th meeting of 10th-term	The Company's 2024 business report. Resolution: Approved by all directors in attendance.	3	NA	NA	NA	None
	Proposed distribution of 2024 employee bonuses and directors' remuneration. Resolution: Approved by all directors in attendance.	3	✓	None	NA	None
	The Company's 2024 financial statements. Resolution: Approved by all directors in attendance.	3	✓	None	NA	None
	The Company's 2024 dividend distribution proposal. Resolution: Approved by all directors in attendance.	3	✓	None	NA	None
	The Company's 2024 Statement of Internal Control System. Resolution: Approved by all directors in attendance.	3	✓	None	NA	None
	Proposed distribution of 2024 bonuses to the Company's chairman, president, vice presidents, and managers. Resolution: Approved by all directors in attendance.	3	✓	None	NA	None
	Proposed amendment to the Company's Articles of Incorporation. Resolution: Approved by all directors in attendance.	3	NA	NA	NA	None
	Proposal to change the Company's accountants Resolution: Approved by all directors in attendance.	3	✓	None	NA	None
2025/05/02 6th meeting of 10th-term	The Company's 2025 Q1 consolidated financial statements Resolution: Approved by all directors in attendance.	3	✓	None	NA	None
	Proposed amendment to the Company's internal control system. Resolution: Approved by all directors in attendance.	3	✓	None	NA	None

Date of Meeting/Term of the Board of Directors	Details of the proposal and follow-up	Attendance of independent directors in person	Matters listed in Article 14-3 of the Securities and Exchange Act	Opinions of independent directors	The Company's handling of independent directors' opinions	Dissenting or qualified opinion of independent director(s)
2025/07/01 2nd meeting of 10th-term Extempore	Proposal to hold a by-election for the Company's executive director Election result: All directors in attendance (11 persons) voted and Director Tsao, Chin-Pin (11 votes) was elected as executive director. The term of office is from July 1, 2025 to May 26, 2027 to complete the original term.	3	✓	None	NA	None
	Proposed appointment and retirement of the Company's president Resolution: Approved by all directors in attendance and effective from July 1, 2025.	3	✓	None	NA	None
	Proposal for the Company to implement the behind-the-meter microgrid and load shifting energy storage system construction project Resolution: Approved by all directors in attendance.	3	NA	NA	NA	None
2025/08/01 7th meeting of 10th-term	The Company's 2025 Q2 consolidated financial statements Resolution: Approved by all directors in attendance.	3	✓	None	NA	None
	Proposed salary for the Company's president Resolution: Approved by all directors in attendance.	3	✓	None	NA	None
	The Company's 2024 sustainability report. Resolution: Approved by all directors in attendance.	3	NA	NA	NA	None
2025/08/29 1st meeting of 10th-term Executive Director	Proposal to elect the Company's acting chairman of the board Election result: All executive directors in attendance (Executive and Independent Director Chan, Chia-Chang and Executive Director Tsao, Chin-Pin) elected Executive Director Tsao, Chin-Pin to serve as acting chairman. The acting period is from August 29, 2025 until a new chairman is elected.	NA	✓	None	NA	None

Date of Meeting/Term of the Board of Directors	Details of the proposal and follow-up	Attendance of independent directors in person	Matters listed in Article 14-3 of the Securities and Exchange Act	Opinions of independent directors	The Company's handling of independent directors' opinions	Dissenting or qualified opinion of independent director(s)
2025/11/10 8th meeting of 10th-term	The Company's 2025 Q3 consolidated financial statements Resolution: Approved by all directors in attendance (including by proxy).	3	✓	None	NA	None
	The Company's 2026 internal audit plan. Resolution: Approved by all directors in attendance (including by proxy).	3	NA	NA	NA	None
	Proposed appointment and retirement of the chief auditor of the Company's Audit Office Resolution: Approved by all directors in attendance (including by proxy).	3	✓	None	NA	None
	Proposed appointment of directors, supervisors, chairman, and president of Hsiang Yuan Co., Ltd. Resolution: Approved by all directors in attendance (including by proxy).	3	NA	NA	NA	None
2025/12/22 9th meeting of 10th-term	Proposal to lift the non-compete clause for the Company's directors Resolution: Approved by all directors in attendance.	3	✓	None	NA	None
	The Company's 2026 business plan. Resolution: Approved by all directors in attendance.	3	NA	NA	NA	None
	Proposed principles for the 2026 bonuses to the Company's chairman, president, vice presidents, and managers Resolution: Approved by all directors in attendance.	3	✓	None	NA	None
	Proposed appointment and remuneration of the Company's accountants in 2026-2028. Resolution: Approved by all directors in attendance.	3	✓	None	NA	None

Note 1: Not applicable (not among the matters listed in Article 14-3 of the Securities and Exchange Act).

Note 2: ✓ indicates that the matter is listed according to regulations, independent directors did not have any opinions. The representative is a matter listed in the regulations, so the Company's handling of independent directors' opinions is not applicable.

(2) Other resolutions adopted by the Board of Directors to which an independent director has expressed dissenting or qualified opinions on record or in writing: N/A.

(3) Directors recused from themselves from discussion or voting on an agenda item in which they have an interest

Matters of concern to the individual interests of directors were already described in the agenda item. Directors were asked to pay attention to matters that they should recuse themselves from, leave their seats, and not participate in the discussion or voting. Directors who recused themselves from agenda items that they have a conflict of interest in are as follows:

Date of Meeting/Term of the Board of Directors	Name of director	Content of proposal	Reason for recusal	Participation in voting
2025/03/27 5th meeting of 10th-term	Hu, Kai-Hung, Chairman Executive Director – Ma, Wan-June	Proposed the 2024 bonuses to the Company's chairman, president, vice presidents, and managers	Payment of individual remuneration	Chairman Hu, Kai-Hung and Executive Director Ma, Wan-June (president) recused themselves and did not participate in the discussion and voting.
2025/07/01 2nd meeting of 10th-term Extempore	Executive Director Tsao, Chin-Pin	Proposed appointment and retirement of the Company's president	Appointment of individual position	Executive Director Tsao, Chin-Pin (president) recused himself and did not participate in the discussion and voting
2025/08/01 7th meeting of 10th-term	Executive Director Tsao, Chin-Pin	Proposed salary for the Company's president	Payment of individual remuneration	Executive Director Tsao, Chin-Pin (president) recused himself and did not participate in the discussion and voting
2025/12/22 9th meeting of 10th-term	Executive and Independent Director – Chan, Chia-Chang Director – Chang, Ming-Pin Director Liu, Sung-Yu	Proposal to lift the non-compete clause for the Company's directors	Lift the non-compete clause for individual positions	Executive and Independent Director Chan, Chia-Chang, Director Chang, Ming-Pin, and Director Liu recused themselves and did not participate in the discussion or vote
2025/12/22 9th meeting of 10th-term	Executive Director Tsao, Chin-Pin	Proposed principles for the 2026 bonuses to the Company's chairman, president, vice presidents, and managers	Payment of individual remuneration	Executive Director Tsao, Chin-Pin (president) recused himself and did not participate in the discussion and voting

(4) Goals for enhancing Board functions in the current year and most recent year and evaluation of implementation status

A. Enhancing the functions of the Board of Directors

The Company currently has 3 independent directors who have an expertise in accounting, finance, and law. The independent directors often provide effective and professional opinions on the Company's operations management, internal control system, financial position and business performance, and investment plans. The Company's Board of Directors currently has an Audit Committee, Compensation Committee, and Information & Communication Security Committee. Committee members provide the Board of Directors with recommendations based on their expertise, and thereby ensure the appropriateness of financial and non-financial reports, effectiveness of the internal control system, and

reasonableness of directors and managers' performance evaluation and remuneration. The committees optimize the Company's business information security management, and provide a basis for the Board of Directors to make business decisions, further enhancing Board functions.

We established mechanisms for dialogue and interactions between the Board of Directors and shareholders to implement corporate governance. Besides setting up an investors section on the company website to announce major resolutions of the Board of Directors and information on the Company's business performance and financial position, we also set up a mailbox of the Board of Directors to provide a platform for two-way communication. This will improve shareholders' understanding of the Company operations, facilitate corporate sustainability, increase company value, and ensure alignment with shareholders' long-term interests.

B. Increasing information transparency

The Company appointed Deloitte Taiwan to periodically review and certify financial statements. Designated personnel are responsible for information required by the law, and periodically announce the Company's operating revenue and financial statements and organize investor conferences. The Company has established a complete spokesperson system to ensure the immediate and proper disclosure of material information, and provide shareholders and stakeholders with information on the Company's financial position and business performance. Please see the company website and Market Observation Post System for important information on the Company's financial position and business performance.

C. Evaluation of Board function performance

- (A) The Company established the Rules of Procedure for Board of Directors Meetings in accordance with the Regulations Governing Procedure for Board of Directors Meetings of Public Companies, which provide the basis for affairs of Board meetings. The Company also implements corporate governance regulations, discloses information on attendance of directors in Board meetings on the MOPS, and discloses major resolutions of the Board of Directors on the company website.
- (B) The Company established an Audit Committee in accordance with Article 14-4 of the Securities and Exchange Act, and the committee is formed by all independent directors of the Company. According to the "Regulations Governing the Appointment and Exercise of Powers by the Compensation Committee of a Company Whose Stock is Listed on the Stock Exchange or Traded Over the Counter," the Company established a Compensation Committee and members are appointed by the Board of Directors.
- (C) The Board of Directors established an Information & Communication Security Committee to improve the Company's information security management. The committee is responsible for reviewing the Company's information security policy and regulations, examining and reviewing the information security management system, and reviewing the annual information security promotion plan and results. The committee developed comprehensive information security mechanisms through professional information security planning, supervision, and actions, and periodically

evaluates and reports the Company's information security management to the Board of Directors.

- (D) The Company's Board meetings are handled according to the Regulations Governing Procedure for Board of Directors Meetings of Public Companies. The Board of Directors periodically listens to minutes and implementation status of the previous meeting, reports on the Company's financial position and business performance, reports on internal audits, and other important reports. The Board of Directors evaluates and supervises current or potential risks in the Company's operations, supervises the Company's compliance with the law and internal control system, and follows up on resolutions of the Board of Directors.
- (E) The Company has implemented an internal control system, matters that involve the Board of Directors' authority and responsibilities are submitted to the Board of Directors for approval before being carried out. Pursuant to the Company Act and Article 14-5 and Article 36 of the Securities and Exchange Act, agenda items that must be submitted to the Audit Committee or Board of Directors for a resolution must be approved by the Audit Committee and then submitted to the Board of Directors for a resolution. Annual, Q1, Q2, and Q3 financial statements are handled according to Article 14-5 of the Securities and Exchange Act and Article 8 of the Regulations Governing the Exercise of Powers by Audit Committees of Public Companies.
- (F) The Company implements corporate governance according to the "Taiwan Stock Exchange Corporation Operation Directions for Compliance with the Establishment of Board of Directors by TWSE Listed Companies and the Board's Exercise of Powers." Chen, Tsung-Hung, Chief of the Chairman's Office, was appointed by the Board of Directors as the corporate governance officer, and is responsible for the Company's corporate governance matters, providing directors with the assistance required to perform their duties and handling changes in directors. The corporate governance officer also reports to the board of directors results of whether independent directors had the qualifications required by law during their nomination, election, and term, as well as board performance evaluation results.

Based on corporate governance evaluation indicators announced by TWSE each year, the Company continues to improve self-evaluations of different aspects, including protecting shareholders' equity and treating shareholders fairly, level of participation in operations, strengthening Board operations, increasing information transparency, and continuing education of directors. Please refer to Chapter IV Implementation of Corporate Governance for details of the Company's goals to enhance Board functions and evaluation.

(5) Liability insurance for directors and managers

The Company has purchased liability insurance for all directors and managers since 2014 to reduce the legal and financial liabilities of management, as well as the unknown risks that the Company may have to bear, and transfer the potential losses when directors and the Company is performing duties. Four insurance companies including Fubon Insurance Co., Ltd. jointly provided liability insurance coverage in 2025. The insurance period, amount, and coverage of liability insurance were reported to the board of directors on August 1, 2025 in accordance with Article 39 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed

Companies. See the Market Observation Post System for details of liability insurance purchased by the Company for directors and managers.

(6) Continuing education of directors

Title	Name	Date of appointment	Date of first appointment	Date of continuing education		Organizer	Course name	Hours of continuing education	Total hours
				Start	End				
Chairman	Hu, Kai-Hung	2024/05/27	2019/03/18	2025/07/09	2025/07/09	Taiwan Stock Exchange Corporation	2025 Cathay Sustainable Finance and Climate Change Summit	6	6
Executive Director	Tsao, Chin-Pin	2025/06/30	2025/06/30	2025/11/13	2025/11/13	Securities & Futures Institute	Shareholders' Meetings, Management Rights, and Equity Strategies	3	12
				2025/10/30	2025/10/31	Securities & Futures Institute	2025 Insider Equity Transaction Legal Compliance Awareness Briefing	3	
				2025/09/03	2025/09/03	Taiwan Corporate Governance Association	The 21st (2025) Corporate Governance Summit – The Role of BOD in Strategy Shaping for the Drastic Transformations of Global Environment	6	
Director	Chang, Ming-Pin	2024/05/27	2018/06/26	2025/08/06	2025/08/06	Securities & Futures Institute	Further Evolution of Military Technology: Development Trends of Drones and Laser Weapons	3	6
				2025/03/13	2025/03/13	Chinese National Association of Industry and Commerce, Taiwan	Impact of Trump's New Policies on Business Operations and Investment and Response	3	
Director	Liu, Sung-Yu	2024/05/27	2024/05/27	2025/08/06	2025/08/06	Securities & Futures Institute	Further Evolution of Military Technology: Development Trends of Drones and Laser Weapons	3	6
				2025/07/22	2025/07/22	Taiwan CPA Association	Recent Amendments to International Financial Reporting Standards and Application Practices	3	
Director	Liu, Hans I. J.	2024/05/27	2024/05/27	2025/08/06	2025/08/06	Securities & Futures Institute	Further Evolution of Military Technology: Development Trends of Drones and Laser Weapons	3	6
				2025/04/25	2025/04/25	Securities & Futures Institute	Analysis of Overseas Investment and Mergers & Acquisitions Practices of Corporations	3	
Director	Huang, Chih-Wei	2024/12/13	2024/12/13	2025/09/05	2025/09/05	Taipei Foundation of Finance	Financial Technology from the Perspective of Stablecoins: Blockchain Practices and Future	3	6
				2025/08/06	2025/08/06	Securities & Futures Institute	Further Evolution of Military Technology: Development Trends of Drones and Laser Weapons	3	
Director	Hsiao, Mu-Lai	2024/05/27	2021/12/23	2025/09/04	2025/09/05	Ministry of Labor	2025 Promotion of Labor Education Workshop – Labor Unions and Labor Director Activities	9	12
				2025/08/06	2025/08/06	Securities & Futures Institute	Further Evolution of Military Technology: Development Trends of Drones and Laser Weapons	3	
Director	Yu, Cheng-Tao	2024/05/27	2017/12/18	2025/09/04	2025/09/05	Ministry of Labor	2025 Promotion of Labor Education Workshop – Labor Unions and Labor Director Activities	7	13
				2025/08/06	2025/08/06	Securities & Futures Institute	Further Evolution of Military Technology: Development Trends of Drones and Laser Weapons	3	
				2025/05/09	2025/05/09	Securities & Futures Institute	2025 Seminar on Prevention of Insider Trading	3	

Title	Name	Date of appointment	Date of first appointment	Date of continuing education		Organizer	Course name	Hours of continuing education	Total hours
				Start	End				
Independent Director (Executive Director)	Chan, Chia-Chang	2024/05/27	2018/06/26	2025/08/06	2025/08/06	Securities & Futures Institute	Further Evolution of Military Technology: Development Trends of Drones and Laser Weapons	3	9
				2025/07/09	2025/07/09	Taiwan Stock Exchange Corporation	2025 Cathay Sustainable Finance and Climate Change Summit	6	
Independent Director	Chen, Yin-Chin	2024/05/27	2018/06/26	2025/10/16	2025/10/16	Financial Supervisory Commission	The 15th Corporate Governance Forum in Taipei	6	9
				2025/08/06	2025/08/06	Securities & Futures Institute	Further Evolution of Military Technology: Development Trends of Drones and Laser Weapons	3	
Independent Director	Wang, Yi-Shen	2024/05/27	2024/05/27	2025/08/06	2025/08/06	Securities & Futures Institute	Further Evolution of Military Technology: Development Trends of Drones and Laser Weapons	3	9
				2025/05/09	2025/05/09	Securities & Futures Institute	2025 Seminar on Prevention of Insider Trading	3	
				2025/02/21	2025/02/21	Taiwan Corporate Governance Association	How should audit committee members conduct financial statement reviews	3	

(7) Implementation of Board Performance Evaluations

Pursuant to Article 37 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, the Company established Regulations Governing Board Performance Evaluations and procedures, and periodically evaluates the performance of the Board of Directors, individual directors, and functional committees each year. Please see the Market Observation Post System or company website for details of the Regulations Governing Board Performance Evaluations. The evaluation results of each indicator in the 2025 annual performance evaluation was 4.96 points. The implementation status is as follows:

Evaluation cycle	Evaluation period	Scope of evaluation	Evaluation method	Evaluation items and results
Implemented once a year	2025/01/01~2025/12/31	Performance evaluation of the Board of Directors, individual directors, and functional committees	1. Board of Directors self-evaluation 2. Self-evaluation by Board members 3. Self-evaluation by functional committees (Audit Committee, Compensation Committee, and Information & Communication Security Committee) was peer evaluation	1. Board Performance Evaluation There are 18 measurement indicators divided into the following five aspects: (1) Level of participation in company operations. (2) Improving the quality of board decisions. (3) Board composition and structure. (4) Election and continuing education of directors. (5) Internal control. Evaluation results: 4.92 points 2. Performance evaluation of individual directors There are 15 measurement indicators divided into the following six aspects: (1) Understanding of the Company's goals and mission. (2) Understanding of directors' duties. (3) Level of participation in company operations.

Evaluation cycle	Evaluation period	Scope of evaluation	Evaluation method	Evaluation items and results
				<p>(4) Maintaining internal relationships and communication.</p> <p>(5) The professional and continuing education of directors.</p> <p>(6) Internal control.</p> <p>Evaluation results: 4.99 points</p> <p>3. Performance evaluation of functional committees</p> <p>There are 15 measurement indicators divided into the following five aspects:</p> <p>3.1 Audit Committee</p> <p>(1) Level of participation in company operations.</p> <p>(2) Understanding of the Audit Committee's responsibilities.</p> <p>(3) Improvement of the Audit Committee's decision-making quality.</p> <p>(4) Composition of the Audit Committee and member selection.</p> <p>(5) Internal control.</p> <p>Evaluation results: 5 points</p> <p>3.2 Compensation Committee</p> <p>(1) Level of participation in company operations.</p> <p>(2) Understanding of the Compensation Committee's responsibilities.</p> <p>(3) Improvement of the Compensation Committee's decision-making quality.</p> <p>(4) Composition of the Compensation Committee and member selection.</p> <p>(5) Internal control.</p> <p>Evaluation results: 5 points</p> <p>3.3 Information & Communication Security Committee</p> <p>(1) Level of participation in company operations.</p> <p>(2) Understanding of the Information & Communication Security Committee's duties.</p> <p>(3) Improvement of the Information & Communication Security Committee's decision-making quality.</p> <p>(4) Composition of the Information & Communication Security Committee and member selection.</p> <p>(5) Internal control.</p> <p>Evaluation results: 4.87 points</p>

Note: 1. Evaluation scoring: Strongly agree 5 points; Agree 4 points; Neither agree nor disagree 3 points; Disagree 2 points; Strongly disagree 1 point.

2. Results of the Company's 2025 Board performance evaluation (including methods for review and improvements) were reported during the Board meeting on March 30, 2026 and submitted to the Compensation Committee.

(II) Operations of the Audit Committee

1. AIDC's Audit Committee is formed by 3 independent directors, who assist the Board of Directors in ensuring the correct representation of the Company's financial statements, independence and performance of the CPAs, effective implementation of internal controls, the Company's compliance with related laws and regulations, and risk management. The Audit Committee convened 7 meetings between January 2025 and December 2025 (A). Attendance of independent directors is as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance rate (%) (B/A)	Remark
Independent Director	Chan, Chia-Chang	7	0	100	None
Independent Director	Chen, Yin-Chin	7	0	100	None
Independent Director	Wang, Yi-Shen	7	0	100	None

2. Important work items of the Audit Committee between January 2025 and December 2025 include:

- (1) Review financial statements, business reports, and earnings distribution proposals
- (2) Review the effectiveness of the internal control system
- (3) Review amendments to the Company's rules and regulations
- (4) Review the Company's annual business plan
- (5) Proposal to review the Company's investment plans in important assets
- (6) Proposal to review the appointment and dismissal of the chief internal auditor
- (7) Review the internal audit plan
- (8) Review the evaluation report on the audit quality of accountants (independence and competence)
- (9) Review proposals to change accountants
- (10) Review internal audit reports
- (11) Review the implementation of reinvestments
- (12) Review the handling of material matters

3. Other disclosures:

- (1) Matters related to Article 14-5 of the Securities and Exchange Act approved by the Audit Committee between January 1, 2025 and December 31, 2025 are shown in the table below:

Meeting Date/Term	Content of proposal	Dissenting, qualified opinion, or major recommendations from independent directors	Resolution	The Company's response to the Audit Committee's opinions
2025.02.17 4th Meeting of the 10th-term Board of Directors	Self-reported 2024 financial information	None	Approved as proposed and submitted to the Board of Directors for review.	Approved by the Board of Directors.
2025.03.20 5th Meeting of the 10th-term Board of Directors	2024 financial statements	None	Approved as proposed and submitted to the Board of Directors for review.	Approved by the Board of Directors.
	The Company's 2024 dividend distribution proposal.	None	Approved as proposed and submitted to the Board of Directors for review.	Approved by the Board of Directors.
	Proposal to change the Company's accountants (Note: Internal adjustment of the accounting firm)	None	Approved as proposed and submitted to the Board of Directors for review.	Approved by the Board of Directors.
	The Company's Statement of Internal Control System	None	Approved as proposed and submitted to the Board of Directors for review.	Approved by the Board of Directors.
	Proposed amendment to the Company's Articles of Incorporation.	None	Approved after amendment and submitted to the Board of Directors for review.	Approved by the Board of Directors.
	The Company's 2024 business report.	None	Approved as proposed and submitted to the Board of Directors for review.	Approved by the Board of Directors.
2025.04.25 6th Meeting of the 10th-term Board of Directors	2025 Q1 consolidated financial statements	None	Approved as proposed and submitted to the Board of Directors for review.	Approved by the Board of Directors.
	Proposed amendment to the Company's	None	Approved as proposed and submitted to the	Approved by the Board of Directors.

Meeting Date/Term	Content of proposal	Dissenting, qualified opinion, or major recommendations from independent directors	Resolution	The Company's response to the Audit Committee's opinions
	internal control system.		Board of Directors for review.	
2025.06.27 7th Meeting of the 10th-term Board of Directors	Proposal for the Company to implement the behind-the-meter microgrid and load shifting energy storage system project	None	Approved as proposed and submitted to the Board of Directors for review.	Approved by the Board of Directors.
2025.07.24 8th Meeting of the 10th-term Board of Directors	2025 Q2 consolidated financial statements	None	Approved as proposed and submitted to the Board of Directors for review.	Approved by the Board of Directors.
2025.10.27 9th Meeting of the 10th-term Board of Directors	2025 Q3 consolidated financial statements	None	Approved as proposed and submitted to the Board of Directors for review.	Approved by the Board of Directors.
	2026 internal audit plan	None	Approved as proposed and submitted to the Board of Directors for review.	Approved by the Board of Directors.
	Proposed appointment and retirement of the chief auditor of the Company's Audit Office	None	Approved as proposed and submitted to the Board of Directors for review.	Approved by the Board of Directors.
2025.12.08 10th Meeting of the 10th-term Board of Directors	Proposed appointment and remuneration of accountants in 2026-2028	None	Approved as proposed and submitted to the Board of Directors for review.	Approved by the Board of Directors.
	The Company's 2026 business plan.	None	Additional information was provided according to opinions of committee members, and the revised parts were specified before the board meeting. The remaining items were approved for submission to the	Approved by the Board of Directors.

Meeting Date/Term	Content of proposal	Dissenting, qualified opinion, or major recommendations from independent directors	Resolution	The Company's response to the Audit Committee's opinions
			Board of Directors for review.	

- (2) There were no matters not approved by the Audit Committee but were passed by a vote of two-thirds or more of the entire Board of Directors between January 1, 2025 and December 31, 2025.
- (3) There were no agenda items between January 1, 2025 and December 31, 2025 that required independent directors to recuse themselves.
- (4) Communication between independent directors and the chief internal auditor:
- A. The Company's independent directors communicate with the chief internal auditor through Audit Committee meetings, board meetings, and other means, and also separately communicate with the chief internal auditor on the implementation of audit matters at least once a year. In addition, the internal audit unit submits audit reports to the independent directors for review every month.
- B. Communication between independent directors and the chief internal auditor between January 1, 2025 and December 31, 2025:

Date	Method	Matter	Communication and results	Results of recommendation from independent director
2025.02.17	Individual meeting	Communication of audit matters	<ol style="list-style-type: none"> The independent directors were informed and advised the audit department to pay attention to and understand the reasons for the negative gross profit margin and higher costs of some projects. Communication was good. 	Handled according to the independent directors' opinions.
2025.03.20	Audit Committee Meeting	<ol style="list-style-type: none"> Reports: Internal audit report for 2024 Q4 and the entire year Proposals: 2024 Statement of Internal Control System 	<ol style="list-style-type: none"> The reports were noted by independent directors. The proposal was approved to be submitted to the Board of Directors for review. Communication was good. 	The proposal was submitted to the Board of Directors and approved.

Date	Method	Matter	Communication and results	Results of recommendation from independent director
2025.04.25	Audit Committee Meeting	Internal audit report for 2025 Q1	Noted by independent directors and communication was good.	The independent director did not propose any recommendations or opinions.
2025.07.24	Audit Committee Meeting	Internal audit report for 2025 Q2	<ol style="list-style-type: none"> 1. The independent directors were informed and advised the audit department to track improvements made for high risk items as appropriate. 2. Communication was good. 	Handled according to the independent directors' opinions.
2025.10.27	Audit Committee Meeting	<ol style="list-style-type: none"> 1. Reports: Internal audit report for 2025 Q3 2. Discussions: 2026 internal audit plan 	<ol style="list-style-type: none"> 1. The independent directors were informed of the matters in the report and suggested that future reports divide matters into categories and that other internal system operations be optimized. 2. The audit plan for the following year was approved as proposed. 3. Communication was good. 	Handled according to the independent directors' opinions.
2025.12.08	Individual meeting	Communicated the status of audit operations	<ol style="list-style-type: none"> 1. The independent directors were informed and are concerned about the manpower of the Audit Office and whether operations are smoothly carried out. 2. The independent directors were concerned about the progress of R&D and recommended stricter audits of 	Handled according to the independent directors' opinions.

Date	Method	Matter	Communication and results	Results of recommendation from independent director
			R&D projects in the future. 3. Communication was good.	

(5) Communication between independent directors and accountants

A. Principles for communication between independent directors and accountants:

- (A). The Company's independent directors and accountants communicate through Audit Committee meetings, board meetings, or other communication meetings. Independent directors separately communicate with accountants at least once a year, and invited accountants to attend Audit Committee meetings at least twice a year to provide necessary information, achieving good communication.
- (B). During the meetings, the accountants present audit or review results for financial statements, the annual audit plan, and audits of internal controls, and fully communicate on whether any material adjustments have been made to journal entries or whether amendments to laws affect accounting entries.
- (C). The independence and competence of the accountants are assessed annually based on the Audit Quality Indicators (AQI), and a statement of independence is obtained from the accountants for review by the Board of Directors. Assessment results for the independence and competence of the accountants in the past year were submitted to the Company's Audit Committee on October 27, 2025 and approved by the Board of Directors on November 10, 2025.
- (D). The accountants provide necessary information and explanations for other communication matters required by relevant laws and regulations.
- (E). Independent directors and accountants may convene meetings as needed to separately communicate important matters.

B. Communication between independent directors and accountants between January 1, 2025 and December 31, 2025

Date/Communication Method	Attendees	Matter	Communication and results	Results of the Company's handling of independent directors' opinions
2025.02.17 Individual meeting	Independent Director – Chan, Chia-Chang Independent Director – Chen, Yin-Chin Independent Director – Wang, Yi-Shen Accountant – Tseng, Tung-Yun	2024 financial statement audit conclusions, key audit matters, and matters of concern	The accountants reported audit conclusions and key audit matters of the 2024 financial statements, and achieved good communication with independent directors regarding matters of concern.	1. Answer questions from independent directors. 2. Handled according to the independent directors' opinions.

2025.03.20 Audit Committee	Independent Director – Chan, Chia-Chang Independent Director – Chen, Yin-Chin Independent Director – Wang, Yi-Shen Accountant – Tseng, Tung-Yun	2024 financial statements	The accountants achieved good communication with independent directors, and the financial statements were approved for submission to the board of directors.	<ol style="list-style-type: none"> 1. Answer questions from independent directors. 2. The proposal was submitted to the Board of Directors and approved on March 27.
2025.04.25 Audit Committee	Independent Director – Chan, Chia-Chang Independent Director – Chen, Yin-Chin Independent Director – Wang, Yi-Shen Accountant – Tseng, Tung-Yun Accountant – Hsu, Jui-Lung	2025 Q1 financial statements	The accountants achieved good communication with independent directors, and the financial statements were approved for submission to the board of directors.	<ol style="list-style-type: none"> 1. Answer questions from independent directors. 2. The proposal was submitted to the Board of Directors and approved on May 2.
2025.07.24 Audit Committee	Independent Director – Chan, Chia-Chang Independent Director – Chen, Yin-Chin Independent Director – Wang, Yi-Shen Accountant – Hsu, Jui-Lung	2025 Q2 financial statements	The accountants achieved good communication with independent directors, and the financial statements were approved for submission to the board of directors.	<ol style="list-style-type: none"> 1. Answer questions from independent directors. 2. The proposal was submitted to the Board of Directors and approved on August 1.
2025.10.27 Audit Committee	Independent Director – Chan, Chia-Chang Independent Director – Chen, Yin-Chin Independent Director – Wang, Yi-Shen Accountant – Hsu, Jui-Lung	2025 Q3 financial statements	The accountants achieved good communication with independent directors, and the financial statements were approved for submission to the board of directors.	<ol style="list-style-type: none"> 1. Answer questions from independent directors. 2. The proposal was submitted to the Board of Directors and approved on November 10.
2025.12.08 Individual meeting	Independent Director – Chen, Yin-Chin Independent Director – Wang, Yi-Shen	2025 financial statement audit plan (including key audit	The accountants reported the 2025 financial statement audit plan (including key audit matters), and achieved good	<ol style="list-style-type: none"> 1. Answer questions from independent directors. 2. Handled according to the independent

	Accountant – Tseng, Tung-Yun Accountant – Hsu, Jui-Lung	matters) and matters of concern	communication with independent directors regarding matters of concern.	directors' opinions.
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(III) Status of corporate governance and deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons

Evaluation Items	Operations			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
1. Does the company establish and disclose its corporate governance principles in accordance with the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies?	✓		The Company established the "AIDC Corporate Governance Guidelines" and uploaded it to the Market Observation Post System and company website: https://www.aidc.com.tw/tw/investor/governance/regulation	No significant deviation
2. Shareholding structure & shareholders' equity (1) Has the company established internal operating procedures for handling shareholder suggestions, questions, complaints or litigation, and handled related matters accordingly?	✓		The Company has established "Guidelines for Handling Shareholder Suggestions, Questions, Disputes and Litigation" and convenes shareholders' meetings in accordance with the law. Besides responding to the opinions of shareholders during the meetings, it is recorded in the meeting minutes. The Company has also established a spokesperson system, investor relations hotline, board of directors mailbox, and investor e-mails, and responds to shareholders' opinions in a timely manner.	No significant deviation
(2) Does the company have a list of major shareholders that have actual control over the Company and a list of ultimate owners of those major shareholders?	✓		The Company commissioned a professional stock affairs agency to help handle stock affairs of shareholders, and has a list of major shareholders that have actual control over the Company and a list of ultimate owners of those major shareholders.	No significant deviation
(3) Has the company established and implemented risk management and firewall systems within its conglomerate	✓		The Company established the "AIDC Regulations for Financial and Business Transactions between Related Parties" and "AIDC Regulations for Supervision and Management of Subsidiaries" as the basis for risk management.	No significant deviation

Evaluation Items	Operations			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
structure?				
(4) Does the company have internal regulations in place to prevent its internal staff from trading securities based on information yet to be public on the market?	✓		The Company established the "AIDC Management Guidelines for Handling Material Information and Prevention of Insider Trading," which was passed by the board of directors. The Company further established the "Regulations for the Prevention of Insider Trading" to prevent the Company's personnel subject to insider trading regulations from violations due to being unfamiliar with laws and regulations, which might result in litigation or damage to reputation. The Company has established an accounting system, internal control system, Code of Ethical Conduct, and Ethical Corporate Management Best Practice Principles to implement ethical corporate management. Responsible departments/personnel perform their duties based on the above. The audit unit formulates annual audit plans based on risk assessment results each year, and audit internal controls accordingly after the plan is approved by the board of directors. The audit unit provides timely improvement recommendations to prevent unethical conduct and ensure the internal control system continues to remain effective.	No significant deviation
3. Composition and duties of the board of directors (1) Has the board of directors devised and implemented a plan for a more diverse composition of the board with concrete management goals?	✓		Pursuant to the Company's Corporate Governance Guidelines and Procedures for Election of Directors, the election of the Company's directors shall take into consideration the composition of the board of directors. Board members shall have the knowledge, skills, and experience necessary to perform their duties and shall possess the abilities to make operational judgments, perform accounting and financial analysis, management ability, crisis management ability, knowledge of the industry, an international perspective, ability to lead, and ability to make policy decisions. We have formulated a board diversity policy and specific management goals based on operational requirements, operating dynamics, and development. The Company's Board of Directors shall be accountable to the shareholders' meeting, and operations and arrangements of the corporate governance system shall ensure that the Board of Directors exercises its functions and powers in accordance with the law, Articles of Incorporation, or the resolutions of the shareholders' meeting. The board diversity goals are as follow: 1. Female director (at least 1 seat), 2. Independent directors shall serve no more than three consecutive terms, 3. Labor union representative (at least 2 seats), 4. No more than one third of the Company's directors shall be concurrently held by managers of the Company, 5. The professional background of members should include business administration, aerospace industry, financial accounting, law, risk management, and government & supervision. The Company's implementation of diversity management goals is as follows: 1. As of March 31, 2026, the Company has 11 directors, in which 3 or 27.27% are independent directors. The Company has 2 female directors (18.18%) and 9 male directors (81.82%); 3 directors (27.27%) are also employees (1 manager and 2 labor union representatives). The average age of all directors is 58.91 years old (1 director is under 40 years old, 1 director is 41-50 years old, 4 directors are 51-60 years old, 3 directors are 61-65 years old, and 2 directors are older than 65 years old). None of the independent directors has served more than three consecutive terms (independent directors that have held the position for consecutive terms include Executive and Independent Director Chan for 7.7 years, Independent Director Chen for 7.7 years, and Independent Director Wang for 1.8 years). 2. The Company's directors have the abilities to perform their duties as a director. Directors with an expertise in business judgment, business administration, crisis management, leadership, and have an international market perspective and decision-making ability include Chairman Tsao, Executive Director Chuang, Director Chang, Ming-	No significant deviation

Evaluation Items	Operations			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons									
	Yes	No	Summary										
			<p>Pin, Director Liu, Sung-Yu, Director Liu, Director Yu, Director Chang, Kuo-Chang, Director Huang, Executive and Independent Director Chan, Independent Director Chen, and Independent Director Wang. Directors with an expertise in the aerospace industry include Chairman Tsao, Executive Director Chuang, Director Liu, Director Yu, Director Chang, Kuo-Chang, and Director Huang. Directors with an expertise in finance and accounting include Director Liu, Sung-Yu and Executive and Independent Director Chan. Director Chang, Ming-Pin, Independent Director Chen, and Independent Director Wang are legal experts. Directors who currently hold (previously held) important positions in industry, government, academia, research institutes, financial institutions, and law firms are as follows: Chairman Tsao was formerly the president of AIDC and Vice Commander-in-Chief of the Air Force; Executive Director Chuang is currently the president of AIDC; Director Chang, Ming-Pin is currently the Director General of the Department of Investment Promotion, MOEA; Director Huang is currently the Deputy Chief of Staff (Executive), General Staff Headquarter, Ministry of National Defense (MND). Representatives of academia include Executive and Independent Director Chan, who is the vice president of Tunghai University, Independent Director Chen, who is an associate professor at the Department of Financial and Economic Law of Chung Yuan Christian University, and Independent Director Wang, who is an adjunct lecturer at the Department of Law of Tunghai University. Independent Director Wang is currently a practicing lawyer. Director Liu, Sung-Yu is currently a practicing accountant. Furthermore, Executive and Independent Director Chan, Independent Director Chen, Independent Director Wang, and Director Liu, Sung-Yu concurrently hold the position of independent director at other financial institutions or director at other public companies.</p> <p>The Company's board members have diverse and complementing expertise and experience, and continue to dedicate efforts to achieving goals set in the Corporate Governance 3.0 -Sustainable Development Roadmap. For the expertise and experience that board members are required to have and the specific management goals under the board diversity policy, please refer to II. (I) Directors of this chapter and the company website: https://www.aidc.com.tw/tw/investor/governance/board</p>										
(2) In addition to establishing a Compensation Committee and an Audit Committee, which are required by law, is the company willing to voluntarily establish other types of functional committees?	✓		<p>1. The Company's board of directors approved the establishment of an Information & Communication Security Committee on December 18, 2020 to ensure the appropriateness of information security management operations. The term of the 10th-term board of directors Information & Communication Security Committee is from August 12, 2024 to August 11, 2027. The committee consists of 5 members, in which 3 are independent directors. Independent Director Chen, Yin-Chin serves as the convener of the committee, and Members Jennifer Chuang (president) and Li, Wei-Pin (professor) have an expertise in information security.</p> <p style="text-align: right;">2026.03.31</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: #ffffcc;">Title</th> <th style="background-color: #ffffcc;">Name</th> <th style="background-color: #ffffcc;">Has an expertise in cybersecurity</th> </tr> </thead> <tbody> <tr> <td>Convener (Independent Director)</td> <td>Chen, Yin-Chin</td> <td></td> </tr> <tr> <td>Committee member (Executive and Independent Director)</td> <td>Chan, Chia-Chang</td> <td></td> </tr> </tbody> </table>	Title	Name	Has an expertise in cybersecurity	Convener (Independent Director)	Chen, Yin-Chin		Committee member (Executive and Independent Director)	Chan, Chia-Chang		No significant deviation
Title	Name	Has an expertise in cybersecurity											
Convener (Independent Director)	Chen, Yin-Chin												
Committee member (Executive and Independent Director)	Chan, Chia-Chang												

Evaluation Items	Operations			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons									
	Yes	No	Summary										
			<table border="1"> <tr> <td>Committee member (Independent Director)</td> <td>Wang, Yi-Shen</td> <td></td> </tr> <tr> <td>Committee member (President)</td> <td>Jennifer Chuang</td> <td>V</td> </tr> <tr> <td>Committee member (Computer engineering professor)</td> <td>Li, Wei-Pin</td> <td>V</td> </tr> </table> <p>Note: Former Senior Vice President Jennifer Chuang was promoted to president on January 2, 2026, and continues to serve as a member of this committee.</p> <p>2. Committee function and power:</p> <ol style="list-style-type: none"> (1) Review the cybersecurity policy. (2) Examine the cybersecurity management system. (3) Review the results of the annual information security promotion plan. (4) Review major information security incidents and take response measures. The Information Security Management Team takes emergency response measures when a major information security incident occurs, and submits a report to the Information & Communication Security Management Team within two weeks for acknowledgment. <p>3. Operations:</p> <p>A total of 2 Information & Communication Security Committee meetings were convened in 2025.</p> <p>The Company established Regulations Governing Board Performance Evaluations and evaluation methods according to Article 37 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies. See the Market Observation Post System or company website for the Regulations Governing Board Performance Evaluations:</p> <p>https://www.aidc.com.tw/tw/investor/governance/regulation</p>	Committee member (Independent Director)	Wang, Yi-Shen		Committee member (President)	Jennifer Chuang	V	Committee member (Computer engineering professor)	Li, Wei-Pin	V	
Committee member (Independent Director)	Wang, Yi-Shen												
Committee member (President)	Jennifer Chuang	V											
Committee member (Computer engineering professor)	Li, Wei-Pin	V											
(3) Has the company established guidelines and methods for evaluating the performance of the board of directors, conducted performance evaluation annually, reported the results to the board, and used the results as a reference for the remuneration, nomination, and reelection of individual directors?	✓		<p>The Company's Board of Directors established the "Regulations Governing Board Performance Evaluations" in accordance with the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies to implement corporate governance, enhance functions of the Board of Directors, and to set performance targets to improve the efficiency of Board operations. The Regulations stipulate that the Board of Directors shall conduct board performance evaluations on an annual basis and report the performance evaluation results to the Board of Directors. The implementation and results of the Company's 2025 board performance evaluation are as follows:</p> <ol style="list-style-type: none"> 1. The Company's Board performance evaluation indicators were established based on the Company's operations, and the indicators are periodically reviewed by the Compensation Committee. The Company periodically conducts board performance evaluations each year, which is conducted via "board performance self-evaluation questionnaires," "board member performance self-evaluation questionnaires," and "functional committee performance self-evaluation questionnaires." The meeting affairs unit of the Board of Directors is responsible for handling related affairs, and evaluation results are required to be completed before the end of Q1 the following year. Methods are reported, reviewed, and improved by the Board of Directors, and used as the basis for determining directors' remuneration. 2. The Company completed the 2025 performance evaluations (the evaluation period is from January 1 to December 31, 2025) for the board of directors, board members, and functional committees (Audit 	No significant deviation									

Evaluation Items	Operations			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
			<p>Committee, Compensation Committee, and Information & Communication Security Committee) before the end of 2026 Q1, the average score was 4.96 (between 5 points "strongly agree" and 4 points "agree"). This shows that the board of directors and functional committees operate well as a whole and meet corporate governance requirements. Directors hold a positive opinion and agree with the results of evaluation indicators for the performance of their duties, effectively performing board duties and safeguarding shareholders' equity. To continue improving corporate governance, we aim to receive 5 points for "strongly agree" for all indicators, and propose improvement measures for indicators that have not improved significantly compared to the previous year:</p> <p>(1) Board of Directors: 4.92 points Continue to improve participation in the Company's operations, urge follow-up on the implementation of the Board's resolutions, and monitor and reduce existing or potential risks in the Company's operations.</p> <p>(2) Board members: 4.99 points Continue to improve participation in the Company's operations, and urge directors to assess and supervise the Company's existing or potential operating risks during board meetings.</p> <p>(3) Audit Committee: 5 points Continue to maintain the functionality and decision-making quality of functional committees, and ensure that all performance indicators are maintained at 5 points "Strongly agree."</p> <p>(4) Compensation Committee: 5 points Continue to maintain the functionality and decision-making quality of functional committees, and ensure that all performance indicators are maintained at 5 points "Strongly agree."</p> <p>(5) Information & Communication Security Committee: 4.87 points Continue to improve the decision-making quality of functional committees, improve the completeness of information provided, and ensure that relevant managers are in attendance, so that functional committees are able to perform their duties.</p> <p>Results of the Company's 2025 Board performance evaluation (including methods for making improvements) were reported during the Board meeting on March 30, 2026 and submitted to the Compensation Committee. The results were reported and announced on the company website: https://www.aicd.com.tw/tw/investor/governance/board</p>	
(4) Does the company regularly evaluate the independence of CPAs?	✓		<p>The Company established an Audit Committee in June 2015, and one of the main purposes of the committee is to supervise the independence and performance of the accountants.</p> <p>The Company's Audit Committee evaluates the independence and competence of the accountants through the following procedures once a year, and reports evaluation results to the board of directors.</p> <ol style="list-style-type: none"> 1. With reference to the Audit Quality Index (AQI), an evaluation questionnaire (including 13 indicators in 5 aspects, namely professionalism, quality control, independence, supervision, and innovation capabilities) was prepared, and accountants were required to provide an independence statement, which was evaluated by each director and the heads of responsible departments, and the evaluation results of the independence and competence of the accountants were summarized. 2. Verify that the same accountant has not provided certification services for longer than seven consecutive years, does not have other financial interests and business relationships, and was not imposed any penalties or has conditions that damage their independence. 	No significant deviation

Evaluation Items	Operations			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons																						
	Yes	No	Summary																							
			Evaluation results for the independence and competence of the accountants in the most recent year (2025) were submitted to the Company's Audit Committee on October 27, 2025 and approved by the board of directors on November 10, 2025.																							
4. Does the public company have a suitable number of competent corporate governance personnel, and has it appointed a corporate governance supervisor responsible for corporate governance matters (including but not limited to providing information for directors and supervisors to perform their duties, assisting directors and supervisors with regulatory compliance, handling matters related to Board meetings and shareholders' meetings, handling company registration and change of registration, and preparing proceedings for Board meetings and shareholders' meetings)?	✓		<p>The Company established the Chairman's Office according to the charter, and the office was designated by the board of directors to handle meeting affairs according to the Regulations Governing Procedure for Board of Directors Meetings of Public Companies. Chen, Tsung-Hung, Chief of the Chairman's Office, was appointed by the Board of Directors as the corporate governance officer.</p> <p>The Company's Chairman's Office has dedicated personnel for handling matters related to board meetings and shareholders' meetings in accordance with the law. The office provides directors with data required for performing their duties, assists directors with compliance, assuming office, and continuing education, also reports to the board of directors results of whether independent directors had the qualifications required by law during their nomination, election, and term, as well as board performance evaluation results. The office handles corporate governance affairs to strengthen board functions, and links it to the FSC's corporate governance policy. The office promotes continual improvement of the Company's corporate governance, protects shareholders' rights and interests, and enhances board functions. Chen, Tsung-Hung was appointed as Chief of the Chairman's Office and has supervised and managed corporate governance related affairs of board meetings and shareholders' meetings for more than 10 years, which meets the requirements for corporate governance officer set forth in Article 23 of the Taiwan Stock Exchange Corporation Operation Directions for Compliance with the Establishment of Board of Directors by TWSE Listed Companies and the Board's Exercise of Powers. In accordance with Article 24 of the Taiwan Stock Exchange Corporation Operation Directions for Compliance with the Establishment of Board of Directors by TWSE Listed Companies and the Board's Exercise of Powers, the corporate governance officer completed 12 hours of professional continuing education in 2025:</p> <table border="1"> <thead> <tr> <th colspan="2">Date of continuing education</th> <th rowspan="2">Organizer</th> <th rowspan="2">Course name</th> <th rowspan="2">Hours of continuing education</th> </tr> <tr> <th>Start</th> <th>End</th> </tr> </thead> <tbody> <tr> <td>2025/06/04</td> <td>2025/6/04</td> <td>Accounting Research and Development Foundation</td> <td>How is "Robotic Process Automation (RPA)" applied to improve the effectiveness of internal controls</td> <td>6</td> </tr> <tr> <td>2025/08/06</td> <td>2025/08/06</td> <td>Securities & Futures Institute</td> <td>Further Evolution of Military Technology: Development Trends of Drones and Laser Weapons</td> <td>3</td> </tr> <tr> <td>2025/09/26</td> <td>2025/09/26</td> <td>Securities & Futures Institute</td> <td>2025 Seminar on Prevention of Insider Trading</td> <td>3</td> </tr> </tbody> </table> <p>The Company's Corporate Governance Officer Chen, Tsung-Hung</p>	Date of continuing education		Organizer	Course name	Hours of continuing education	Start	End	2025/06/04	2025/6/04	Accounting Research and Development Foundation	How is "Robotic Process Automation (RPA)" applied to improve the effectiveness of internal controls	6	2025/08/06	2025/08/06	Securities & Futures Institute	Further Evolution of Military Technology: Development Trends of Drones and Laser Weapons	3	2025/09/26	2025/09/26	Securities & Futures Institute	2025 Seminar on Prevention of Insider Trading	3	No significant deviation
Date of continuing education		Organizer	Course name	Hours of continuing education																						
Start	End																									
2025/06/04	2025/6/04	Accounting Research and Development Foundation	How is "Robotic Process Automation (RPA)" applied to improve the effectiveness of internal controls	6																						
2025/08/06	2025/08/06	Securities & Futures Institute	Further Evolution of Military Technology: Development Trends of Drones and Laser Weapons	3																						
2025/09/26	2025/09/26	Securities & Futures Institute	2025 Seminar on Prevention of Insider Trading	3																						

Evaluation Items	Operations			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
			<p>handled matters related to board meetings and shareholders' meetings in accordance with the law; prepared minutes for board meetings and shareholders' meetings; assisted directors with their appointment and continuing education; provided directors with the information needed to perform their duties; and assisted directors in complying with laws and regulations. The implementation status in 2025 is as follows:</p> <ol style="list-style-type: none"> 1. Assisting directors in performing their duties, providing necessary information, and continuing education: <ol style="list-style-type: none"> (1) Provided information on corporate governance-related laws and regulations and important rules in the Company's scope of business when board members are appointed, and irregularly provided updates on the latest amendments to laws and regulations. (2) Provided directors with appropriate and timely information on the Company to facilitate smooth communication between board members and between directors and management. (3) Assisted independent directors in implementing the Corporate Governance Best Practice Principles, urged them to meet individually with the chief internal auditor and certified public accountants to understand the Company's financial position and business performance, and assisted in arranging separate meetings. (4) Assisted in arranging continuing education and courses for directors based on the Company's industry characteristics and the needs of directors. 2. Assisting in the compliance of board meeting and shareholders' meeting procedures: <ol style="list-style-type: none"> (1) Ensured that the Company's shareholders' meetings and board meetings are convened in accordance with relevant laws and the Corporate Governance Best Practice Principles, convened the 2025 annual general meeting and board meetings in accordance with the law, and continued to carry out matters related to board meetings during the year. (2) Assisted directors in exercising their authority in accordance with the Company Act and the Securities and Exchange Act when performing their duties or when adopting board resolutions, and ensuring that they recuse themselves from agenda items of board meeting that they have a conflict of interest. (3) Responsible for reviewing announcements of material information on important resolutions of shareholders' meetings and board meetings, ensuring the legality and accuracy of material information, and ensuring that investors have equal access to transaction information. (4) Assisted directors in complying with the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies by suspending trading of their shares during the lock-up period 30 days before the announcement of annual financial statements and 15 days before the announcement of quarterly financial statements. 3. Sent meeting notices for board meetings in accordance with the law, and provided sufficient reference materials for meetings. Reminded directors in advance if an agenda item involved a conflict of interest or material information, and prepared and distributed meeting minutes within 20 days after each board meeting. 4. Registered the date of the shareholders' meeting in advance in accordance with the law; prepared the meeting notice, handbook, meeting minutes, and made the announcement within the statutory time limit; submitted corporate governance evaluation indicators to the board of directors for approval; and convened the annual general meeting with the option of attending via video conferencing. Submitted a proposal to the shareholders' meeting to approve amendments to the Company's Rules of Procedure for Shareholders' 	

Evaluation Items	Operations			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
			<p>Meetings, Procedures for the Acquisition or Disposal of Assets, and Procedure for the Election of Directors in accordance with the latest amendments to laws and regulations, and completed the Company's registration of changes to directors and directors' representatives.</p> <p>5. Reported the following to the Company's Board of Directors during the year: the results of the Board performance evaluation, the coverage of directors' and managers' liability insurance, and the review results of whether independent directors' qualifications were compliant with laws and regulations during their term of office. Also urged management to submit the following to the Board of Directors: the results of the Company's corporate governance evaluation, important financial and business reports, plans to increase company value, reports on intellectual property management plans, greenhouse gas inventory and verification schedules and quarterly implementation progress, and implementation plans for IFRS Sustainability Disclosure Standards and implementation progress reports. Verified that disclosures in the Company's Sustainability Report comply with the quality principles of accuracy, balance, clarity, comparability, reliability, and timeliness, and obtained Type 1 moderate level of assurance according to AA1000AS v3 (Account Ability 1000 Assurance Standard) after verification.</p> <p>6. For the Company's implementation of corporate governance and important resolutions of the board of directors, please refer to the Market Observation Post System and company website: https://www.aidc.com.tw/tw/investor.</p>	
5. Does the Company have communication channels with stakeholders (including but not limited to shareholders, employees, customers, and suppliers), a stakeholder section on the Company website, and properly respond to important CSR issues of concern to stakeholders?	✓		<p>The Company's website has a "Stakeholders" section under "Sustainable Development": https://www.aidc.com.tw/tw/cse/stakeholder Properly respond to topics of concern to shareholders (including but not limited to shareholders, employees, customers, and suppliers) and sustainable development issues, periodically report to the board of directors at the beginning of the year, and describe the implementation status each quarter.</p>	No significant deviation
6. Has the company designated a professional shareholder service agency to deal with matters of the shareholders' meeting?	✓		The Company has appointed Grand Fortune Securities Co., Ltd. to handle matters of its shareholders' meetings.	No significant deviation
7. Information disclosure	✓		The Company's website has an "Investor Section" and "Corporate Governance Section" that provides information on the Company's financial position and corporate governance for access by stakeholders.	No significant deviation

Evaluation Items	Operations			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
(1) Has the company established a corporate website to disclose information regarding the company's financial, business and corporate governance status?			https://www.aidc.com.tw/tw/investor https://www.aidc.com.tw/tw/investor/governance/principle	
(2) Has the company established other information disclosure channels (e.g., maintaining an English-language website, appointing responsible people to handle information collection and disclosure, appointing spokespersons, or webcasting investor conferences on the company website)?	✓		<p>The Company has dedicated personnel to collect information and handle disclosures on the company website (https://www.aidc.com.tw/tw/) and also set up an English website. We also established a spokesperson system to handle related matters. There is also an "Investor Conference" section on the website to disclose information related to investor conferences.</p> <p>English website: https://www.aidc.com.tw/en/investor/conference Investor conference: https://www.aidc.com.tw/tw/investor/conference</p>	No significant deviation
(3) Does the company announce and report annual financial statements within two months after the end of each fiscal year, and announce and report Q1, Q2, and Q3 financial statements, as well as monthly operation results, before the prescribed time limit?		✓	The Company's annual financial statements, Q1, Q2, and Q3 financial statements, as well as monthly operation results, are announced on the Market Observation Post System before the end of March the following year, within 45 days after the end of each quarter, and before the 10th of the following month according to requirements.	Annual financial statements were not announced early before the end of February the following year
8. Is there any other important information to facilitate a better understanding of the company's corporate governance practices (including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, continuing education of directors and supervisors, the	✓		<ol style="list-style-type: none"> 1. Employee rights and employee care: <ol style="list-style-type: none"> (1) The Company has a labor union and labor-management meeting mechanism to provide a platform for two-way communication. (2) The Company also established an Employee Welfare Committee responsible for the implementation of employee benefits. 2. Investor relations: The Company discloses information on the Market Observation Post System in accordance with laws and regulations, and appointed a spokesperson and deputy spokesperson to handle related matters, in order to maintain good relationships between investors and the Company. 3. Supplier relations: The Company has good relationships with suppliers, and periodically convenes supplier meetings to exchange opinions. We require suppliers to comply with regulations related to EHS issues and jointly fulfill our corporate social responsibility. 4. Stakeholders' rights: The Company has a spokesperson system to provide a channel for communicating with stakeholders. We also provide information on our business performance and financial position in the "Company News" and "Corporate Governance" sections of the company website. 5. Continuing education of directors: The Company's directors and corporate governance officer implement corporate governance and 	No significant deviation

Evaluation Items	Operations			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
implementation of risk management policies and risk evaluation standards, the implementation of customer relations policies, and purchasing insurance for directors and supervisors)?			<p>sustainable development, and continue to take professional courses according to the Guidelines for the Continuing Education for Directors of TWSE/TPEX Listed Companies to gain new knowledge. See the Market Observation Post System and this annual report for details on continuing education of directors in 2025.</p> <p>6. Implementation of risk management policies and risk measurement standards: The Company has established Risk Management Rules and also established a Risk Management Committee. Before the end of each year, the management department formulates the annual risk management plan, including the risk policy, risk profile, risk management items, and risk response measures, based on the Company's operational strategies and goals and risk management policy. The results shall be reported to the Risk Management Committee for review and included in the business plan for approval by the Board of Directors. The implementation status of risk management is disclosed in the "Risk Management Policy" section: https://www.aidc.com.tw/tw/investor/governance/riskmanagement</p> <p>7. Customer policy implementation: The Company has a dedicated unit for handling customer affairs.</p> <p>8. Liability insurance purchased by the Company for directors and managers: The Company has purchased liability insurance for all directors and managers every year since 2014. Four insurance companies including Fubon Insurance Co., Ltd. jointly provided liability insurance coverage in 2025. The insurance period, amount, and coverage of liability insurance were reported to the board of directors on August 1, 2025 in accordance with Article 39 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies. For relevant information, please refer to the Market Observation Post System and the description of liability insurance for directors and managers in this section.</p>	
<p>9. Specify the improvement of corporate governance with reference to the corporate governance evaluation by the Corporate Governance Center of Taiwan Stock Exchange Corporation in the most recent year, and the measures prioritized for issues that require improvement:</p> <p>Improvements already made in 2025:</p> <ul style="list-style-type: none"> ● In the formulation of specific measures to increase company value, plans already formulated by the Company include short-, medium-, and long-term enhancement plans and various measures to reach the Company's strategic goals. The plans were submitted to the Board of Directors for review on August 1, 2025, and were announced in the "Power Up Plan" section of the Market Observation Post System on August 19, 2025. ● Continued to improve disclosures of corporate governance operations in coordination with the Financial Supervisory Commission, continued to upload announcements of changes in shareholding of the Company's insiders in the previous month before the 10th of each month, announced the continuing education of all incumbent directors during the year, notification of the lock-up period before the announcement of annual and quarterly financial statements, urged directors, managers, and their related parties to not trade their shares during the lock-up period before the announcement of financial statements, announced in advance the dates of board meetings during which quarterly financial statements or annual self-reported financial information will be reported, and held an investor conference once every quarter. ● The Annual General Meeting was held in person and via video conferencing on May 22, 2025. <p>Priority matters that require strengthening and measures in 2026:</p> <ul style="list-style-type: none"> ● Continue to increase the Company's value, and improve the contents that are submitted to the board of directors for review and announcement, so that investors can understand the Company's current situation and future plans. ● Drive the Company's implementation of the IFRS Sustainability Disclosure Standards. ● Implement ESG evaluation indicators. 				

(IV) If the Company established a Compensation Committee, disclose its composition, duties, and operations

1. Members of the Compensation Committee:

December 31, 2025

Identity	Name	Professional Qualifications and Experiences	Independence	Number of other public companies in which the member also serves as a member of their Compensation Committee
Executive and Independent Director	Chan, Chia-Chang	Refer to the contents of (I) Directors on page 18.	Same as the left	2 (Note)
Independent Director	Chen, Yin-Chin	Refer to the contents of (I) Directors on page 19.	Same as the left	0
Independent Director (Convener)	Wang, Yi-Shen	Refer to the contents of (I) Directors on page 20.	Same as the left	0

Note: Executive and Independent Director Chan, Chia-Chang previously concurrently held the position of independent director and Compensation Committee member of Full Wang International Development Co., Ltd., but his term expired when the company elected a new board of directors on May 29, 2025.

2. Operations of the Compensation Committee:

- (1) The Compensation Committee of the 10th-term Board of Directors has 3 members formed by independent directors with the term: From August 12, 2024 to May 26, 2027.
- (2) The Compensation Committee of the 10th-term Board of Directors convened 5 meetings between August 12, 2024 and December 31, 2025.
- (3) The Committee shall exercise the due care of a good administrator, faithfully perform the following duties, and submit proposals to the Board of Directors for discussion.
 - A. Regularly review the Compensation Committee Charter and recommend amendments.
 - B. Set and review regularly the annual and long-term performance targets for directors and managers and the remuneration policies, systems, standards, and structures.
 - C. Regularly evaluate the Company's performance goals for directors and managers to determine the contents and amounts of their individual remuneration.

Attendance of committee members between August 12, 2024 and December 31, 2025 is as follows:

Title	Name	Required attendance	Attendance in Person	By Proxy	Attendance rate (%)	Remark
Committee member (Executive and Independent Director)	Chan, Chia-Chang	5	5	0	100	Re-elected Re-elected on August 12, 2024 9th & 10th-term Compensation Committee
Committee member (Independent Director)	Chen, Yin-Chin	5	5	0	100	Re-elected Re-elected on August 12, 2024 9th & 10th-term Compensation Committee
Convener (Independent Director)	Wang, Yi-Shen	5	5	0	100	Newly elected Newly elected on August 12, 2024 10th-term Compensation Committee

Note: 1. If a Compensation Committee member is separated before the end of the year, specify the date of separation in the remarks, and calculate actual attendance rate (%) based on the number of meetings convened during the Compensation Committee's term and actual attendance.

2. If the Compensation Committee is reelected before the end of the year, list new and old Compensation Committee members, and specify if the member is old, new, or reelected and the reelection date in the remarks. Actual attendance rate (%) is calculated based on the number of Compensation Committee meetings convened during the member's term and actual attendance.

3. Other disclosures:

Compensation Committee Meeting Date/Term	Content of proposal	Compensation Committee Resolution	The Company's response to Compensation Committee opinions
2025.03.20 3rd Compensation Committee Meeting of the 10th-term Board of Directors	Reports: (1) Status of matters of concern in the 2nd Compensation Committee Meeting of the 10th-term Board of Directors (2) The Company's Manager Succession Plan and Report on Lessons Learned (3) The Company's 2024 Board Performance Evaluation Results Report	Agreed with the method of the responsible unit	None
	Discussions: (1) Proposal to establish the Company's 2025 Board performance evaluation indicators	Agreed with the method of the responsible unit	None
	(1) Proposed distribution of 2024 employee bonuses and directors' remuneration. (2) Proposed distribution of 2024 bonuses to the Company's chairman, president, vice presidents, and managers.	Approved for submission to the Board of Directors for review	Approved by the Board of Directors
2025.07.24 4th Compensation Committee Meeting of the 10th-term Board of Directors	Reports: (1) Status of matters of concern in the 3rd Compensation Committee Meeting of the 10th-term Board of Directors	Agreed with the method of the responsible unit	None
	Discussions: (1) The salary approved for the Company's new president	Approved for submission to the Board of Directors for review	Approved by the Board of Directors
2025.12.08 5th Compensation Committee Meeting of the 10th-term Board of Directors	Reports: (1) Status of matters of concern in the 4th Compensation Committee Meeting of the 10th-term Board of Directors	Agreed with the method of the responsible unit	None
	Discussions: (1) Proposed distribution of 2025 employee bonuses and directors' remuneration	Agreed with the method of the responsible unit	None
	(2) Proposed principles for distribution of 2026 bonuses to the Company's chairman, president, vice presidents, and managers.	Approved for submission to the Board of Directors for review	Approved by the Board of Directors

(V) Implementation status of sustainable development, deviations from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies, and reason for such deviations

Implementation items	Implementation status			Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
1. Has the Company established a governance framework to promote sustainable development and a dedicated department (or have another department be responsible for related efforts) for fulfilling sustainable development, with the board of directors authorizing high-level managers to handle such efforts, and having relevant progress be supervised by the board of directors?	✓		<p>1. AIDC has always been committed to promoting corporate governance, developing a sustainable environment, and safeguarding social welfare. To make the implementation of sustainability efforts more effective, AIDC established the "Corporate Social Responsibility Advisory Committee" in 2018 as the highest level decision-making center for sustainable development. The chairman of the Board of Directors serves as the chair of the committee, and the president, vice presidents and level-1 executives responsible for the Company's ESG-related issues serve as members. The Committee assesses major economic, environmental, and social issues, formulates mid-term and long-term sustainable development plans, and provides advice on the implementation of ESG. In response to international development trends and to expand CSR to sustainability, the committee was renamed the ESG Committee in December 2021.</p> <p>2. Implementation status in 2025:</p> <p>(1) The president convenes a meeting of senior managers (tier 1 and above) each month to review carbon neutrality work items.</p> <p>(2) Identified climate change related risks and opportunities (TCFD) in 2026 and response measures for material issues, which were submitted to the Board of Directors for approval.</p> <p>(3) Completed the GHG inventory and third-party verification for the entire group (parent company, U.S. subsidiary, and Hsiang Yuan Co., Ltd.), and submitted the inventory and verification plan to the board of directors.</p> <p>(4) Published the sustainability report in Chinese and English.</p> <p>(5) Continue to monitor international trends in net zero carbon emissions, and make rolling adjustments to the Company's short-term, mid-term, and long-term goals.</p> <p>(6) Convened an ESG Committee meeting to confirm material topics of the Sustainability Report and the implementation plan for the IFRS Sustainability Disclosure Standards.</p>	No significant deviation

Implementation items	Implementation status			Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
			<p>3. The ESG Committee has 5 work groups, namely the Corporate Governance Work Group, Employee Care Work Group, Social Participation Work Group, Carbon Neutrality Work Group, and ESG Work Group. The work groups are all cross-departmental task forces that identify sustainability issues of concern to stakeholders, and formulate and implement strategies. The ESG Work Group is the secretarial unit of the Committee and held by the Company's management department. The ESG Work Group is responsible for formulating implementation plans, systems, and management approach, and reports the implementation status to the Board of Directors each quarter, including implementation results sustainability issues, communication with and management of stakeholders, and response measures for TCFD and material issues. The Company's matters supervised, urged, guided, and recommended by the board of directors in 2025 and the first quarter of 2026 include:</p> <p>(1) Implementation status of sustainable development matters each quarter.</p> <p>(2) The Company's 2024 sustainability report.</p> <p>(3) Material topic identification results in the Company's sustainability report.</p> <p>(4) The Company's climate change risk and opportunity (TCFD) image.</p> <p>(5) The Company's IFRS Sustainability Disclosure Standards Implementation Plan.</p> <p>4. The Company's sustainable development governance framework is disclosed on the company website: http://www.aide.com.tw/tw/cse</p>	
2. Does the company perform assessments of risks in environmental, social, and corporate governance issues relevant to its business activities and	✓		<p>1. The data disclosed covers the sustainable development performance of main locations between January and December 2025. The risk assessment boundary is mainly limited to operations of the parent company in Taiwan, including Taichung, Sha-Lu, and Kang-Shan Complexes.</p> <p>2. The ESG Committee conducts analysis based on the materiality principle of the sustainability report, communicates with internal and external stakeholders, and references international trends and characteristics of the defense and aerospace</p>	No significant deviation

Implementation items	Implementation status			Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons												
	Yes	No	Summary													
devise risk management policies and strategies accordingly?			industries. The Committee evaluates the materiality of ESG issues on this basis, formulates risk management policies, and takes specific actions to reduce the impact of related risks.													
			<table border="1"> <thead> <tr> <th>Material issue</th> <th>Risk assessment item</th> <th>Risk management policy or strategy</th> </tr> </thead> <tbody> <tr> <td>Corporate governance</td> <td>Operation and financial performance</td> <td> <ul style="list-style-type: none"> ● Continuous growth in revenue and net profit. ● Optimization of the Company's financial structure. </td> </tr> <tr> <td></td> <td>Product quality and technology R&D</td> <td>Uphold AIDC's quality policy of "quality assurance by all personnel for customer satisfaction", and ensure that the business development, design, R&D, manufacturing, assembly, maintenance and repairs, and services of aerospace products meet the customers' quality requirements, AS9100 quality management system standards, and civil aviation regulations. Continue innovation and development of smart manufacturing to attain the ultimate goals for customer satisfaction and expectations.</td> </tr> <tr> <td></td> <td>Cybersecurity</td> <td> <ul style="list-style-type: none"> ● Continue to </td> </tr> </tbody> </table>		Material issue	Risk assessment item	Risk management policy or strategy	Corporate governance	Operation and financial performance	<ul style="list-style-type: none"> ● Continuous growth in revenue and net profit. ● Optimization of the Company's financial structure. 		Product quality and technology R&D	Uphold AIDC's quality policy of "quality assurance by all personnel for customer satisfaction", and ensure that the business development, design, R&D, manufacturing, assembly, maintenance and repairs, and services of aerospace products meet the customers' quality requirements, AS9100 quality management system standards, and civil aviation regulations. Continue innovation and development of smart manufacturing to attain the ultimate goals for customer satisfaction and expectations.		Cybersecurity	<ul style="list-style-type: none"> ● Continue to
			Material issue		Risk assessment item	Risk management policy or strategy										
			Corporate governance		Operation and financial performance	<ul style="list-style-type: none"> ● Continuous growth in revenue and net profit. ● Optimization of the Company's financial structure. 										
	Product quality and technology R&D	Uphold AIDC's quality policy of "quality assurance by all personnel for customer satisfaction", and ensure that the business development, design, R&D, manufacturing, assembly, maintenance and repairs, and services of aerospace products meet the customers' quality requirements, AS9100 quality management system standards, and civil aviation regulations. Continue innovation and development of smart manufacturing to attain the ultimate goals for customer satisfaction and expectations.														
	Cybersecurity	<ul style="list-style-type: none"> ● Continue to 														

Implementation items	Implementation status			Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
			<p>and Customer Privacy</p> <p>improve information security and customer privacy protection. All related operations must meet international requirements and standards. The Company shall also review whether they comply with regulatory compliance trends.</p> <ul style="list-style-type: none"> ● The Company obtained ISO/IEC 27001 Information Security Management certification for the first time in 2008. Reviews are regularly reviewed by the IAF/TAF every year, and renewal audits are conducted every three years to maintain the validity of the certificate. ● The Company obtained the new certificate for ISO/IEC 27001 in 2024, maintaining the validity of the certificate until August 25, 2026. 	
			Supplier	<ul style="list-style-type: none"> ● Assist contractors

Implementation items	Implementation status			Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons									
	Yes	No	Summary										
			<table border="1"> <tr> <td></td> <td>management</td> <td> <ul style="list-style-type: none"> in obtaining AS9100 certification. ● Assist in process certification. ● Conduct regular evaluations of suppliers. </td> </tr> <tr> <td></td> <td>Indigenous production of aircraft</td> <td> <ul style="list-style-type: none"> ● Set important milestones for each phase based on contracts. ● The Company convenes internal management meetings, and external project management meetings and construction progress review meetings with customers to facilitate prompt reviews, solutions, and implementation. </td> </tr> <tr> <td>Environment</td> <td>Green product/services design and development</td> <td> <ul style="list-style-type: none"> ● Expand the participation of AIDC's solar power and energy storage systems in electricity trading services. ● Develop renewable energy electricity generation and energy storage facilities for major electricity users. </td> </tr> </table>		management	<ul style="list-style-type: none"> in obtaining AS9100 certification. ● Assist in process certification. ● Conduct regular evaluations of suppliers. 		Indigenous production of aircraft	<ul style="list-style-type: none"> ● Set important milestones for each phase based on contracts. ● The Company convenes internal management meetings, and external project management meetings and construction progress review meetings with customers to facilitate prompt reviews, solutions, and implementation. 	Environment	Green product/services design and development	<ul style="list-style-type: none"> ● Expand the participation of AIDC's solar power and energy storage systems in electricity trading services. ● Develop renewable energy electricity generation and energy storage facilities for major electricity users. 	
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Environment	Green product/services design and development	<ul style="list-style-type: none"> ● Expand the participation of AIDC's solar power and energy storage systems in electricity trading services. ● Develop renewable energy electricity generation and energy storage facilities for major electricity users. 											

Implementation items	Implementation status			Summary	Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No			
				<ul style="list-style-type: none"> ● In response to the government policy to increase gas and reduce coal use, encourage domestic power plants to transition to gas-fired power plants. ● Deploy microgrid (power island) applications and behind-the-meter energy storage business for large power users. 	
			Climate change response	<ul style="list-style-type: none"> ● Based on the evaluation procedures for climate related risks and opportunities (TCFD), complete an "image of climate-related risks and opportunities" and response measures to material issues before the end of each year, report it to the Risk Management Committee for review, include it in the business plan submitted to the Board of Directors for 	

Implementation items	Implementation status			Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
				<p>approval, and then follow up on implementation results.</p> <ul style="list-style-type: none"> ● Implemented energy conservation and carbon reduction measures, improved energy use according to ISO 50001, and carried out GHG inventory and third party verification for all complexes of the Company and subsidiaries in 2025.
			Waste Management	Carry out waste management according to government regulations, and set the goal to reuse 35% and above of waste in each complex.
			Social	<p>Talent recruitment and retention</p> <ul style="list-style-type: none"> ● An open selection is held for talent recruitment, different education requirements are set for different positions, and there are no gender restrictions for all positions. ● Continue to develop a diverse workplace environment, establish the

Implementation items	Implementation status			Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
			<p>Company's training quality system according to the TTQS, assist employees with improving their job skills, and provide a friendly work environment.</p> <p>Occupational safety and health</p> <p>Comply with government regulations and meet international standards to continue to improve health and safety performance. Set up a health management system to provide early warning information and launch health promotion activities to enhance employees' work and life balance.</p> <p>The data above is disclosed on the company website: http://www.aidc.com.tw/tw/cse</p>	
3. Environmental issues (1) Has the company developed an appropriate environmental management system, given its distinctive characteristics?	✓		<p>1. The Company's environmental management measures comply with the environmental policy, all complexes implement ISO 14001 and carry out follow-up audits every year to maintain the system's effectiveness. The GHG inventory is compiled and third party verification is carried out according to ISO 14064-1.</p> <p>2. The implementation status is as follows: The Company's environmental management results and data are disclosed in the Sustainability Report and on the company website: https://www.aidc.com.tw/tw/cse/environment</p>	No significant deviation
(2) Is the company committed to achieving efficient use of	✓		The Company has established an energy policy and implements a variety of energy conservation and carbon reduction measures, such as purchasing energy-efficient products. The Company set the following goals in coordination with its sustainable development policy:	No significant deviation

Implementation items	Implementation status			Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
resources, and using renewable materials that produce less impact on the environment?			<ul style="list-style-type: none"> ● Electricity consumption intensity: The parent company's electricity consumption intensity in 2026 is 4,343 (kWh/sales value in NT\$ million). ● Waste reuse rate: Reuse rate in each complex increases to 35% and above in 2026. ● Continue to support the EPA in promoting green purchasing. ● Install solar power generation facilities (Phase IV and V in Taichung) and increase renewable energy use in the Company. ● Dedicate efforts to the development of eco-friendly processes, use non-toxic materials, and reduce the environmental load from hazardous substances generated in processes. 	
(3) Does the Company evaluate the potential risks and opportunities in climate change with regard to the present and future of its business, and take appropriate action to counter climate change issues?	✓		<p>The "ESG Committee" is the Company's highest level organization for managing climate change. The chairman serves as the chair of the committee, and the president, vice presidents and level-1 executives responsible for the Company's ESG-related issues serve as members for reviewing climate-related strategies. Climate change identification, assessment, and response plans are carried out by the Carbon Neutrality Work Group according to the TCFD framework. The work group analyzes the governance, strategies, risk management, indicators, and goals related to climate change risks and opportunities. The Company identified climate change related risks and opportunities (TCFD) image in 2026 and response measures for material issues, which were submitted to the Board of Directors for approval. See (VI) Climate-related Information of TWSE/TPEX Listed Companies and the company website for details: https://www.aidc.com.tw/tw/cse/environment</p>	No significant deviation
(4) Does the company compile statistics of greenhouse gas emissions, water use, and total weight of waste in the past two years, and does it establish policies for energy conservation & carbon	✓		<ol style="list-style-type: none"> 1. The Company began compiling its GHG inventory and carrying out third party verification according to ISO 14064-1 in 2022 (the data is from 2021). For detailed information on the GHG inventory in 2024 and 2025, please see (VI) Climate-related Information of TWSE/TPEX Listed Companies. 2. Water consumption: The Company's water consumption mainly consists of tap water, rainwater, groundwater, and recycled water. Tap water accounted for 39.07% of water resource consumption of the Taichung Complex (including Sha-Lu Complex) in 2025. Tap water accounts for 97.7% of the Kang-Shan Complex's water use. Install a storage tank for process wastewater that 	No significant deviation

Implementation items	Implementation status		Summary	Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons																								
	Yes	No																										
reduction, greenhouse gas emission, water use reduction, and other waste management?			<p>goes through RO treatment, in order to increase the percentage of water recycling and reuse.</p> <p style="text-align: right;">Unit: Tons</p> <table border="1"> <thead> <tr> <th>Complex</th> <th>2024</th> <th>2025</th> </tr> </thead> <tbody> <tr> <td>Taichung (including Sha-Lu)</td> <td>1,305,283</td> <td>1,433,741</td> </tr> <tr> <td>Kang-Shan</td> <td>194,080</td> <td>204,530.5</td> </tr> <tr> <td>Total</td> <td>1,499,363</td> <td>1,638,271.5</td> </tr> </tbody> </table> <p>3. Waste recycling: The Company established "Industrial Waste Disposal Regulations" to reduce the potential environmental hazards of waste, and irregularly conducts internal environment audits. All complexes obtained the ISO 14001 Environmental Management System certification in 2024, which will remain effective until 2027. The Company also set the goal for reuse rate in each complex to increase to 35% and above in 2025, in order to reduce resource waste. The waste intensity (cubic meters/tons per million sales revenue) was 0.0783 in 2025.</p> <p style="text-align: right;">Unit: cubic meters/tons</p> <table border="1"> <thead> <tr> <th>Type</th> <th>2024</th> <th>2025</th> </tr> </thead> <tbody> <tr> <td>General industrial waste</td> <td>2,173.11</td> <td>2,065.43</td> </tr> <tr> <td>Waste with hazardous substances</td> <td>530.52</td> <td>703.99</td> </tr> <tr> <td>Total</td> <td>2,703.63</td> <td>2,769.42</td> </tr> </tbody> </table> <p>Related information is disclosed in the Sustainability Report: http://www.aidc.com.tw/tw/cse/report</p>	Complex	2024	2025	Taichung (including Sha-Lu)	1,305,283	1,433,741	Kang-Shan	194,080	204,530.5	Total	1,499,363	1,638,271.5	Type	2024	2025	General industrial waste	2,173.11	2,065.43	Waste with hazardous substances	530.52	703.99	Total	2,703.63	2,769.42	
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4. Social issues (1) Has the Company formulated management policies and procedures in accordance with relevant laws and regulations as well as the	✓		<p>1. The Company continues to abide by the Labor Standards Act, Employment Service Act, and Gender Equality in Employment Act, and has established rules and various communication e-mails and hotlines to protect employees' rights and interests. Employees can use any of the channels to express their opinions. Labor-management meetings and Employee Welfare Committee meetings are periodically held to ensure smooth communication channels. AIDC referenced international human rights conventions such as the "United Nations Global Compact," "United Nations Universal</p>	No significant deviation																								

Implementation items	Implementation status			Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons										
	Yes	No	Summary											
International Bill of Human Rights?			<p>Declaration of Human Rights," and "International Labour Organization Declaration of Fundamental Principles and Rights at Work" when establishing the AIDC Human Rights Policy, in order to respect the value and spirit of human rights. Implementation guidelines are as follows:</p> <ol style="list-style-type: none"> (1) Diversity, inclusion, and equal opportunity. (2) Provide a safe and healthy work environment. (3) Respect employees' freedom of assembly and association. (4) Assist employees in maintaining physical and mental health and attaining balance between work and life. (5) Ban on the use of child labor and forced labor. <p>2. The Company's human rights management policies and specific programs are as follows:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr style="background-color: #ffffcc;"> <th style="width: 40%;">Human rights management policy</th> <th style="width: 60%;">Specific programs</th> </tr> </thead> <tbody> <tr> <td>Provide a safe and healthy work environment</td> <td> <ul style="list-style-type: none"> ● Comply with government regulations and meet international standards to continue to improve health and safety performance. ● Set up a health management system to provide early warning information and launch health promotion activities to enhance employees' work and life balance. ● Involvement of all employees, continuous improvement, build happiness, and friendly workplace. </td> </tr> <tr> <td>Eliminate discrimination and ensure equal employment opportunity</td> <td>Recruitment of new employees is carried out according to Article 5 of the Employment Service Act, and recruitment personnel receive training to eliminate unlawful discrimination and ensure equal opportunity for job applicants.</td> </tr> <tr> <td>Prohibit the use of child labor</td> <td>The Company does not hire any child labor under the age of 16 referred to in Article 44 of the Labor Standards Act.</td> </tr> <tr> <td>Human rights</td> <td>Provide education and training on</td> </tr> </tbody> </table>	Human rights management policy	Specific programs	Provide a safe and healthy work environment	<ul style="list-style-type: none"> ● Comply with government regulations and meet international standards to continue to improve health and safety performance. ● Set up a health management system to provide early warning information and launch health promotion activities to enhance employees' work and life balance. ● Involvement of all employees, continuous improvement, build happiness, and friendly workplace. 	Eliminate discrimination and ensure equal employment opportunity	Recruitment of new employees is carried out according to Article 5 of the Employment Service Act, and recruitment personnel receive training to eliminate unlawful discrimination and ensure equal opportunity for job applicants.	Prohibit the use of child labor	The Company does not hire any child labor under the age of 16 referred to in Article 44 of the Labor Standards Act.	Human rights	Provide education and training on	
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Implementation items	Implementation status			Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
			<p>protection training</p> <p>compliance with relevant laws and regulations, as well as human rights protection. Courses include "Introduction and Prevention of Workplace Misconduct," "Creating a Workplace with Diversity and Gender Equality," "Workplace Misconduct (including Sexual Harassment)," and "Workplace Misconduct and the Act of Gender Equality in Employment." A total of 101 training courses were provided for 5,435 participants who received a total of 19,041 hours of training in 2025.</p> <p>Ban on forced labor</p> <ul style="list-style-type: none"> ● Comply with Article 5 of the Labor Standards Act: "No employer shall, by force, coercion, detention, or other illegal means, compel a worker to perform work". ● Comply with the labor rights standards in ILO No. 29 Forced Labour Convention and No. 105 Convention Concerning the Abolition of Forced Labour. <p>Assist employees in maintaining physical and mental health and attaining balance between work and life.</p> <ul style="list-style-type: none"> ● Establish an "Employee Assistance Service Center" to implement the Employee Assistance System (EAS). ● Provide personalized employee assistance programs (EAPs). ● Provide group-based employee assistance programs (EAPs). ● Please see "Labor-Management Relations" in Chapter 5 Business Overview of this annual report for details. 	
(2) Does the company establish and implement reasonable employee benefits (including	✓		1. The Company views employees as its assets and partners in sustainable growth. We take employee benefits and training very seriously, and are committed to implementing gender equality. There are no differences in employees' salary, performance evaluation, and opportunities for promotions due to gender, and we ensure that employees are not discriminated against, harassed, or treated unfairly	No significant deviation

Implementation items	Implementation status			Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
remuneration, leave, and other benefits), and ensure business performance or results are reflected adequately in employee remuneration?			<p>due to their race, gender, religious belief, age, political inclination, and other conditions protected by applicable laws. Female employees accounted for 23.6% of all employees in 2025. Female managers accounted for approximately 24.5% of all managers and 15.2% of senior managers in 2025, in which 2 were vice presidents, accounting for 40% of all vice presidents (5 in total). Furthermore, the Company provides the underprivileged with employment opportunities and creates a friendly employment environment; the number of people with disabilities hired already exceeded the goal.</p> <p>2. The Company attaches importance to releasing employees' stress in the workplace, and has thus created a diverse and happy workplace environment that offers extensive and in-depth care. This allows employees to take care of their families and mental health when they are not focused on their work, achieving work-life balance. Please see "Labor-Management Relations" in Chapter 5 Business Overview of this annual report for details on the Company's employee benefits, such as unpaid parental leave, employee shareholding trust, allowances, and retirement system, which is also disclosed in "Labor-Management Relation" and "Employee Care" on the company website: http://www.aidc.com.tw/tw/cse/employee</p> <p>3. Article 28 of the Articles of Incorporation stipulate that if the Company makes a profit for the year, it shall allocate no less than 0.58% and no more than 4.65% of pre-tax profit as employee bonuses, in which no less than 40% of the amount allocated for employee bonuses shall be distributed to entry-level employees. No more than 0.58% of pre-tax profits shall be allocated as directors' remuneration. In 2024, 4.65% or NT\$124,665,942 was allocated as employee bonuses, which was reported to the shareholders' meeting on May 22, 2025, and distribution was completed on June 27, 2025.</p> <p>4. The Company established the AIDC Performance Bonus Implementation Guidelines, and calculates and distributes employee evaluation bonuses and performance bonuses based on the business performance that year. The principle for allocating and distributing performance bonuses is pre-tax profit × 30%; distribution of evaluation bonuses and performance bonuses was completed on April 30 and</p>	

Implementation items	Implementation status			Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
			May 28, 2025.	
(3) Does the company provide employees with a safe and healthy work environment? Are employees trained regularly on safety and health issues?	✓		<ol style="list-style-type: none"> 1. The Company complies with health regulations and policies promulgated by the government, and provides employees with a healthy and safe work environment. We are committed to the management of occupational safety and health risks and opportunities, and handle matters in accordance with the occupational safety and health management system. We conduct annual audits and verification through a third-party certification institution to maintain the validity of the occupational safety and health management system certificate. The Taichung Complex passed the review by the SGS for new certificates for CNS/ISO45001 and TOSHMS in 2024, and the validity period is from October 16, 2024 to October 15, 2027. The Kang-Shan Complex passed the review by the SGS for new certificates for CNS/ISO45001 and TOSHMS in 2023, and the validity period is from September 27, 2023 to September 19, 2026. 2. Occupational safety and health inspections and audits <ol style="list-style-type: none"> (1) The Taichung and Sha-Lu Complexes conduct a total of 12 regular audits per month, covering the provisions of ISO 45001; Audits of specific issues are planned each month to address various abnormal events and the implementation status of audits in the previous year. Such issues include electrical safety management, fall prevention and workplace safety management, machinery and equipment safety management, and chemicals management, in order to strengthen risk control and continue to improve results. Irregular inspections are conducted each week. (2) The Kang-Shan Complex conducts a total of 12 regular audits per month, covering the provisions of ISO 45001. 3. The following measures are taken to address workplace misconduct. <ol style="list-style-type: none"> (1) Risk identification: Electronic questionnaires are sent to supervisors for self-assessment of workplace misconduct, allowing them to examine their relationships and how they communicate with colleagues. The questionnaire results were assessed as low risk, and control 	No significant deviation

Implementation items	Implementation status			Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
			<p>measures are currently in place for all risks.</p> <p>(2) Preventive measures: Implemented the "Workplace Misconduct Prevention Plan," the president signed a "zero tolerance" statement, and established standard operating procedures for preventing misconduct. Provide transparent complaint channels and establish an independent compliant hotline that is impartial and maintains confidentiality. Implement training and raise awareness.</p> <p>4. Employee education and training:</p> <p>(1) In 2025, AIDC trained 8,806 employees in 285 classes that took its safety and health training courses.</p> <p>(2) Self-defense fire safety team organization training: The Company organized 6 sessions in Taichung Complex, Sha-Lu Complex, and Kang-Shan Complex for a total of 890 participants in 2025.</p> <p>(3) Fire safety emergency response drills: The Company organized 70 drills in Taichung Complex, Sha-Lu Complex, and Kang-Shan Complex with a total of 1125 participants in 2025.</p> <p>5. Health Management</p> <p>(1) A total of 5,021 employees (3,663 in Taichung and 1,358 in Kang-Shan) completed general health examinations in 2025.</p> <p>(2) A total of 1,338 employees completed the health examination for special operations (1,097 in Taichung and 241 in Kang-Shan), including noise operations, ionizing radiation operations, lead operations, hexane operations, benzene operations, toluene diisocyanate operations, manganese and its compounds operations, dust operations, chromic acid and its salts operations, cadmium and its compounds operations, nickel and its compounds operations, bromopropane operations, and formaldehyde operations.</p> <p>(3) A total of 554 employees completed health education for special operations (506 in Taichung and 48 in Kang-Shan). The Company will continue organize personal health education.</p> <p>6. Occupational injury statistics and analysis: The disabling injury frequency rate in Taichung (including Sha-Lu) Complex was 2.08 and Kang-</p>	

Implementation items	Implementation status			Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
			<p>Shan Complex was 0.31 in 2025. Traffic accidents outside complexes involved 48 employees, traffic accidents within complexes involved 5 employees, and occupational accidents in the workplace involved 26 employees. The number of employees involved in occupational accidents accounted for 0.4% of the average number of employees in 2025.</p> <p>7. Management of hazardous machinery and equipment: The Company completed the regular inspections of hazardous machinery and equipment in 2025 to ensure the safety of equipment and personnel. The Taichung Complex and Sha-Lu Complex have a total of 13 fixed cranes with hoisting capacity of 3 metric tons or more and 5 sets of special high-pressure gas equipment. The Kang-Shan has 1 fixed crane with hoisting capacity of 3 tons or more, 11 sets of special high-pressure gas equipment, and 2 type one pressure containers.</p> <p>8. No fire incidents or casualties occurred in 2025. In addition, the following preventive measures were proposed for preventing fire accidents:</p> <p>(1) Proposed Management Regulations for the Use of Small Electrical Appliances, and included high-energy-consuming electrical appliances to prevent fires caused by short circuits due to improper use.</p> <p>(2) Replaced all extension cords purchased in retail markets in order to eliminate products that do not meet national standards or do not have an overload protection switch.</p> <p>(3) Infrared thermal imaging inspections of electrical switch boxes are performed each year. Infrared thermal imaging cameras are used to measure the electrical distribution panels of high-energy-consuming production equipment, and grounding resistance is also measured to verify whether the operating temperature is too high, identify abnormalities, and make improvements.</p> <p>(4) For sockets and outlets that do not use extension cords or are close to the ground, protective covers are installed to prevent foreign objects, oil, or dust from accumulating and lower the risk of a fire accident.</p> <p>(5) For locations where flammable vapor or explosive dust are present, ensure that hazardous</p>	

Implementation items	Implementation status			Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
			<p>areas are delineated, and improve the use of electrical equipment within those areas.</p> <p>(6) Assign responsibilities to project supervisors, require contractors to ensure that they take proper protective measures for hot work and conduct work safety checks.</p> <p>9. Honors: Chen, Hsiu-Yu, a nurse in the Company's Occupational Safety and Health Division in the Taichung Complex, received the 2025 Excellent Nursing Staff Award from the Nurses Association of Taichung City after being reviewed. She is the only occupational (factory) nurse among the 89 award winners and was publicly commended at the Taichung City International Nurses Day celebration on May 5, 2025.</p>	
(4) Does the company set up effective career development and training programs for its employees?	✓		<p>The Company has planned complete professional training for managers and employees, including new employee training, advanced professional training, and manager training, and trained management trainees according to the AIDC Managerial Talent Reserve and Utilization Guidelines in 2025, training 14 Level 1 management trainees, 33 Level 2 management trainees, and 26 Level 3 management trainees.</p> <p>In addition, the Company reviews competency gaps annually based on its business plan and business expansion goals, and provides resources to improve competencies. Internal and external training courses are provided to improve the competencies of personnel. In 2025, AIDC provided 4,107 training courses (including online learning courses) with 110,485 person-times participated and that amounted to a total of 284,738 training hours.</p> <p>Furthermore, the Company adopted the "Talent Quality-management System (TTQS)" of the Ministry of Labor in 2015 as the guidelines for the Company's talent development. We received the corporate version gold medal in the most recent evaluation and the certificate is valid till December 19, 2027. We will continue to improve training quality management according to management mechanisms of the TTQS.</p>	No significant deviation
(5) Do the company's products and services comply with relevant laws and	✓		<p>The Company is in the aircraft and parts manufacturing industry. AIDC has obtained ISO 9001:2015, AS9100:D, and AS9110:C quality management system certifications, and has also obtained world-class aerospace quality system certifications, such as Boeing D6-82479, Airbus A1501 and GEAE S-1000 (AS13100), United</p>	No significant deviation

Implementation items	Implementation status			Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
international standards in relation to customer health and safety, customer privacy, and marketing and labeling of products and services, and are relevant consumer protection or customer rights protection and grievance procedure policies implemented?			Technologies Aerospace Supplier Quality Requirement (ASQR-01) (including Pratt & Whitney engines), Sikorsky Supplier Quality Requirements (PROCURE-2-011), Honeywell Aerospace Supplemental Purchase Order Conditions (SPOC), KHI KQMS-7100, Leonardo DV-IAY-G 05, Bell Flight Supplier Quality Requirements Manual (SQRM-001), and Bombardier QD 4.6-40. Military aircrafts have obtained military aviation quality system certifications, such as INST 8210.1B of the U.S. Defense Contract Management Agency, and Lockheed Martin's Appendix QX and SQRM-001. The Company established the quality policy of "quality assurance by all personnel for customer satisfaction," and provides a variety of complaint channels, including e-mail, satisfaction survey, and customer visits. we also established a 24-hour customer compliant response mechanism to protect customers' rights and interests.	
(6) Does the company have a supplier management policy, require suppliers to comply with regulations on environmental protection, occupational safety and health, and labor rights, and what is its implementation status?	✓		<ol style="list-style-type: none"> 1. The Company established Supplier Management, and supplier evaluations not only include quality and delivery, but also ethics and sustainability issues. If a qualified supplier has obtained ISO 14001 (Environmental Management System), ISO 50001 (Energy Management System), ISO 45001 (Occupational Health and Safety Management System), and TOSHMS (Taiwan Occupational Safety and Health Management System) or other certifications that contribute to society and the environment, the supplier will be included in the list of prioritized suppliers and have the opportunity to receive invitations to participate in the Company's procurement. 2. The Company continues to provide suppliers with training and assistance for process improvements and advancements to help them improve quality, engineering technologies, and management capabilities, so as to reduce cost and increase competitiveness for winning purchase orders. 3. The Company evaluated 130 suppliers in 2025 and provided contract performance supervision and technical assistance to 35 suppliers a total of 522 times. The Company also audited 32 suppliers in 2025. 	No significant deviation

Implementation items	Implementation status			Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
5. Does the company prepare sustainability reports and other reports that disclose non-financial information by following international reporting standards or guidelines? Does the company obtain third-party assurance or guarantees for the reports above?	✓		The Company prepared the 2024 AIDC Corporate Sustainability Report according to international standards (the GRI Standard published in 2021), and the report obtained third party assurance from SGS.	No significant deviation
6. If the company has established Sustainable Development Best Practice Principles in accordance with the "Sustainable Development Best Practice Principles for TWSE/TPEX-Listed Companies," describe any discrepancy between the principles and their implementation: "AIDC Corporate Social Responsibility Best Practice Principles" was amended to "AIDC Corporate Sustainability Best Practice Principles" and passed by the board of directors on May 6, 2022. There is no significant deviation in the amended version from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies.				
7. Other important information helpful in understanding the implementation of sustainable development: (1) Social care: <ul style="list-style-type: none"> ● After the privatization of AIDC, the Company seeks to provide substantive care for employees and stabilize management rights. After considering the business environment and financial conditions of the Company, we formally began to organize the employee shareholding trust in September 2016 for employees to join at their discretion and select the employee contribution amount. The Company shall provide the company contribution amount proportionally based on the employee contribution amount, and employees have enthusiastically participated. ● The Company used a modified and certified aircraft to execute a mission to deploy a sensor (dropsonde) in the outer ring of a typhoon, in order to measure atmospheric information on the typhoon. After academic research and actual implementation results, the accuracy of predictions of typhoon intensity and path has significantly improved. The Central Weather Administration obtained more accurate forecasts from AIDC's Typhoon Observation Project, and conducted typhoon observations of key areas in the radius of winds over 50km/hr and the path of Typhoon Ragasa and Typhoon Fung-wong. AIDC executed 90 flights under the Typhoon Observation Project and observed 74 typhoons starting from Typhoon Dujuan in 2003 to the end of 2025. This has allowed the government to take more effective disaster prevention measures and significantly reduce the loss of citizens' lives and assets. 				

Implementation items	Implementation status			Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
			<ul style="list-style-type: none"> ● The Company utilizes aviation resources to provide aerial medical rescue services. The scope of services for emergency medical flights includes Southeast Asia, Northeast Asia, and China. Flights to destinations at greater distances include Hokkaido, Phu Quoc Island, Chengdu, Bangkok, and Jakarta. The Company completed 186 missions to airports in 49 cities in Mainland China (including Hong Kong/Macau), Japan, South Korea, Cambodia, Thailand, Vietnam, and Malaysia from June 2013 to 2025. ● The Company provides comprehensive volunteer services through the "AIDC Volunteer Team," and has worked with government agencies and disadvantaged groups for many years, paying attention to social issues such as services for the elderly, education for the youth, and care for the disabled to enhance their ability to assimilate and adapt to society. We also attach importance to ecological conservation and environmental protection issues, engage in environmental protection education and beach cleaning, and organize aerospace education and career exploration activities, assisting in the promotion of various public welfare activities and volunteer services. Regular on-duty services include accompanying visually impaired students at Hueiming Education and Nursing Institute and Taiwan Association for MDVI in walking/running/music classes to help them develop professional skills, Central Park guide/consultation, and Jiading Wetland ecological conservation/environment development to raise citizens' environmental protection awareness, visiting and providing better care for the elderly living alone, accompanying elderly people with dementia during eco-friendly paper art DIY classes, which slow down degeneration and dementia, and a variety of other activities to fulfill the Company's social responsibilities. AIDC participated in 30 charity events in 2025, providing 3,113 volunteers that served 372,389 participants and 40 organizations. We made announcements online and promoted charity events through volunteers in units to encourage employees to make donations, directly and indirectly helping underprivileged groups. ● To let students better understand aircrafts and aviation, the Company organized aerospace education promotion activities in 2025, including: (1) In 2025, the Company donated the illustrated book "Toward the Unknown" to 10 schools and institutions (including Taichung Special School for the Students with Hearing Impairments, Taichung Municipal He Ping Junior High School, Taichung Municipal He Ping Elementary School, Taichung Baileng Elementary School, Kaohsiung Municipal Jiaying Elementary School, Ministry of Health and Welfare Central Region Children's Home, Kaohsiung Colife Home, Kaohsiung Autism Foundation, Taitung County Seljupetje, and Taitung County Kids' Bookstore). The book donation allowed elementary and junior high school students to learn about airplanes in an easy-to-understand way, inspiring their curiosity and aspiration for aviation. (2) On March 20, Changhua County Dasi Elementary School organized an educational visit to the aerospace industry to help children and teenagers understand the aerospace industry and the professional skills required to work in the industry in the future. The Company provided 1 volunteer and benefited 17 students. (3) On April 23, Huei-Ming School for Blind Children arranged a visit to AIDC's complex for its aerospace care education, and we tailored the experience by editing various sounds of aircraft taking off and landing, using the help of hearing and touch to let students experience the beauty of airplanes. AIDC provided 4 volunteers and benefited 41 blind children. (4) On August 12, the Sino-AIDC Hundred Dollars Youngster Assistance Association organized an educational visit for career development, helping disadvantaged children explore future careers and learn about aircraft manufacturing and history. AIDC provided 4 volunteers and benefited 29 students. ● A donation event was organized among employees before Chinese New Year, and the funds were donated to Kaohsiung Autism Foundation Dashu Development Center, Kaohsiung City Life Source Comprehensive Care Association, Sino-AIDC Hundred Dollars Youngster Assistance Association, and Kids' Bookhouse Foundation at the beginning of 2025 to fulfill our responsibility to care for society. 	

Implementation items	Implementation status			Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
<p>(2) Environmental protection:</p> <ul style="list-style-type: none"> ● The Company continues to perform environmental protection work, and the entire company (Taichung, Sha-Lu, and Kang-Shan Complexes, Hsiang Yuan Co., Ltd., U.S. subsidiary, and Taitung Dormitory) obtained ISO 14064 GHG Inventory (for GHG emissions in 2024) and verification in 2025. We follow the ISO14001 environmental management system when carrying out source control and process waste reduction, clean production, green procurement, air pollution control, waste water treatment, waste disposal and treatment, toxic chemical substance management, energy conservation, carbon reduction, waste reduction, resource recovery, dedicating our efforts to achieve environmental sustainability. ● The Company is committed to energy conservation and carbon reduction, and upholds the spirit of ISO 50001 Energy Management Systems in energy conservation, such as process improvement, electricity saving, and water saving. AIDC received the "Energy Conservation Benchmark Gold Award" from the Energy Bureau of the Ministry of Economic Affairs, the "Silver Award in the National Enterprises Environmental Protection Award" from the Ministry of Environment of the Executive Yuan, and the "Sustainability Elite Award" from the Economic Development Bureau of Taichung City Government for implementing sustainable development. 				

(VI) Climate-related Information of TWSE/TPEX Listed Companies

Item		Implementation status
1.	Describe supervision and governance of climate-related risks and opportunities by the board of directors and management.	Supervision and guidance role of the board of directors in sustainable development (ESG) management strategies. The management department completes an image of TCDF risks and opportunities and response measures for material issues each year, which are submitted to the Risk Management Committee for review and included in the business plan. The business plan is then submitted to the board of directors for approval. A review of implementation results in the previous year are submitted to the board of directors in the first quarter for future reference. Furthermore, the implementation status of ESG (including climate change) related issues are periodically reported to the board of directors along with business reports.
2.	Describe how the climate risks and opportunities identified affect the Company's business, strategies, and financial position (short-term, mid-term, long term).	<p>The following material issues of the Company's short-term, mid-term, and long-term climate risks and opportunities in 2026 were reviewed by the Risk Management Committee and approved by the Board of Directors in 2025:</p> <ul style="list-style-type: none"> ● Short-term risks: Rising electricity prices and increase in the cost of raw materials. ● Short-term opportunities: Improve energy use efficiency, develop or expand low carbon products and services. ● Mid-term risks: Carbon fees being levied in Taiwan/total emissions control, carbon taxes being levied overseas,

Item	Implementation status
	<p>and broken domestic and overseas supply chains due to natural disasters, such as extreme weather events, which may cause potential losses due to suspended operations.</p> <ul style="list-style-type: none"> ● Financial impact: Potential financial risks include increase in operating costs and impact on revenue. Opportunities are from expansion to new business, such as business from domestic gas-fired power plants, expansion of the energy storage market, and the construction of wind power related systems to increase the Company's revenue. ● Strategy and business direction: The Company began installing solar panels in 2022 to increase the ratio of green electricity generated for self-use, implemented energy conservation and carbon reduction projects to reduce GHG emissions, and held internal senior management meetings to control the Company's goal of carbon neutrality. At the same time, we have invested in independent R&D of energy management and battery management systems, and are actively promoting and developing energy creation, energy storage, and energy control/use.
<p>3. Describe the impact of extreme weather events and transition actions on the Company's financial position.</p>	<ul style="list-style-type: none"> ● Extreme weather events: After analyzing the 4°C temperature rise scenario, drought, flood, average temperature rise, and sea level rise has a low impact on the locations of complexes. However, the probability of asset loss due to strong typhoons is medium, but the financial impact level is still low. The impact on supply chains is medium low due to safety stock. ● Transition actions: The Company's transition actions include the Solar Panel Project and replacement of major equipment with high energy consumption, which has increased the Company's costs. However, after comprehensively considering the savings in future carbon tax and carbon fees overseas, transition actions have a low financial impact.
<p>4. Describe how the identification, assessment, and management process of climate risks is integrated in the overall risk management system.</p>	<p>The management department began operations in the middle of the year. The cross-departmental ESG Work Group set the scenarios and proposed climate change-related topics for discussion, and then called together related units to identify and assess the overall impact and financial impact of climate risks and opportunities. It then completed the short-term, mid-term, and long-term image of climate-related risks and opportunities, as well as response measures for material issues, and then included them in the risk management section of the business plan for the following year. The business plan is submitted to the board of directors before the end of the year for approval.</p>
<p>5. If scenario analysis is carried out to evaluate resilience to climate change risks, describe</p>	<ul style="list-style-type: none"> ● Climate scenario analysis is conducted when assessing climate-related risks and opportunities according to the guidelines of the Task Force on Climate-related Financial

Item	Implementation status
<p>the scenarios, parameters, assumptions, analysis factors, and main financial impact.</p>	<p>Disclosures.</p> <ul style="list-style-type: none"> ● Principles of settings: The worst case scenario for transition and physical risks is used. ● Transition scenario: The Company set the internal goal to achieve carbon neutrality by 2050, i.e., RCP2.6. (2.0°C temperature rise). ● Physical scenario: RCP8.5 (4°C temperature rise) ● Period parameters: Short-term is 2026-2027; mid-term is 2028-2032; long-term is 2033-2050. ● Analysis items are as follows: <ul style="list-style-type: none"> - Transition risks: policy and regulatory risks, technology risks, market risks, and reputation risks. - Physical risks: immediate risks and long-term risks. - Opportunities: Resource efficiency, source of energy, products and services, market, and resilience. ● Quantified financial impact is divided into 5 levels: An impact of less than NT\$100 million of revenue is level 1, and an impact of NT\$700 million and above is level 5. Non-quantifiable impacts are divided into 5 levels, with Level 1 indicating a very slight impact on the Company's operations and Level 5 indicating a very significant impact on the Company's operations. ● Tools used: Includes IPCC AR6, 3D disaster potential map of the National Science and Technology Center for Disaster Reduction, and TCCIP – Climatic Atlas.
<p>6. If there is a transition plan in place in response to climate-related risks, describe the contents of the plan and the indicators and goals used to identify and manage physical risks and transition risks.</p>	<p>We set the goal to achieve carbon neutrality by 2050 in response to the transformation plan to manage climate-related risks, and began installing solar panels in 2022 to increase the ratio of green electricity generated for self-use. We also replaced old equipment to improve energy efficiency. Related contents are disclosed in the Sustainability Report.</p>
<p>7. If internal carbon pricing is used as a planning tool, describe the basis for pricing.</p>	<p>Starting in 2025, the Company established an "internal carbon pricing method" using the "shadow price" approach, using electricity consumption and carbon emissions as indicators when making major investment decisions, in order to guide all units to prioritize low-carbon equipment when making purchases.</p> <p>The Company referenced the rates announced by the Ministry of Environment and set the internal carbon price at NT\$300 per metric ton for high-energy-consuming equipment procurement plans over the next 5 years. We completed carbon cost assessments for 12 equipment procurement projects in 2025, and switched to energy-efficient models in 3 projects, which is expected to save more than 320,000 kWh of electricity and reduce carbon emissions by approximately 152 tons per year. Combined with the Company's current 3,668 kWp solar power generation system, which generates 4.3 million kWh of electricity annually, this will significantly offset the increase in electricity consumption and carbon emissions brought by</p>

Item	Implementation status
	the purchase of new equipment. The implementation of this system not only helps employees understand the economic benefits of purchasing energy-efficient equipment, but also achieves the Company's goal of sustainable development.
8. If climate-related goals were set, describe the activities covered, scope of GHG emissions, schedule, and progress each year. If carbon offset or RECs are used to achieve goals, describe the source and amount of offset quota or the number of RECs.	<ul style="list-style-type: none"> ● A group-wide GHG inventory was completed for the first time in 2024, and 2023 was set as the baseline year for carbon reduction. The Group set the target to reduce GHG emissions (Category 1 and Category 2) by 5% compared to the baseline year in the first phase (2025), and reduce GHG emissions (Category 1 and Category 2) by 18% compared to the baseline year in the second phase (2030). Adjustments will be made on a rolling basis each year. ● Even though the parent company's total electricity consumption intensity (including green electricity) did not reach the target in 2025 (a decrease of 5% compared to 2024), the total electricity consumption of the parent company in 2025 decreased 3% compared to 2024. Based on the goal to achieve carbon neutrality, the Company will continue to set the goal to reduce total electricity consumption intensity (including green electricity) of the parent company in 2026. ● In the current stage, the Company does not use the purchase of renewable energy certificates as a means of carbon reduction, and prioritizes the construction of solar panels to generate electricity for self-use. The Phase IV solar power site at the Taichung Complex, Phase V of the Taichung Complex, and solar power site of the Kang-Shan Complex will be constructed in 2026.
9. Greenhouse gas inventory and assurance, reduction targets, strategies and specific action plans.	<p>GHG inventory and assurance are separately provided in the table below.</p> <p>AIDC's carbon reduction target is to reduce carbon emissions by 5% in the short term (2025) and 18% in the medium term (2030). The Company's reduction strategy aims to improve energy efficiency and use renewable energy. We began installing solar panels in 2022 to increase the percentage of green electricity used, and plan to implement energy conservation and carbon reduction projects to reduce GHG emissions.</p> <p>Short-term plan: Install solar panels (with a total installed capacity of 3,658 kWp) from 2022 to 2025, and improve and replace energy-consuming equipment.</p> <p>Mid-term plan: Install solar panels (with a total installed capacity of 6,504 kWp) from 2026 to 2030, and optimize processes to save electricity.</p> <p>Achievement of carbon reduction targets: According to the Group's inventory data, GHG emissions in 2025 decreased by approximately 5.1% compared to the baseline year (2023) and achieved the target for the first phase towards carbon neutrality (5% reduction). However, this data has not yet been verified by a third party, and updates on target achievement will be provided on the official website based on verification</p>

Item	Implementation status
	results. https://www.aidc.com.tw/tw/cse/environment .

GHG inventory and assurance in the past two years

1. Information on GHG inventory

Please describe the scope of data that must be disclosed according to the sustainable development roadmap of TWSE/TPEX-listed companies:

1. The parent company is required to start compiling its inventory in 2025 (data for activities in 2024).
2. Subsidiaries included in consolidated financial statements are required to start compiling their inventories in 2026 (data for activities in 2025).

The Group established a GHG inventory mechanism in accordance with the ISO14064-1 GHG inventory standard issued by the International Organization for Standardization (ISO). The GHG inventory data for the last two years is based on the operational control approach and summarizes the GHG emissions of the Company and all subsidiaries in the consolidated financial statements, as described below:

Type		2024		2025	
		Total emission (Ton CO2e)	Intensity (Ton CO2e/ NT\$ million)	Total emission (Ton CO2e)	Intensity (Ton CO2e/ NT\$ million)
Scope 1	Parent company	4,828.9832	0.1230	4,832.9047	0.1366
	Subsidiaries	153.1857	0.3865	162.7560	0.4398
	Total	4,982.1689	0.1266	4,995.6607	0.1409
Scope 2	Parent company	67,430.4384	1.7181	65,318.3542	1.8462
	Subsidiaries	625.4257	1.5781	596.0461	1.6105
	Total	68,055.8641	1.7300	65,914.4003	1.8593
Scope 3		30,076.2750	0.7646	28,922.1973	0.8158

Note 1: The Company compiled its GHG inventory in accordance with ISO14064-1:2018 and completed third party verification. GHG emissions of the parent company and subsidiaries (U.S. subsidiary, Hsiang Yuan Co., Ltd.) in 2024 has obtained a third-party verification certificate. The 2025 GHG inventory data will be disclosed on the company website after relevant information is obtained and verification is completed. <https://www.aidc.com.tw/tw/cse/environment>.

2. GHG Assurance Information

Among the total GHG emissions disclosed by the Company, GHG emissions of the parent company (Taichung Complex, Sha-Lu Complex, and Kang-Shan Complex), Hsiang Yuan Co., Ltd., and U.S. subsidiary in 2024 are assured by SGS Taiwan Ltd. according to ISO 14064-1:2018. The assurance opinions were reasonable assurance for Category 1 and Category 2 recognized by the competent authority, and limited assurance for Category 3 to 6. Assurance information of the parent company and subsidiaries in 2025 is being prepared as of the date of report and will be disclosed in the sustainability report.

(VII) Implementation of ethical corporate management and measures and departure from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and reasons

Evaluation Items	Operations			Deviations from the "Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies" and reasons
	Yes	No	Summary	
<p>1. Establishment of ethical corporate management policy and plans (1) Has the company established an ethical corporate management policy that was approved by the Board of Directors, and declare its ethical corporate management policy and methods in its regulations and external documents, as well as the commitment of its Board and management to implementing the management policies?</p>	✓		<p>1. The Company established the Ethical Corporate Management Best Practice Principles, Code of Ethical Conduct for Business Management Personnel, and Management Guidelines for Handling Material Information and Prevention of Insider Trading, which were approved by the board of directors, as well as the "Regulations for the Prevention of Insider Trading" approved by the president, to effectively implement the ethical corporate management policy for board members and managers. Furthermore, the chairman and president have clearly declared and signed Chinese and English versions of the ethical corporate management policy, which is announced on the company website. http://www.aidc.com.tw/tw/about/ethical</p> <p>2. In addition to regulations related to ethical corporate management approved by the Board of Directors, the Company also actively promotes the core values of ethical corporate management and integrity, preventing corruption incidents and demonstrating the organization's commitment to raising awareness of integrity and complying with anti-bribery laws. To deeply embed the culture of integrity and ethics among employees, understand and promote the Company's integrity and moral standards, and effectively comply with the standards, the Company established the "AIDC Employee Code of Ethical Conduct." Starting in 2015, the Company requires all employees to sign a commitment online or in writing in early January to uphold integrity and ethics, not violate laws and regulations, prohibit insider trading, and not accept bribes or gifts and other improper benefits. The signing rate was 99.97% in 2025.</p> <p>3. In 2025, the Company held internal and external education and training related to ethical corporate management issues (including courses related to compliance with ethical corporate management regulations, regulations,</p>	No significant deviation

Evaluation Items	Operations			Deviations from the "Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies" and reasons
	Yes	No	Summary	
			inspections, risk management, and anti-money laundering) with a total of 355 attendees. The Company's chairman and president have clearly declared and signed Chinese and English versions of the ethical corporate management policy, which is announced on the company website: https://www.aidc.com.tw/tw/about/ethical	
(2) Does the company have mechanisms in place to assess the risk of unethical conduct, and perform regular analysis and assessment of business activities with higher risk of unethical conduct within the scope of business? Does the company implement programs to prevent unethical conduct based on the above and ensure the programs cover at least the matters described in Paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies?	✓		The Company established Ethical Corporate Management Best Practice Principles that was approved by the board of directors, and it is included in analysis and assessment during the Company's risk meetings each year, during which it has been determined to be a low risk item. Hence, it is not reviewed during monthly risk meetings. Prevention plans are adopted for operating activities with relatively high risk of unethical conduct. Personnel are assigned to monitor the Company's procurements that exceed 10% of the announced amount. The Company also audits procurements and conducts supplier questionnaire surveys. Aspects of business that have high risk of unethical conduct are inspected.	No significant deviation
(3) Does the company provide clearly the operating procedures, code of conduct, disciplinary actions, and appeal procedures in the programs against unethical conduct?	✓		The Company has established operating procedures, code of conduct, and a penalty and complaint system to prevent unethical conduct. Please see the company website for details on AIDC's implementation of the Ethical Corporate Management Best Practice Principles: http://www.aidc.com.tw/tw/about/ethical .	No significant deviation

Evaluation Items	Operations			Deviations from the "Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies" and reasons
	Yes	No	Summary	
Does the company enforce the programs above effectively and perform regular reviews and amendments?				
2. Implementation of ethical corporate management (1) Does the company evaluate the integrity of all counterparties it has business relationships with? Are there any integrity clauses in the agreements it signs with business partners?	✓		The Company attaches great importance to integrity, and aside from announcing the Supplier Code of Conduct on the company website, the payment of commission, kickbacks, and gifts and treats that exceed customs are explicitly prohibited in commercial contracts. The Company may seek punitive damages from violators. Suppliers with a poor record are restricted from participating in the Company's procurements.	No significant deviation
(2) Does the company have a dedicated unit responsible for business integrity under the board of directors which reports the ethical management policy and programs against unethical conduct regularly (at least once a year) to the board of directors while overseeing such operations?	✓		The Company established an Ethics & Security Division supervised by the chairman. The division is responsible for "Ethical Corporate Management and Prevention of Corruption" and "Formulation and Promotion of Code of Ethical Conduct for Managers and Employees." The division reports its implementation status to the board of directors at least 4 times a year, either quarterly or irregularly, and announces it on the company website. The implementation status in 2025 is as follows: 1. Training programs: The Company's board members planned a series of courses on regulations, audits, risk management, and anti-money laundering prevention to learn the legal knowledge, service principles and code of conduct that financial personnel should have (88 hours). Education was also provided to new employees (177.5 hours), receiving a total of 265.5 hours of training. During the course, cases were shared to strengthen the concept and implementation of integrity, ethics, and compliance, so as to effectively manage and prevent unethical conduct. 2. Compliance promotion:	No significant deviation

Evaluation Items	Operations			Deviations from the "Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies" and reasons
	Yes	No	Summary	
			<p>The Prevention Section of the Ethics & Security Division is responsible of the implementation of the value of integrity and anti-corruption education among all employees. It compiled actual cases through the Company's electronic bulletin board, including 140 cases involving insider trading, avoidance of conflicts of interest, and government ethics, to educate employees on how to avoid breaking the law when performing their duties.</p> <p>3. Periodic audits: Once a year, a risk assessment of corruption-related matters is conducted on all of the Company's operating activities. The self-inspection and self-assessment of compliance achieves effective control and implementation, and the audit unit conducts independent audits to ensure the operation of the overall mechanism, joint managing and preventing unethical conduct. There were no corruption cases and anti-competitive behavior in 2025.</p> <p>4. Whistleblowing system and whistleblower protection: The Company has established "Guidelines for Handling Whistleblower Cases," and has a whistleblower system in place to actively prevent unethical conduct and encourage internal and external personnel to report unethical or inappropriate conduct. The Prevention Section of the Ethics & Security Division is appointed as the dedicated unit for accepting reports of employees involved in unethical conduct. The Ethical Corporate Management Policy section on AIDC's official website proves an effective communication method for employees, shareholders, stakeholders, and outsiders. If a report involves a director or senior manager, it will be reported to independent directors. The Company also established a whistleblower protection system to keep the identity and contents of the report strictly confidential, and promises to protect whistleblowers from mistreatment due to whistleblowing. In 2025, a total of 6 external reports were accepted, and none involved corruption or unethical conduct. The reports</p>	

Evaluation Items	Operations			Deviations from the "Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies" and reasons
	Yes	No	Summary	
			mainly included violations of laws and regulations and administrative management. Under the premise of keeping the whistleblower's identity confidential, the cause was investigated and appropriate measures were taken to implement ethical and transparent conduct.	
(3) Has the company established policies to prevent conflicts of interests, implemented such policies, and provided adequate channels of communications?	✓		The Company has policies and regulations on avoiding conflict of interest, including Article 16 of the Ethical Corporate Management Best Practice Principles, Chapter 2 Article 4 of the Code of Ethical Conduct for Business Management Personnel, Article 21 of the Guidelines for Employee Work Rules, 6.2.4 of the Transfer Rules, 3.1.1 of the Code of Conduct for Procurement Personnel, and 6.6 of the Procurement Notices. The Ethics & Security Division reminds employees to avoid conflict of interest during new employee training or whenever appropriate, and also provides reporting channels.	No significant deviation
(4) Has the company established effective accounting systems and internal control systems to implement ethical corporate management and designated its internal audit unit, based on the results of assessment of the risk of involvement in unethical conduct, devise relevant audit plans and audit the compliance with the prevention programs accordingly or commissioned a CPA to conduct the audit?	✓		The Company has established an accounting system and internal control system according to regulations to implement ethical corporate management. Each department performs its duties according to the systems. Audit units regularly and irregularly audit the implementation status, and accountants are commissioned to periodically conduct review and certification, providing improvement recommendations to ensure lawfulness and safety.	No significant deviation
(5) Does the Company provide regular internal and external training on ethical corporate	✓		1. External training: Board members planned a series of courses on regulations, audits, risk management, and anti-money laundering prevention to learn the legal knowledge, service principles and code of	No significant deviation

Evaluation Items	Operations			Deviations from the "Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies" and reasons
	Yes	No	Summary	
management?			<p>conduct that financial personnel should have, and 10 participants received 88 hours of training.</p> <p>2. Internal training:</p> <p>(1) The Company has employees sign the "AIDC Employee Code of Ethical Conduct" to create a corporate culture of integrity and effectively remind employees to abide by the Employee Code of Ethical Conduct; the signing rate reached 99.97% in 2025. In addition, statistics of "ethics and safety" training for new employees are updated and announced on the Company's website every quarter.</p> <p>(2) The Company provides the board of directors with examples of ethical corporate management, and announced the "Ethical Corporate Management Policy" on the company website. http://www.aidc.com.tw/tw/about/ethical</p> <p>(3) To help new employees begin to take part in production as soon as possible and create a corporate culture of ethical corporate management, the Company's Ethics & Security Division sends lecturers to provide "ethics and security seminars" for new employees; a total of 63 courses were completed in 2025 with 355 participants.</p> <p>(4) Employees registered 88 instances of gifts received in 2025 in accordance with the Employee Code of Ethical Conduct.</p>	
<p>3. Implementation of the Company's whistleblowing system</p> <p>(1) Does the company provide incentives and means for employees to report malpractices? Does the company assign dedicated personnel to investigate the reported</p>	✓		<p>According to the Company's Rules for Distribution of Bonuses by the Principal Investigator, individuals that have made special contributions may be immediately rewarded. External whistleblowers also receive rewards after approval. The Company has appointed the Team Leader of the Prevention Team of the Ethics & Security Division to handle reports, and made an announcement on the company website encouraging internal and external personnel to report illegal (including corruption) and unethical conduct of employees in their own names. The reports are handled in accordance with the Guidelines for Handling Whistleblower Cases. Whistleblowing mailbox: clean@ms.aidc.com.tw,</p>	No significant deviation

Evaluation Items	Operations			Deviations from the "Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies" and reasons
	Yes	No	Summary	
malpractices?			complaint hotline: Team Leader of the Prevention Team of the Ethics & Security Division 04-22842373.	
(2) Does the company have in place standard operating procedures for investigating and processing reports, as well as follow-up actions and relevant post-investigation confidentiality measures?	✓		The Company upholds the principle of not disclosing investigations after receiving a report, and participants are required to strictly maintain confidentiality when conducting investigation. If there are issues that require review and improvement after the investigation is concluded, the Ethics & Security Division will include preventive measures into the prevention system for continuous management to prevent recurrence.	No significant deviation
(3) Does the Company take measures to protect whistleblowers from inappropriate treatment or retaliation?	✓		The Company is committed to protecting whistleblowers from retaliation. If an employee feels that his/her rights or interests are damaged, there are clear remedy and grievance channels according to the Regulations for Handling Employee Complaints of the Human Resources Division.	No significant deviation
4. Enhancing information disclosure Does the company disclose information regarding the company's ethical corporate management principles and implementation status on its website and the Market Observation Post System?	✓		The Company announced the contents and implementation results of the Code of Ethical Conduct for Business Management Personnel, Ethical Corporate Management Best Practice Principles, and Code of Ethical Conduct for Employees on the company website, and irregularly promotes related rules.	No significant deviation
5. Describe the deviations, if any, between actual practice and the ethical corporate management principles, if the company has formulated such principles based on the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies: None.				
6. Other important information to facilitate a better understanding of the company's implementation of ethical corporate management: (e.g., review and amendment of the Ethical Corporate Management Best Practice Principles) None.				

(VIII) Disclose other material information that will benefit understanding of the Company's corporate governance status:

The "Corporate Governance" section (<https://www.aidc.com.tw/tw/investor/governance/principle>) and the "ESG" section (<https://www.aidc.com.tw/tw/cse>) are provided for stakeholders to understand the Company's corporate governance status.

(IX) Implementation of the internal control system

1. Statement on Internal Control: For details, please visit the Market Observation Post System > Single Company > Corporate Governance > Company Regulations/Internal Control > Internal Control Statement Announcement.

(<https://mops.twse.com.tw/mops/#/web/t06sg20>)

2. If the company engages an accountant to examine its internal control system, disclose the CPA examination report: None.

(X) Important resolutions adopted in shareholders' meeting and Board meetings in the past year and up to the date of report

1. Important resolutions of the 2025 annual general meeting and implementation status

(1) Passed the 2024 Business Report and financial statements

(2) Passed the Company's 2024 dividend distribution proposal.

Implementation status: The Company's board of directors authorized the chairman to set the record date as July 9, 2025, and dividends were distributed on August 7, 2025 according to the resolution of the shareholders' meeting. (A cash dividend of NT\$1.38 per share was distributed).

(3) Passed the proposed amendment to the Company's Articles of Incorporation.

Implementation status: Registration of the Company's Articles of Incorporation was approved in Letter Jing-Shou-Shang-Zi No. 11430090870 from the Ministry of Economic Affairs dated July 15, 2025 and announced on the company website.

2. Important resolutions of Board meetings in 2025 up to March 31, 2026:

Meeting date	Term/meeting number	Agenda item
2025/02/24	4th meeting of 10th-term Board of Directors	<ul style="list-style-type: none">• The Company's self-reported 2024 financial information• Proposal to convene the Company's 2025 Annual General Meeting• Proposal to appoint senior manager for the Company's Procedures for Engaging in Financial Derivative Transactions• Proposal to determine the scope of the Company's entry-level employees
2025/03/27	5th meeting of 10th-term Board of Directors	<ul style="list-style-type: none">• The Company's 2024 business report• Proposed distribution of 2024 employee bonuses and directors' remuneration• The Company's 2024 financial statements• The Company's 2024 dividend distribution proposal• The Company's 2024 Statement of Internal Control System• Proposed distribution of 2024 bonuses to the Company's chairman, president, vice presidents, and managers• Proposed amendment to the Company's Articles of Incorporation• Proposal to change the Company's accountants
2025/05/02	6th meeting of 10th-term Board of Directors	<ul style="list-style-type: none">• The Company's 2025 Q1 consolidated financial statements• Proposed amendment to the Company's internal control system

Meeting date	Term/meeting number	Agenda item
2025/07/01	2nd extraordinary meeting of 10th-term Board of Directors	<ul style="list-style-type: none"> • Proposal to hold a by-election for the Company's executive director • Proposed appointment and retirement of the Company's president • Proposal for the Company to implement the behind-the-meter microgrid and load shifting energy storage system construction project
2025/08/01	7th meeting of 10th-term Board of Directors	<ul style="list-style-type: none"> • The Company's 2025 Q2 consolidated financial statements • Proposed salary for the Company's president • The Company's 2024 sustainability report
2025/08/29	1st meeting of 10th-term Executive Board of Directors	<ul style="list-style-type: none"> • Proposal to elect the Company's acting chairman of the board
2025/11/10	8th meeting of 10th-term Board of Directors	<ul style="list-style-type: none"> • The Company's 2025 Q3 consolidated financial statements • The Company's 2026 internal audit plan • Proposed appointment and retirement of the chief auditor of the Company's Audit Office • Proposed appointment of directors, supervisors, chairman, and president of Hsiang Yuan Co., Ltd.
2025/12/22	9th meeting of 10th-term Board of Directors	<ul style="list-style-type: none"> • Proposal to lift the non-compete clause for the Company's directors • The Company's 2026 business plan • Proposed principles for the 2026 bonuses to the Company's chairman, president, vice presidents, and managers • Proposed appointment and remuneration of the Company's accountants in 2026-2028
2026/01/02	3rd extraordinary meeting of 10th-term Board of Directors	<ul style="list-style-type: none"> • Proposal to hold a by-election for the Company's executive director • Proposal to elect the Company's chairman • Proposed appointment of the Company's president
2026/02/25	10th meeting of 10th-term Board of Directors	<ul style="list-style-type: none"> • The Company's self-reported 2025 financial information • Proposal to convene the Company's 2026 Annual General Meeting • Proposed amendment to the Company's Guidelines for the Implementation of Employee Retirement, Bereavement Compensation, and Severance
2026/03/30	11th meeting of 10th-term Board of Directors	<ul style="list-style-type: none"> • The Company's 2025 business report • Proposed distribution of 2025 employee bonuses and directors' remuneration • The Company's 2025 financial statements • The Company's 2025 dividend distribution proposal • The Company's 2025 Statement of Internal Control System • Proposed distribution of 2025 bonuses to the Company's chairman, president, vice presidents, and managers • Proposal to lift the non-compete clause for the Company's directors • Proposal to change the Company's accountants

Note: For details, please refer to IV. (II) Operations of the Board of Directors of this chapter.

(XI) Dissenting or qualified opinion of directors or supervisors against an important resolution passed by the Board of Directors that is on record or stated in a written statement in the past year and up to the date of report:
None.

V. Information on fees to CPA

(I) The amount of audit fees and non-audit fees paid to the accountants, their accounting firm, and affiliated enterprises and the contents of non-audit services

Unit: NT\$ thousands

Name of Accounting Firm	Name of accountants	Audit period	Audit fee	Non-audit fee	Total	Remark
Deloitte Taiwan	Tseng, Tung-Yun Hsu, Jui-Lung	2025	2,759	1,320	4,079	Non-audit fee: (1) Review of financial information certification and checklist: NT\$498 thousand (2) Tax audit and certification NT\$658 thousand (3) Transfer pricing report review NT\$164 thousand

(II) If the accounting firm is changed and the audit fees paid in the year of the replacement is less than that of the previous year: None.

(III) If the audit fees were reduced more than 10% from that of the prior year, the reduction amount, percentage and reasons for the reduction of audit fees shall be disclosed: None.

VI. Information on change of accountants:

(I) About the former CPA

Date of change	Approved by the board of directors on March 27, 2025		
Reason for change and explanation	CPAs Tseng, Tung-Yun and Hsu, Jui-Lung replaced CPAs Tseng, Tung-Yun and Chiang, Shu-Ching as the Company's accountants in 2025 Q1 due to internal adjustments of Deloitte Taiwan		
State whether the appointment was terminated or rejected by the appointer or CPAs	The Parties	CPA	Appointer
	Status		
	Termination initiated by client	N/A	N/A
Appointment rejected (discontinued)		N/A	N/A
Reasons for issuing audit reports other than unqualified opinion in the last two years	None		
Different opinions from the issuer	Yes		Accounting principles or practices
			Disclosure of financial statements
			Audit scope or procedures
			Others
	None	V	
Description			

Supplementary disclosures (In accordance with the disclosures specified in Article 10, Subparagraph 6, Items 1-4 to 1-7 of the Regulations Governing Information to be Published in Annual Reports of Public Companies)	None
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(II) About the succeeding CPAs:

Name of Accounting Firm	Deloitte Taiwan
Name of accountants	CPAs Tseng, Tung-Yun and Hsu, Jui-Lung
Date of appointment	Approved by the board of directors on March 27, 2025
Subjects and outcomes of consultation on the accounting treatment or application of accounting principles to specific transactions, or opinions that may be included on financial statements before the appointment of new CPAs	None
The succeeding CPAs' written opinions in response to the former CPAs' opinions	None

(III) Former CPAs' response to Article 10, Subparagraph 6, Item 1 and Item 2-3 of the Regulations: None.

(IV) About the former CPA

Date of change	Approved by the board of directors on March 30, 2026		
Reason for change and explanation	CPAs Hsu, Jui-Lung and Chiang Shu-Ching replaced CPAs Tseng, Tung-Yun and Hsu, Jui-Lung as the Company's accountants in 2026 Q1 due to internal adjustments of Deloitte Taiwan		
State whether the appointment was terminated or rejected by the appointer or CPAs	The Parties	CPA	Appointer
	Termination initiated by client	N/A	N/A
	Appointment rejected (discontinued)	N/A	N/A
Reasons for issuing audit reports other than unqualified opinion in the last two years	None		
Different opinions from the issuer		Accounting principles or practices	
		Disclosure of financial statements	

	Yes		Audit scope or procedures
			Others
	None	V	
	Description		
Supplementary disclosures (In accordance with the disclosures specified in Article 10, Subparagraph 6, Items 1-4 to 1-7 of the Regulations Governing Information to be Published in Annual Reports of Public Companies)	None		

(V) About the succeeding CPAs:

Name of Accounting Firm	Deloitte Taiwan
Name of accountants	CPAs Hsu, Jui-Lung and Chiang Shu-Ching
Date of appointment	Approved by the board of directors on March 30, 2026
Subjects and outcomes of consultation on the accounting treatment or application of accounting principles to specific transactions, or opinions that may be included on financial statements before the appointment of new CPAs	None
The succeeding CPAs' written opinions in response to the former CPAs' opinions	None

(VI) Former CPAs' response to Article 10, Subparagraph 6, Item 1 and Item 2-3 of the Regulations: None.

VII. The chairperson, president, financial or accounting manager of the company who had worked for the accounting firm or its affiliated enterprise in the past year: None.

VIII. Share transfer by directors, managerial officers and shareholders holding more than 10% equity and changes to share pledging by them in the past year and up to the date of report:

Please refer to the Market Observation Post System > Single Company > Equity Change/Securities Issuance > Shareholding/Pledge/Transfer of Directors, Supervisors, and Major Shareholders.

(<https://mops.twse.com.tw/mops#/web/stapap1>)

The counterparty of equity transfer is a related party: None.

The counterparty of equity pledge is a related party: None.

IX. Information disclosing the relationship between any of the top ten shareholders

July 11, 2025 (Note 2) Unit: Share; %

Name	Shareholding		Spouse & Minor Shareholding		Total shares held in the name of others		Titles, names and relationships between top 10 shareholders (related party, spouse, or kinship within the second degree)		Remark
	Shares	%	Shares	%	Shares	%	Name	Relation	
Ministry of Economic Affairs	331,301,773	35.17 (Note 1)	N/A	N/A	-	-	-	-	None
Representative of institution: Hu, Kai-Hung	86,000	0.01%	-	-	-	-	-	-	None
Representative of institution: Tsao, Chin-Pin	0		-	-	-	-	-	-	None
Representative of institution: Chang, Ming-Pin	0		-	-	-	-	-	-	None
Representative of institution: Liu, Hans I. J.	124,659	0.01%	37	0.00%	-	-	-	-	None
Representative of institution: Liu, Sung-Yu	0		-	-	-	-	-	-	None
Representative of institution: Hsiao, Mu-Lai	1,028	0.00%	-	-	-	-	-	-	None
Representative of institution: Yu, Cheng-Tao	0		-	-	-	-	-	-	None
Dedicated trust account under the custody of Taipei Fubon Commercial Bank Co., Ltd.	29,763,089	3.16%	N/A	N/A	-	-	-	-	None
Labor Pension Fund (the New Fund)	11,595,881	1.23%	N/A	N/A	-	-	-	-	None
National Defense Industrial Development Foundation	11,063,201	1.17%	N/A	N/A	-	-	-	-	None
Representative of institution: Huang, Chih-Wei	0	-	-	-	-	-	-	-	None
Dedicated account of Fubon Taiwan Small-Mid Cap Alpha Momentum 50 ETF	4,102,810	0.44%	N/A	N/A	-	-	-	-	None
Labor Insurance Fund	3,343,173	0.35%	N/A	N/A	-	-	-	-	None
TransGlobe Life Insurance Inc.	3,152,150	0.33%	N/A	N/A	-	-	-	-	None
Responsible person: Lin, Wen-Hui	0	-	-	-	-	-	-	-	None
Dedicated investment account of Dimensional Emerging Core Equity Market ETF under the custody of Citibank	2,910,000	0.31%	N/A	N/A	-	-	-	-	None
National Pension Insurance Fund	2,791,434	0.30%	N/A	N/A					None
Huang, Huo-Lieh	2,687,000	0.29%	-	-	684,000	0.07%	-	-	None

Note 1: The Ministry of Economic Affairs holds 35.175% of shares, rounded down to 35.17%. Note 2: Most recent book closure date.

X. Total shareholding percentage

December 31, 2025 Unit: Thousand shares; %

Investee company	Investment by the Company		Investments from directors, supervisors, managerial officers and their directly or indirectly controlled enterprises		Combined investment	
	Shares	Shareholding ratio	Shares	Shareholding ratio (%)	Shares	Shareholding ratio
AIDC USA LLC	(Note 1)	100.00	-	-	(Note 1)	100.00
Jung Sheng Precision Ind. Co., Ltd.	5,000	20.00	-	-	5,000	20.00
AeroVision Avionics Inc.	4,968	13.09	-	-	4,968	13.09
Taipei Metro Consulting Service Co., Ltd. (Note 2)	300	6.00	-	-	300	6.00
Hsiang Yuan Co., Ltd.	1,500	100.00	-	-	1,500	100.00

Note 1: In the form of a limited liability company that has not issued shares, so there are no shares held.

Note 2: Metro Consulting Service Ltd. changed its name to Taipei Metro Consulting Service Co., Ltd. on July 10, 2025.



III. Capital Overview

I. Capital and shareholding

(I) Sources of capital

March 31, 2026 Unit: Share; NTD

Month/Year	Issue price	Authorized capital		Paid-in capital		Remark		
		Shares	Amount	Shares	Amount	Sources of capital	Shares acquired by non-cash assets	Others
1996.6	10	NT\$1.5 billion	NT\$15 billion	905,591,351	9,055,913,507	Cash and assets	NT\$6,527,455,995	Note 1
1999.6	10	NT\$1.5 billion	NT\$15 billion	908,261,429	9,082,614,287	Creditor's right serving as payment	NT\$26,700,780	Note 2
2000.1	10	NT\$1.5 billion	NT\$15 billion	908,261,428	9,082,614,280	Less	None	Note 3
2017.8	10	NT\$1.5 billion	NT\$15 billion	941,867,101	9,418,671,010	Capitalization of profits	None	Note 4

Note 1: Assets transferred by the MND in the amount of NT\$9,055,913,447 was approved by the Executive Yuan in Jing(1996)-Shang-Zi No. 109686 dated June 24, 1996 to establish AIDC. Six companies including Taiwan Power Company of the Ministry of Economic Affairs each invested NT\$10 to a total of NT\$9,055,913,507. Assets other than cash used as payment totaled NT\$6,527,455,995, including NT\$6,526,751,995 in fixed assets and NT\$704,000 in long-term investments.

Note 2: Letter Jing(1999)-Shang-Zi No. 088118904 dated June 1, 1999 approved the use of creditor's right as payment, the NT\$26,700,780 in residual value of machinery and equipment purchased by the Aeronautical Research & Development Center, which formerly belonged to the MND, with funding from the NDIDF was included in the capital of AIDC through budgetary procedures according to the letter from the Executive Yuan.

Note 3: The reduction was approved in Letter Jing(2000)-Shang-Zi No. 089102830 dated January 28, 2000 because NT\$7 in the NT\$9,082,614,287 of capital is less than 1 share, so the change in registration was approved in 2000.

Note 4: Capitalization of earnings was approved in Letter Jing-Shou-Shang-Zi No. 10601116580 dated August 24, 2017.

March 31, 2026 Unit: Shares

Type of Shares	Authorized capital			Remark
	Shares issued and outstanding	Unissued shares	Total	
Ordinary shares	941,867,101	558,132,899	1,500,000,000	Listed stock

(II) List of major shareholders

The names of shareholders holding 5% or more shares or the top ten shareholders and the number and percentage of shares held by each shareholder:

July 11, 2025 (Note)

Name of major shareholder	Shares	Number of shares held	Shareholding ratio (%)
Ministry of Economic Affairs		331,301,773	35.17%

Name of major shareholder	Number of shares held	Shareholding ratio (%)
Dedicated trust account under the custody of Taipei Fubon Commercial Bank Co., Ltd.	29,763,089	3.16%
Labor Pension Fund (the New Fund)	11,595,881	1.23%
National Defense Industrial Development Foundation	11,063,201	1.17%
Dedicated account of Fubon Taiwan Small-Mid Cap Alpha Momentum 50 ETF	4,102,810	0.44%
Labor Insurance Fund	3,343,173	0.35%
TransGlobe Life Insurance Inc.	3,152,150	0.33%
Dedicated investment account of Dimensional Emerging Core Equity Market ETF under the custody of Citibank	2,910,000	0.31%
National Pension Insurance Fund	2,791,434	0.30%
Huang, Huo-Lieh	2,687,000	0.29%

Note 1: The Ministry of Economic Affairs holds 35.175% of shares, rounded down to 35.17%.

Note 2: Most recent book closure date.

(III) Dividend policy and implementation status

1. Dividend policy

(1) When the Company is distributing earnings each year, it shall first pay taxes, offset losses in previous years, and then allocate 10% as legal reserve, unless the legal reserve has reached the Company's total capital; a special reserve shall then be allocated according to regulations; the remaining earnings shall be distributed according to the following principles after being approved by the shareholders' meeting.

- A. May be distributed by the Company from distributable earnings after considering its financial position, business, management, and other factors.
- B. Earnings may be distributed in cash dividends or stock dividends. Since the Company is in a capital intensive industry, cash dividends are given priority when distributing earnings, but stock dividends may also be distributed. However, stock dividends may not account for more than 50% of total dividends distributed.
- C. If the Company does not have any distributable earnings in a year, or if it has distributable earnings but the amount is far lower than the amount distributed in the previous year, all or a part of the capital surplus may be distributed according to the law or regulations of the competent authority after considering its financial position, business, management, or other factors.

(2) If there is sufficient free cash flow, the amount of dividends distributed to shareholders shall not be lower than 50% of the increase in distributable earnings, and shall be distributed after the resolution is adopted by the shareholders' meeting.

2. Dividend distribution to be proposed to the shareholders' meeting

AIDC has distributed dividends according to the dividend policy every year that it has made a profit since it became a public company. The Company's net profit in 2025 was

NT\$733,068 thousand, and will distribute cash dividends of NT\$0.778 per share to a total of NT\$732,773 thousand according to the earnings distribution proposal approved by the Board of Directors on March 30, 2026.

Note: The 2025 earnings distribution proposal will be resolved in the annual general meeting on May 22, 2026.

3. Explanation when a material change to the dividend policy is expected: None.

(IV) Effect of stock grants proposed in the latest shareholders' meeting on the Company's business performance and earnings per share: N/A

(V) Employee bonuses and directors' remuneration

1. Percentage or scope of employee bonuses and directors and supervisors' remuneration provided in Company's Articles of Incorporation:

If the Company makes a profit for the year, it shall allocate no less than 0.58% and no more than 4.65% of pre-tax profit as employee bonuses, in which no less than 40% of the amount allocated for employee bonuses shall be distributed to entry-level employees. No more than 0.58% of pre-tax profits shall be allocated as directors' remuneration. When there is an accumulated loss, the Company shall set aside the amount in advance to offset the loss.

2. Basis for estimating the amount of employees bonuses and directors' remuneration, basis for calculating the number of shares to be distributed as employee bonuses, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated amount, for the current period:

The Company's 2025 employee bonuses are estimated at NT\$40,099,402, directors' remuneration is estimated at NT\$5,001,646; the estimates are 4.65% and 0.58% of pre-tax profit according to the Articles of Incorporation. No stock dividends will be distributed. If there is a discrepancy in the amount approved and the estimate, it will be handled as a change in accounting estimates and recognized by making adjustments in the year of the resolution.

3. Distribution of remuneration passed by the Board of Directors:

- (1) Employee bonuses and directors' remuneration will be distributed in cash or stocks. If there is any discrepancy between the amounts and the amortized estimates for the year, the differences, reasons, and responses shall be disclosed.

The Board of Directors adopted the following resolution on the 2025 employee bonuses and directors' remuneration on March 30, 2026:

- A. Employee bonus in cash: NT\$40,099,402.
- B. Employee bonus in stock: NT\$0.
- C. Director's remuneration: NT\$5,001,646.

There is no discrepancy between amount of employee bonuses and directors' remuneration to be distributed and the amount recognized in financial statements.

- (2) The amount of employee bonuses to be paid in stocks as a percentage of the sum of net income after tax on the standalone financial statements and total employee bonuses: The employee bonuses approved by the board of directors to be distributed do not include stock compensation.

4. Actual distribution of employee bonuses and directors' remuneration in the previous year (including dividend shares, amount and stock price), discrepancies, if any, from the amount of employee bonuses and directors' remuneration previously recognized, and the reasons and

handling of discrepancies:

The Company's Board of Directors on March 27, 2025 adopted the resolution to distribute NT\$124,666 thousand in 2024 employee bonuses and NT\$15,550 thousand in directors' remuneration, and no stock bonuses will be distributed. The resolution was reported to the shareholders' meeting on May 22, 2025.

(VI) Status of company share buyback: None.

II. Issuance of corporate bonds

Unit: NTD

Type of Corporate Bond		1st domestic issuance of unsecured ordinary corporate bonds in 2021
Date of issuance		May 26, 2021
Par value		1,000,000
Issuance and trading venue		Place of issue: Republic of China (Taiwan) Trading Location: Over-the-Counter (OTC) Center
Issue price		Issued by denomination
Total amount		3,450,000,000
Interest rate		0.52%
Duration and maturity date		7 years Maturity date: May 26, 2028
Guarantor agency		None
Trustee		Trust Department, Taipei Fubon Commercial Bank Co., Ltd.
Underwriting institution		Lead underwriter: Yuanta Securities
Certified lawyer		Lee and Li, Attorneys-at-Law: Frank Huang
CPAs		Deloitte Taiwan: Su Ting-Chien
Repayment method		Repaid in a lump sum upon maturity
Amount not yet repaid		3,450,000,000
Terms of redemption or early repayment		None
Restrictive clauses		None
Names of credit rating agency, rating date, rating of corporate bonds		Rating agency: Taiwan Ratings Corporation Credit rating of issuer: twAA-/developing/twA-1+ Date of rating: April 23, 2021 Corporate bond rating: N/A
Other rights attached	Amount converted (exchanged or subscribed) to ordinary shares, GDRs, or other negotiable securities up to the date of report	N/A
	Issuance and Conversion (Exchange or Subscription) Regulations	None
Issuance and conversion, exchange or subscription regulations, potential dilution caused by issuance conditions, and effect on shareholders' equity		None
Name of custodial institution		N/A

- III. Issuance of preferred shares:** None.
- IV. Participation in the issuance of global depositary receipts:** None.
- V. Exercise of employee stock option plan (ESOP):** None.
- VI. Issuance of restricted stock awards:** None.
- VII. Status of merger and acquisition:** None.
- VIII. Issuance of new shares for acquisition of shares of other companies:** None.
- IX. Implementation of capital allocation plan:**

For details, please refer to the Market Observation Post System > Single Company > Equity Changes/Securities Issuance > Capital Raising > Implementation of Capital Raising Plan
(https://mopsov.twse.com.tw/mops/web/bfhtm_q2)



IV. Business Overview

I. Business Content

(I) Scope of Business

1. Major business activities:

Manufacturing and Maintenance of Airplanes and its Parts and Components

Manufacturing and Maintenance of Engine and its Parts and Components

Industrial Technology Services (Energy, Tracks, Information, Aviation Service, and Space)

2. Business breakdown:

AIDC's business can be broken down into 3 categories, namely "Airplane and Aircraft Maintenance and Repairs," "Engines," and "Industrial Technology Services" as follows:

Unit: NT\$ thousands

Product Category	2024		2025	
	Revenue	Percentage (%)	Revenue	Percentage (%)
Airplane and aircraft maintenance and repairs (Note 1)	23,672,053	60.17	17,886,733	50.45
Engines (Note 2)	13,964,095	35.50	16,628,781	46.90
Industrial technology services	1,702,167	4.33	936,616	2.65
Total	39,338,315	100.00	35,452,130	100.00

Note 1: Airplane and aircraft maintenance and repairs: Includes the maintenance and repair of military and civil airplanes and aircrafts.

Note 2: Engines: Includes military and commercial engines.

3. Current products and services:

At present, AIDC's main products (services) are for military, commercial aviation, and industrial technology services.

The military business includes the manufacturing, maintenance, and performance upgrade of domestic military aircrafts, commercial maintenance of air fleets, production of military hardware by private sector, and military aircraft engines.

The commercial aviation business includes the design and OEM production of airframe structure and sub-assembly parts, and the design and OEM production of aircraft engines and parts and components.

Industrial technology services aim at the energy system, aviation services, information services, and the application of the R&D, design, manufacturing, testing, system integration, and after-sales service deriving from aerospace technology capacity currently in service.

4. Development of new products (services) that have been planned:

In the military business, we will expand the maintenance of aircraft/systems, outsource the operation of military factories to the private sector, develop drones and anti-drone systems, and

pursue international cooperation opportunities, such as OEM and technology transfer. In the commercial aviation business, we will pursue the civil aircraft system components business and begin participating in co-development projects in the R&D stage, thereby ensuring the acquisition of intellectual property rights and mass production orders, vertically integrating the engine industry chain, and expanding into engine maintenance. For industrial technology services, AIDC is actively developing business opportunities in energy creation, storage, and control, and has a vast range of space services, expanding into the niche market for cyber-physical integration AI simulation applications. These efforts aim to get into the business of providing aviation services for disaster prevention and relief and atmospheric measurement, and also to expand into the information services market.

(II) Industry Overview

1. Current status and outlook of the industry:

(1) Defense industry:

The Company's defense business is mainly focused on the Air Force, which is the main customer and we rely on the government's defense budget. It is difficult for Taiwan to purchase defense weapons systems due to its unique political environment. Hence, Taiwan needs to build self-reliant national defense to ensure its capabilities. According to Article 22 of the National Defense Act, the procurement of weapons and equipment for the armed forces shall be based on the principle of "domestic production first, foreign procurement second."

In response to the escalating regional tensions in recent years, the government passed special budgets such as the Special Budget for New Fighter Procurement project in 2019, including NT\$250 billion special budget for the procurement of 66 F-16V fighters; NT\$240 billion special budget for the Sea-Air Combat Power Improvement Plan Purchase Special Regulation, which passed the third reading in the Legislative Yuan on November 23, 2021, in hopes of acquiring precision missiles, air defense systems, unmanned vehicle attack systems, high performance naval ships, and installing wartime weapons systems on coast guard ships. This will enhance the overall sea and air combat power of the R.O.C. Armed Force. Taiwan's 2026 defense budget is nearly NT\$550 billion to strengthen its defense capabilities. Combined with the special budgets for purchasing new fighters and the Sea-Air Combat Power Improvement Plan, overall defense spending will exceed NT\$600 billion, creating considerable business opportunities.

In addition, the Armaments Bureau, Ministry of National Defense announced that largest drone procurement plan in Taiwan's history in August 2025, and plans to procure 48,750 military-grade commercial drones of five different models to enhance asymmetric warfare capabilities and accelerate the development of drones in Taiwan.

(2) Commercial aviation:

According to market data from the IATA, passenger traffic in the global aviation market has continued to grow, showing strong demand on air travel.

To mitigate the impact of oil prices on airline operating costs and achieve the aviation industry's goal of net-zero emissions by 2050, major aircraft manufacturers are actively

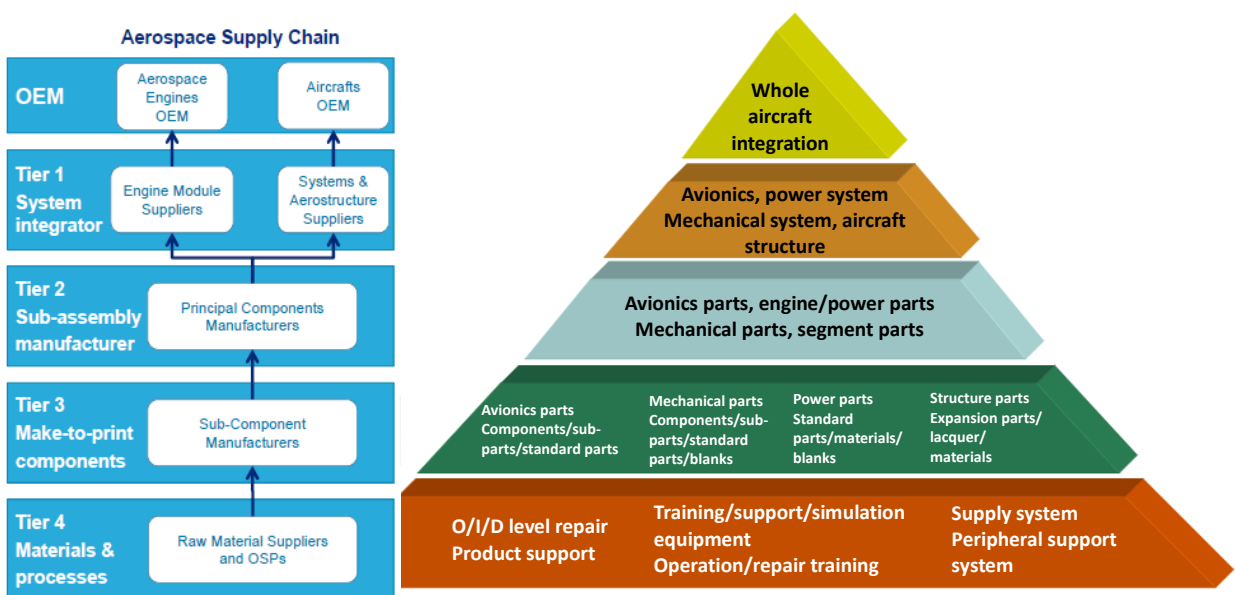
developing more fuel-efficient aircraft and engines with lower emissions, and adopting more eco-friendly advanced manufacturing technologies, which is expected to drive the industry into another wave of transformation and upgrading.

2. The relationship between upstream, midstream and downstream in the industry:

In general, the international aerospace and aircrafts and engines supply chains adopt international vertical division of labor, and can be classified into the following tiers:

components/materials supplier (Tier 4), parts supplier (Tier 3), subsystems supplier (Tier 2), (cabin-mounted equipment, module segment critical components) and main structure supplier (Tier 1); and the top layer is the OEM of aircraft structure integration and aero engines which is shown in the chart below:

Source: Compiled by AIDC



International Vertical Division of Labor in the Aerospace Industry Value Chain

In terms of aircraft manufacturing, Boeing, Airbus, and Bombardier are whole aircraft manufacturers. GE Aerospace, Rolls-Royce, Safran Aircraft Engines, Pratt & Whitney, and Honeywell and their subsidiaries are the major aircraft engine manufacturers capable of providing engine and aircraft assembly to meet the requirements of Boeing, Airbus and Bombardier.

AIDC is a key member of the global aerospace industry supply chain, and is the leader in the aerospace industry of Taiwan providing aircraft structural parts and engine sub-assembly components and parts for the international aircraft market. AIDC has also established a complete network of supply for the speedy upgrading of the entire aerospace industry of Taiwan. After receiving orders from major international firms, in addition to manufacturing and assembly at its Taichung, Shalu and Gang Shan Complexes, AIDC outsources part of the parts and components business to its suppliers.

3. Different Development Trends of Products:

In the military business, most of the jet fighters are at the brink of retirement from service. As such, the Ministry of National Defense has budgeted for long-term maintenance and performance

upgrade of the jet fighters and trainers currently in service. Furthermore, drones play a key role in the Russo-Ukrainian War, and the government will work with the private sector in expanding drone purchases. Outsourcing of military aircraft maintenance to the private sector and GOCO will continue to be stably carried out.

As for the civil aviation business, lightweight, fuel-efficient, and low pollution aircrafts will become the mainstream in response to environmental protection appeals for energy conservation and carbon reduction. Air transportation demand after the pandemic has mainly been on short flights, so major aerospace companies have prioritized the production of single-aisle aircrafts and their engines.

In industrial technology service, AIDC supports the global carbon emission net-zero vision, and the government policy of energy conservation and carbon reduction and prioritizing disaster prevention over disaster relief. We will continue to expand energy business opportunities and aviation services for disaster prevention and relief and atmospheric measurement.

4. Competition:

(1) Military business:

The capability and expertise acquired from the development of the IDF fighter and AT-3 advanced jet trainer, as well as the ongoing production of the AJT Brave Eagle advanced jet trainer, give AIDC an edge in pursuing subsequent performance upgrade and maintenance businesses. The Company has accumulated actual experience and an excellent track record in the performance upgrade and maintenance of military aircrafts and businesses contracted by military factories to the private sector, and retains competitiveness.

(2) Civil aviation businesses:

The main aircraft and engine manufacturing companies in Europe and Americas mostly operate based on a global division of labor and has established a component supply chain system. Operators in emerging countries are currently cutting into the individual part processing market with low production costs and the support of their governments and have thus become a threat in low-price competition. Major civil aviation companies around the world not only require suppliers to meet quality and delivery requirements, but also tie new business together with price cuts during negotiations, creating a severe challenge for global suppliers to cut costs. In addition, Trump's policy is to bring manufacturing back to the U.S. and trade protectionism. Even though the U.S. is actively building a non-red supply chain to reduce its dependence on Chinese industries, the current situation has not yet stabilized and remains to be seen.

The Company integrated the aerospace supply chain from raw materials, machinery and equipment, production and manufacturing, to logistics. We work with companies that have similar values and ideals and divide work based on our respective advantages to facilitate cooperation. We are driving the transformation and upgrade of the aerospace supply chain in Taiwan to enhance our competitiveness, so that we will be able to expand into blue ocean markets, such as civil aircraft system parts production and maintenance, and thereby increase our global market share.

(3) Industrial technology services:

The Company's businesses in this category consist mainly of the application of existing aerospace technologies to support the government's policies, important industrial development and the demand for large-scale private system projects. We aim to develop related products and services, and we have created competitive niches.

(III) Overview of Technology and R&D:

1. The R&D expenditures we invested in the last two years are shown in this table. We will continue to make investments to improve our core competitiveness:

Unit: NT\$ thousands

Item	2024	2025	2026 up to the previous quarter
R&D Expenditures	624,161	537,626	Note
Net Revenue	39,338,315	35,452,130	Note
Percentage of revenue	1.59%	1.52%	Note

Note: As of the date of report, the financial information for 2026 Q1 has not been audited by an accountant and is therefore not disclosed.

2. The technologies or products developed in 2025 are shown in the table below:

Item	Technologies or products	Result
1	Development Program for High-Pressure Turbine (HPT) Hollow Turbine Blades	<ol style="list-style-type: none"> 1. Established manufacturing processes for complex medium-pressure ceramic cores and hollow turbine blade casting, providing a solid technical foundation for future hollow turbine blade development. 2. Developed EDM (Electrical Discharge Machining) and aluminide coating technologies for high-pressure turbine blades; the experience gained will help shorten the development cycle for similar processes in the future.
2	Development of Key Technologies for Large Area Display Systems, Fuel Measurement Indicator Systems, and Smart Display Systems	<ol style="list-style-type: none"> 1. Complete the design and manufacture of engineering components such as the cockpit lighting control panel, and strengthen indigenous R&D capability for avionics equipment. 2. Establish key technologies for a fuel measurement, indication, and control system as the core foundation for fuel inventory systems across multiple vehicle platforms. 3. Develop key integration technologies for large area displays and smart displays, and enhance cross-platform compatibility across multiple aircraft models.
3	IDF Integrated Power System (IPS) Test Bench Research and Development Project	<ol style="list-style-type: none"> 1. The Integrated Power System test bench has been completed. If there are IPS testing requirements, it can use this IPS test bench and follow IPS test procedure. If it passes the procedure then this IPS can be use on the field. 2. This test bench is used for the IDF aircraft IPS engine, and the research and development experience can be extended to any types of test bench development.
4	New (PDS) Radiator Development and Manufacturing	<ol style="list-style-type: none"> 1. Completed the manufacturing of QM (Qualification Module) and FM (Flight Module) Assemblies 2. Completed vibration and heat transfer tests on QM Assembly 3. Necessary design changes were made in accordance with project requirements, and the necessary tools for product manufacturing and related testing were completed according to the required schedule, which was highly praised by the NASA project leader.

Item	Technologies or products	Result
5	Digital RWR and Aircraft System Integration Development Project	Verify that the digital RWR meets the requirements for AESA signal interception and integration with avionics software, and establish a comprehensive RWR verification workflow.
6	The development of the Ground Collision Avoidance System computer, and the algorithm for automation to avoid ground collisions.	The design and the safety-of-flight test for the Ground Collision Avoidance System Computer (GCAS) have been completed, the solution can be immediately available for use when needed.
7	Development of AJT components (Flight Recorder Data Concentrate Unit/ECS Thermostat and Thermal Switch)	<ol style="list-style-type: none"> 1. Completed the prototyping and preliminary code development of the AJT DCU/DCU2 substitute, which can be used for rapid development of AJT DCU/DCU2 substitutes when needed by the Air Force. 2. Completed the prototyping and preliminary code development of the IDF RIO and ESAU, which can serve as the foundation for the development of the 115-year ESAU R&D project. The functions of the RIO and ESAU will be further improved for future use by the Air Force. 3. Completed the development of the GSE, a replacement for the IDF ACSMU downloader. 4. Completed the development of the thermal switch and thermal sensor and passed functional testing. After quality testing, they can be applied to AJT/IDF.
8	Acrylic canopy forming process and forming analysis research	Finished the detail design and component fabrication of the canopy acrylic stretch forming equipment; and the simulation results are 80% similar to the actual results.
9	Process optimization for CL-3500 skin stretch forming	At least 3 large metal skin parts has been stably controlled within the required tolerance, the fitting gap between the finished product and the forming die meets the acceptance standard of "no more than 0.060".

3. Direction for future R&D:

- (1) Military aircraft development: System design and parts development and production for performance upgrade of military aircraft.
- (2) New product development: Research and development of drones, anti-drone systems, and radar antennas.
- (3) Management technologies: Development of a generative AI platform that can be trusted in aerospace and key technologies for smart manufacturing.
- (4) Maintenance technologies: Including maintenance or establishment of repair capabilities for advanced jet trainers, F-16, IDF, and other aircrafts.
- (5) Manufacturing technologies: Establish aviation thermoplastic and forging technology capabilities; Development of military aircraft subsystem components and large castings and single-crystal blades for civil aircraft engines.

4. Intellectual Property Management

- (1) The Company established an intellectual property management system that combines our business goals with R&D resources to encourage employees to engage in invention and

creation, and also to protect the Company's intellectual property rights.

- (2) The Company's Intellectual Property Rights Review Committee is responsible for the application, review, maintenance, and management of the Company's intellectual property rights, and designated personnel manage and carry out related affairs.
- (3) All of the above information is reported to the board of directors on an annual basis, and information on matters related to intellectual property this year have been reported at the 9th meeting of the 10th-term Board of Directors. The implementation status is as follows:
 - A. In 2025, trademarks (two categories) were obtained in Vietnam in May, 1 patent application was filed in Taiwan in June, the certificate for a U.S. patent was received and the application for 1 patent in Taiwan was approved in September, and the application for 1 patent in Taiwan was approved in December.
 - B. The Intellectual Property Rights Review Committee convenes regular meetings to review patents and trademarks and decide on applications and continued maintenance, so as to protect the Company's patents and trademarks.
 - C. Current status of the Company's patents and trademarks (including those pending):

Current status of the Company's patents and trademarks

Year	Number of patents	Number of trademarks	Note
End of December 2022	39	37	
End of June 2023	40	37	Obtained 1 new patent
End of December 2023	41	37	Obtained 1 new patent
End of December 2024	43	37	Obtained 2 new patents
End of June 2025	40	37	3 patents expired
End of December 2025	41	39	Obtained 1 new patent and 2 new trademarks

Current status of the Company's patents and trademarks pending

Year	Number of patents	Number of trademarks	Note
End of December 2023	7	6	
End of December 2024	5	2	
End of June 2024	6	2	
End of December 2025	3	0	

(IV) Long- and Short-Term Business Development Plans

1. Military business:

- (1) Short term: Carry out the mass production, delivery, and maintenance of new advanced jet trainers and various military aircraft maintenance projects according to schedule while meeting quality requirements, enhance capabilities of the F-16 Maintenance & Support Center, and develop the drone and anti-drone system business.
- (2) Long term: Actively expand the R&D of various types of military aircraft, commercial maintenance of fleets, logistics and maintenance, and GOCO business; pursue international cooperation opportunities for F-16 fighters, find partners to develop the drone business, and expand the international market for anti-drone systems.

2. Civil aviation businesses:

- (1) Short term: Fully utilize current production capacity, secure existing orders, focus on profitable products, and then pursue additional orders and the manufacturing of more products. Implement lean management and smart manufacturing to increase project revenue. Pursue the manufacturing of various aircraft models by fortifying strategic partnerships with international companies, such as Boeing, Airbus, Bombardier, GE Aerospace, Rolls-Royce, and Honeywell.
- (2) Long term: Monitor market trends, participate in the development, design, and manufacturing of civil aircrafts and engines of major aircraft manufacturers, expand into engine maintenance (MRO), vertically integrate the supply chain, and expand into blue ocean markets.

3. Industrial technology services:

- (1) Short term: Actively develop energy creation, energy storage, and energy control business opportunities, and continue to expand the aviation, information service, AI simulation, and space markets.
- (2) Long term: In support of the government policies, the direction of developing important industries, and the needs of large-scale systems engineering and industrial upgrading in private sector, AIDC extends the implantation of aviation technology and promote the development of related engineering service businesses.

4. Investments and distribution business:

- (1) Short term: Continue to carry out post-investment integration management to improve overall return on investments. Engage in the distribution business related to the aviation manufacturing industry.
- (2) Long term: Enhance competitiveness through distribution, mergers, and acquisitions.

II. Overview of Market, Production and Sales

(I) Market Analysis

1. Sales (Provision) regions and targets of main products (services):

Product Category	Region	Customer
Defense business	Domestic	Ministry of National Defense, National Chung-Shan Institute of Science and Technology, Lockheed Martin, etc.

Product Category	Region	Customer
Civil aviation businesses	Foreign	Aircraft fuselage manufacturing: Major aviation manufacturers in Europe, the United States, and Japan, such as Bombardier, Airbus, Boeing, PFW Aerospace GmbH, Leonardo, and ShinMaywa Industries Ltd. Engines: Major engine manufacturers in Europe, the United States, and Japan, such as GE Aerospace, Honeywell, Rolls-Royce, Pratt & Whitney, Safran Aircraft Engines, Kawasaki Heavy Industries, and IHI Corporation.
Industrial technology services	Domestic	GE Vernova Taiwan Branch, Taiwan Power Company, Industrial Technology Research Institute, Taiwan Space Agency, and CPC Corporation (Taiwan).

2. Market share:

(1) Military business:

AIDC has the capacity in full-range logistics support service of AT-3 and IDF and the advantage of the maintenance of the aforementioned aircrafts and engines, performance upgrade, and fleet maintenance. In addition, the maintenance of new advanced jet trainers and F-16, as well as the Ministry of National Defense outsourcing the maintenance of different types of military aircraft and government-owned contract-operated military plants to private contractors makes AIDC an indispensable supplier.

(2) Civil aviation businesses:

AIDC has emerged as a strategic partner of major aerospace industrial firms of the world and is the leader of aerospace industry of Taiwan. AIDC has already been accredited for different parts and components in the aerospace industry and has good experience in international cooperation and mainly secure the contracts of renowned international giant firms. The international market is so big that the market share is conditioned by the sales of products of the giant firms. As such, there is no information on the market share of the parts and components in the aerospace industry available for reference.

(3) Industrial technology services:

AIDC provides industrial technology service on the foundation of aerospace technology, and expands and applies the technology to energy technology and aviation services. However, the income from this business only occupies a small portion of the revenue. As such, the shares in respective markets have not been estimated.

3. Future market supply, demand, and future growth:

(1) Military business:

In view of the existing service and future combat requirements for jet fighters of the R.O.C. Air Force, the military needs to replace gear and upgrade performance to maintain combat power and improve aircraft availability. As such, AIDC has the opportunity for growth in the supply of weapon systems for the armed forces, the maintenance of different types of military aircraft, and the government-owned, contractor-operated business.

(2) Civil aviation businesses:

According to Boeing Commercial Market Outlook 2025-2044, the demand for new aircraft in the next 20 years is expected to be 43,600, in which single-aisle aircrafts will account for nearly 77%, with an average annual growth rate of air passenger traffic at 4.2%.

According to Airbus' latest 20 year Global Market Forecast (GMF) for the 2025-2044 period, the total global demand for commercial aircraft will reach 43,420, single-aisle aircrafts will account for nearly 79% of the growth, and average annual growth rate of air passenger traffic is approximately 3.6%.

(3) Industrial technology services:

The National Development Council announced the "Taiwan Roadmap for Net Zero Emissions by 2050 and Description of Strategies" as the main plan for promoting the transition to net zero emissions by 2050, planning twelve key strategies to achieve the net zero target, with "Power System and Energy Storage" being one of them. The "National Electricity Supply and Demand Report" of the Ministry of Economic Affairs plans an energy supply system that will gradually reduce carbon emissions and air pollutant emissions over the next decade, which has created business opportunities for the Company in energy storage and creation markets.

4. Competitive niches:

(1) Defense business:

AIDC has the capacity in integrated design, manufacturing and logistics support in maintenance of the whole aircraft, and can help to extend the life span, upgrade the performance, commercial maintenance of military aircrafts, and the GOCO business.

(2) Civil aviation businesses:

The years of collaboration with international giant firms enabled AIDC to establish world-class engineering design capacity in body structure, advanced composite materials, and avionics for commercial aircraft, and support the needs in the development of various business areas with flexible design of production process.

AIDC has obtained ISO9001 and AS9100 certifications and the quality certifications of Boeing, Airbus, Bombardier, Sikorsky, and Bell, and has built good partnerships with the major aerospace companies.

In the area of aircraft engine, the manufacturing technology capacity of engine case of AIDC has been recognized by the international aircraft engines giant firms, and AIDC has been accredited with the quality accreditation system of the area of aircraft engine as well. Currently, AIDC manufactures engine cases for the main types of engines in the market, and has essential partnerships with the top 5 engine manufacturers, including GE Aerospace, Honeywell, Pratt & Whitney, Rolls-Royce, and Safran Aircraft Engines.

(3) Industrial technology services:

AIDC has extensive experience in the development and testing of integration technologies for large-scale systems.

5. Favorable and unfavorable factors for future development and response strategies:

(1) Favorable Factors:

- A. The government has proposed five trusted industries as key industries of the future, including the "military industry" to continue to promote independent national defense capabilities, and to build a drone supply chain in response to future demand on military and commercial drones, which is expected to drive investment in related industries.
- B. There is strong demand from emerging markets, in which the Asia-Pacific accounts for the highest percentage of global demand on new aircraft. AIDC has dedicated its efforts to the aerospace industry over the years and successfully entered the supply chain of major companies worldwide. Coupled with Taiwan's position as a regional hub in the Asia-Pacific, this will benefit business growth.
- C. As the leader of Taiwan's aviation industry, AIDC actively pursues technology transfer, certification, and authorization from original manufacturers, develops core defense technologies, and leads domestic manufacturers to seize fighter production and maintenance opportunities to build a self-reliant defense supply chain.

(2) Unfavorable factors and response measures:

- A. Major companies are putting growing pressure on suppliers to lower prices, and the supplier strategies of Boeing and Airbus both show that negotiations for new business will be tied to price cuts.

Response measures

AIDC will upgrade and refine the core competence of research and development, design and manufacturing process, and adopt lean production to enhance technology added value, reduce cost, and improve competitiveness.

In addition, through the transfer of military technology to civilian use, AIDC can provide assistance to upgrade supply chain level, establish a long-term and stable cooperation relationship with collaborative partners, enhance competitiveness of regional aerospace industry, pursue a higher position in the global aviation supply chain, and reduce the risk of cutthroat price competition from global suppliers.

- B. Technology advanced countries adopted highly automated and intelligent machinery to enhance production efficiency; on the other hand, the newly emerging countries established low-cost aerospace clusters with government support. Both have unfavorable impacts on business development of AIDC.

Response measures

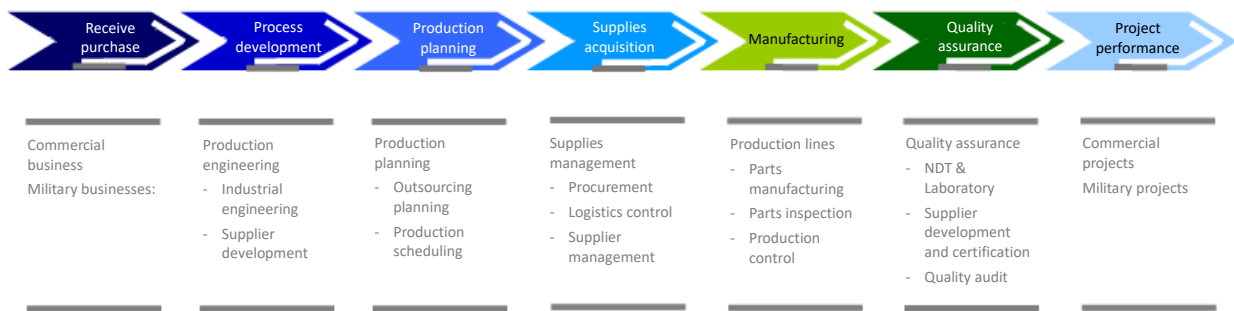
AIDC continues to implement digital manufacturing and AI management through the development of smart robots, Internet of Things, big data, CPS, and generative AI technologies, improving productivity while enhancing competitiveness.

(II) Important applications and production processes of main products

1. Important applications:

Product Category	Product usage
Airplane and aircraft maintenance and repairs	Defense, combat training, commercial aircraft, commercial helicopters, aircraft aviation control/navigation/monitoring, maintain normal operation/function of aircrafts/engines/avionics within the life span.
Engines	Aircraft engines, industrial engines
Industrial technology services	Large-scale engineering systems for national infrastructure, aerospace technology for the development of high value-added industrial and civilian products/technical services for raising the standards of domestic industries

2. Production process:



(III) Supply of main raw materials

AIDC is an aerospace manufacturer and relies on qualified suppliers designated by the customers in the supply of direct materials given its specific nature. The materials include the materials for the manufacturing of aircraft body structure, system parts, non-standardized parts and chemical substances (including composite materials). For securing better terms and conditions of supply, AIDC usually entered into long-term contracts with the suppliers in line with the needs of the customers. The supply of key materials is shown in the table below:

Name of key material	Suppliers	Status of supply
Metals	AMI Metals Inc. BRALCO, Arconic US LLC, Titanium Industries, Inc., Universal Alloy Corp.	The key suppliers of aluminum, steel, titanium plate, sheet, tube, rod, and molded forms of metals in market.
Non-metals	CYTEC, HEXCEL, PPG, Argosy Advanced Materials	The key suppliers of composite materials, rubber, paints, and cell devices in market.
Standard metal parts	WESCO, Blue Aerospace LLC, Boeing Distribution Services Inc., Adept Fasteners, TPS Aviation Inc. Peerless Aerospace Fastener, Crestwood Technology Group	The key suppliers of standard metal parts and electronic parts.
Finished items and non-standardized parts	Moog Inc., Meggitt Aircraft Braking, PCC Structurals, Inc	As per the request of the customers.

(IV) Names of customers who contributed to more than 10% of total purchase (or sales) amount in one of the most recent two years and the corresponding purchase (or sales) amounts and percentages, as well as reasons for their changes (if applicable). However, if the name of the customer may not be disclosed due to the contractual agreement, or the counterparty of the transaction is an individual and a non-related party, it may be listed by using a code:

1. List of suppliers that accounted for more than 10% of net purchase in the past 2 years:

Unit: NT\$ thousands; %

2024				2025				2026 up to the previous quarter			
Name	Amount	As a percentage of total purchase	Relationship with issuer	Name	Amount	As a percentage of total purchase	Relationship with issuer	Name	Amount	Percentage of net purchase in the current year up to the previous quarter	Relationship with issuer
Company A	4,615,637	21.47	—	Company A	4,885,023	24.55	—	Company A	Note 2	Note 2	—
Others	16,880,214	78.53	—	Others	15,013,052	75.45	—	Others	Note 2	Note 2	—
Net purchase	21,495,851	100	—	Net purchase	19,898,075	100	—	Net purchase	Note 2	Note 2	—

Note: 1. The Company has good relationships with the aforementioned major suppliers, which have made deliveries stably according to project requirements, and there has not been any shortages, suspension, or delay of supply that affected production.

2. As of the date of report, the financial information for 2026 Q1 has not been audited by an accountant and is therefore not disclosed.

2. List of customers that accounted for more than 10% of net sales in the past 2 years:

Unit: NT\$ thousands; %

2024				2025				2026 up to the previous quarter			
Name	Amount	As a percentage of net sales	Relationship with issuer	Name	Amount	As a percentage of net sales	Relationship with issuer	Name	Amount	Percentage of net sales in the current year up to the previous quarter	Relationship with issuer
Company A	21,548,408	54.78	—	Company A	17,341,794	48.92	—	Company A	Note 3	Note 3	Note 3
Company B	5,879,369	14.95	—	Company B	6,889,805	19.43	—	Company B	Note 3	Note 3	Note 3
Others	11,910,538	30.27	—	Others	11,220,531	31.65	—	Others	Note 3	Note 3	Note 3
Net sales	39,338,315	100.00	—	Net sales	35,452,130	100.00	—	Net sales	Note 3	Note 3	Note 3

Note: 1. AIDC is in good relationship with the aforementioned 2 major customers and there has been no significant change in the last 2 years.

2. The aforementioned financial information for 2024 and 2025 were audited by a CPA under IFRSs.

3. As of the date of report, the financial information for 2026 Q1 has not been audited by an accountant and is therefore not disclosed.

III. Information on employees in the last 2 years up to the date of report

March 31, 2026

Year		2024	2025	2026 up to March 31
Number of employees	Level 1 executives and higher	29	28	27
	Other employees	5,158	5,136	5,083
	Total	5,187	5,164	5,110
Average age		45.4	45.4	45.2
Average years of service		13.2	13.2	13.1
Breakdown by education	Ph.D.	0.48%	0.43%	0.43%
	Master's	17.49%	17.22%	17.34%
	Universities	47.29%	48.35%	48.33%
	Junior college	17.47%	16.61%	16.48%
	High school	17.21%	17.33%	17.36%
	Junior high and below	0.06%	0.06%	0.06%

Note: The chairman, president, and employees on leave without pay are not included.

IV. Information on environmental protection expenses

Losses sustained due to environmental protection (including compensation and violations of environmental protection laws found in environmental protection inspection results, specify the date of the penalty, letter number, article violated, provision violated, details of the penalty) in the most recent year and up to the printing date of the annual report, and disclose current and future estimated amount and response measures; if it cannot be reasonably estimated, describe the facts that it cannot be reasonably estimated.

Date of disposal (Date of penalty)	Letter number (Judgment number)	Article violated	Content of violation (Facts of the violation)	Penalty	Improvement
2025.06.25	20-114-060037	Article 24, Paragraphs 2 and 4 of the Air Pollution Control Act	When the Taichung City Environmental Protection Bureau was conducting an inspection of stationary pollution sources on April 17, 2025, the pH meter reading for the scrubber (A204) was 6.15. The Environmental Protection Bureau's on-site measurement was 9.10, while the Company on-site instrument measured 8.95. The faulty pH meter on site resulted in an inaccurate record.	NT\$100,000. 2 hours of environmental lectures.	<ol style="list-style-type: none"> 1. Pay a fine. 2. Attend environmental lectures. 3. The Environmental Protection Bureau determined that the Company has completed improvements and strengthened the monitoring and management of pollution prevention equipment to prevent non-compliance from occurring again.
2025.12.24	21-114-120210	Article 40, Paragraph 3 of the Air Pollution Control Act	The company vehicle (license plate number 437-WD) passed through the Central Park air quality maintenance zone designated by the Taichung City Environmental Protection Bureau on August 18, 2025, but did not have a record of passing an exhaust emission inspection within the past year.	NT\$2,000.	<ol style="list-style-type: none"> 1. Pay a fine. 2. Complete the exhaust emission inspection and obtain the qualified label. Furthermore, assign a dedicated person to manage the qualified label for passing the exhaust emission inspection, and issue a notification when the label is about to expire.

V. Labor-management relations

(I) Employee benefits and implementation status:

1. Benefits provided by the Company

Provide all employees with labor insurance, national health insurance and accident insurance with NT\$4 million insured. Provide Employee Stock Ownership Trust for permanent employees with 20% compensation. Provide performance bonus and annual bonus. Provide general physical examination for all employees and special physical examination for employees with special duties.

2. Employee Welfare Committee

AIDC has established the Employee Welfare Committee in accordance with the Employee Welfare Fund Statute for coordination of all fringe benefits for the employees, supervise and advocate all group activities with subsidy. In addition, an annual budget has been prepared for the planning of welfare to subsidize employees in matrimony, funeral, sickness, maternity and paternity. Gifts were also granted on birthdays and festivities. Recreational activities, parent-children events, and group activities were organized for the employees as well.

3. Psychological healthcare has also been an important policy of AIDC:

The Company has established the Employee Assistance System (EAS) operating through the Employee Assistance Center. It also helps to launch the Employee Assistance Programs (EAPs), including: Office observers program, individual and family consultation and guidance, mental health assessment and assistance plan, support groups for employees that suffered catastrophic illness, care for new employees, and care services for employees at retirement age.

The Company has launched the office observers program, which provides training, and promotes the EAS actively to strengthen employees and family care with the Care Workers Volunteer Team and the Unit Care System. Personalized and group-based care are offered to employees, and information and resources related to employees' and their families' mental and physical health are also provided, thereby strengthening the care and assistance provided to employees and their families in the event of injuries or illnesses. By strengthening employees' mental and physical well-being, unsafe behaviors and human error can be reduced, thereby lowering the risk and costs associated with health hazards as well as enhancing mental and physical health and workplace safety.

The Company applies its human resources to fulfilling corporate social responsibility, efforts of which include; holding social care activities through its volunteer group, government and charity groups activities, providing volunteer service opportunity to retired employees to enrich their value of life, promoting good deed and helping the weak; encouraging employees to make donations; and providing direct/indirect assistance to the operation of disadvantaged groups.

4. Regulations and operations of the Sexual Harassment Complaints Committee

AIDC has instituted the guideline for filing complaints and punishment of sexual harassment in the workplace, and has established a Sexual Harassment Complaints Committee in 2002 for the prevention of sexual harassment.

5. Compliant Handling Committee

AIDC established Regulations for Handling Employee Complaints. This committee seeks to protect the legitimate rights of the employees and respond to the complaints thereof. This function helps to improve labor-management relations.

6. Creation of a Friendly and LOHAS Workplace

AIDC highly treasures the value and spirit of human right and gender equality, and makes proactive effort in materializing such rights through its internal code for nurturing an environment of gender equality, and maintains equity in salary, bonus and promotion opportunity. AIDC employs the underprivileged and implements safety and health management in the workplace, values employee education and training, bolsters consensus and identification as a team, motivates employees to improve their work efficiency for the creation of a workplace preferred by all employees.

7. Creating a Parent-Friendly Environment

To help employees take care of their careers and family, the Company complies with the policies of the government and is committed to providing a friendly childcare environment and related measures, such as breastfeeding rooms, family care leave, tocolysis leave/prenatal check-up leave/maternity leave, miscarriage leave, paternity check-up and paternity leave, parental leave, childbirth subsidies, and unpaid parental leave (including allowances). The Company also provides pregnancy care and postpartum care for female employees, provides assistance through the Employee Assistance Program (EAP), and provides employees with the "marriage subsidies", "childbirth subsidies", "childcare subsidies", and "friendly parking spaces" in accordance with the "Guidelines for Emergency Relief and Marriage and Childcare Subsidies" of the Employee Welfare Committee. Employees may file applications based on their personal or family needs and the benefits are the same for all genders and positions. In the last two years (2024-2025), 93 employees have taken unpaid parental leave.

8. Leave that is better than required by law

Leave	Better than required by law
Personal leave	Annual personal leave includes 14 days of family care leave. When an employee has taken all special leave days in a year, the employee will receive full pay for the first 3 days, and remaining days will be unpaid leave. (Personal leave includes 14 days of unpaid family care leave in accordance with the law)
General injury and sick leave	The number of general sick leave days in a year (hospitalized, not hospitalized, and tocolysis) includes menstrual leave. Employees receive full pay for the first 15 days and half pay for the remaining 15 days. (General injury and sick leave includes 30 days of menstrual leave, during which employees receive half pay in accordance with the law)
Specially approved general injury and sick leave	If an employee has not fully recovered after taking 30 days of general injury and sick leave, 3 days of paid personal leave, and all special leave days, the employee may apply for specially approved general injury and sick leave, and will receive half pay for the first 6 months and no pay for the last 6 months. (Non-statutory leave)

Leave	Better than required by law
Funeral leave	<ol style="list-style-type: none"> 1. Employees whose parents, adoptive parents, stepparents, or spouse becomes deceased will be granted 10 days of leave. (8 days of leave required by law) 2. Employees whose grandparents, spouse's parents, or children become deceased will be granted 10 days of leave. (6 days of leave required by law) 3. Employees whose great-grandparents or spouse's grandparents become deceased will be granted 6 days of leave. (3 days of leave required by law) 4. Employees whose grandchildren become deceased will be granted 6 days of leave. (Not stipulated by law) 5. Employees whose great-grandchildren become deceased will be granted 3 days of leave. (Not stipulated by law)
Miscarriage leave	Employees who have worked for less than six months will receive full pay (the law only requires half pay for employees who have worked for less than six months).
Parental leave	Employees caring for children under the age of three living with them may apply for one hour per day (unpaid). (Non-statutory leave)

(II) Employee Training and Continuing Education:

To observe the spirit of "Talent Quality-Management System, TTQS" introduced by Workforce Development Agency, Ministry of Labor, AIDC developed its training quality system and established the Education & Training Committee and Education & Training Promotion Team to administer internal talent cultivation and employee training. In 2024, AIDC adopted the competency standards of the Ministry of Labor to establish the core competency model and revise the supervisor professional competency specifications and non-supervisor training specifications on this basis.

1. Employee Training

Training is separately planned and executed for new employees and current employees.

(1) Orientation training focuses on assimilation into company culture, understanding of concepts, quality and cost concepts, teamwork and the job skills required for all duties at entry level. From day one, new employees have to undergo a 3-6 months training program of general duties and professional duties, so that they will have core, general, and professional competencies required to successfully perform their duties.

(2) Current employees will receive internal and external training in line with requirements, such as corporate strategic objectives, laws and regulations, organizational development, business contracts, and employee career development. The training includes business management, lecturer training, leadership, communication and coordination, lean management, material management, cost management, project management, contract negotiation, business marketing, and other critical management competencies, together with business development, engineering

development, materials procurement, machinery processing, parts assembly, process specification, quality inspection, aircraft maintenance, avionics repair and maintenance, engine repair, information management, flight engineering, occupational safety and health, and related professional training. These competencies are essential to ensure all officers and employees of related business are competent for the duties.

(3)The Company launched the mentor-apprentice program to ensure the knowledge and skills of employees nearing retirement age are passed on. The process begins two years before employees retire to ensure that their successors have the required competencies.

(4)In 2025, AIDC provided 4,107 training courses (including online learning courses) with 110,485 person-times participated and that amounted to a total of 284,738 training hours.

2. On-the-job Training

(1)To promote lifelong learning, self-development, and professional development among employees, AIDC has established regulations and related subsidy measures for continuing education. Furthermore, AIDC prepares a budget each year based on its operating conditions, personnel development policies, and business requirements. In addition to selecting high-performing employees with strong potential for further education, AIDC also encourages employees to devote part of their work hours/after-work hours to further education, participating in foreign language proficiency examinations, and obtaining professional and technical certifications.

(2)In 2025, 77 employees took part in the full-time or part-time education programs and the continuing education subsidized by AIDC; and 13 employees received subsidies for foreign language proficiency and 7 employees for professional certification tests.

(III) Employee Retirement System and Implementation:

1. Retirement under the old system

(1)According to the "AIDC Employee Retirement, Pension, and Layoff Guideline," the pension for retirement of AIDC employees could be claimed from the account at the Bank of Taiwan.

(2)The "Employee Pension Reserve Monitoring Committee" was established pursuant to Article 56 of the Labor Standards Act. The "Employee Pension Reserve Monitoring Committee" was convened on January 22, April 30, July 25 and November 18, 2025 respectively to review and monitor contributions to the pension fund and the balance of the labor pension reserve.

(3)AIDC appoints an actuarial professional to conduct actuarial calculation on the pension fund, and allocates pension expenses for deposit according to the actuarial calculation report, at the special pension account at the Bank of Taiwan in compliance with legal requirements (allocation of 2-15%).

2. Retirement under the new system

All employees under the new system contribute 6% of their monthly salary to their individual special pension accounts at the Labor Insurance Bureau according to the Labor Pension Act.

(IV) Employer-employee relations and employee rights protection measures:

1. AIDC abides by Article 83 of the Labor Standards Act and the Regulations for Implementing Labor-Management Meeting and convenes a labor-management meeting to discuss labor issues every 3 months. The Company convened 12 labor-management meetings in 2025 (4 meetings each in Shui-Nan, Sha-Lu, and Kang-Shan). The Labor Union held 11 meetings with employees to achieve harmonious communication between labor and management.
2. 81.25% of all current employees have joined the union. The Company has signed a collective bargaining agreement with the corporate union in accordance with laws and continues to protect the rights and interests of the members and track the implementation of the collective bargaining agreement. Employees who are not members of the union are provided with protection in accordance with the Labor Standards Act and related regulations.
3. The Company was reorganized as a private company from a state-owned enterprise under the Ministry of Economic Affairs in 2014. The first collective bargaining agreement was signed after 28 consultation meetings over a period of 13 months and the collective bargaining agreement was signed on August 21, 2014 when AIDC was reorganized as a private company. The second agreement was signed on May 22, 2018 after 13 consultation meetings over a period of 8 months. The third agreement was signed with the AIDC Labor Union and Kang-Shan Complex Labor Union on December 4, 2023 after 8 consultation meetings over a period of 15 months. The Labor Union in Sha-Lu resumed meetings on April 9, 2024, and the agreement was signed with the Labor Union in Sha-Lu on August 13, 2024.
4. The current (third agreement) collective bargaining agreement includes: Union activities, appointments, dismissals and transfers, working hours, breaks, leave, remuneration and bonuses, human resources development, benefits, safety and health, collective bargaining, and handling of labor disputes.
5. The main parts of the collective bargaining agreement that are better than the Labor Standards Act are as follows:
 - (1) Special approval for applications filed by union members for half salary for the first 6 months and 1/4 salary for the last 6 months of general injury and sick leave, with a total amount of no less than NT\$15,000.
 - (2) Overtime pay for working two hours or less on rest days is calculated at 1.6 times the hourly wage.
 - (3) Overtime pay for working eight hours or less on national holidays is calculated at 1.6 times the daily wage.
 - (4) Each year, the Company shall provide children of union members with scholarships and subsidies.
 - (5) The Company shall purchase accident insurance with an insurance amount no lower than NT\$4 million.
 - (6) Company shall adjust the labor pension allocation rate to 9% for employees eligible for the new pension system who were employed prior to August 21, 2014.
 - (7) The Company shall establish the employee stock ownership trust committee.
 - (8) Female members are given 8 days of prenatal check-up leave before giving birth.
6. The terms of profit sharing are: 30% of the pre-tax profit each year is allocated as performance

bonuses.

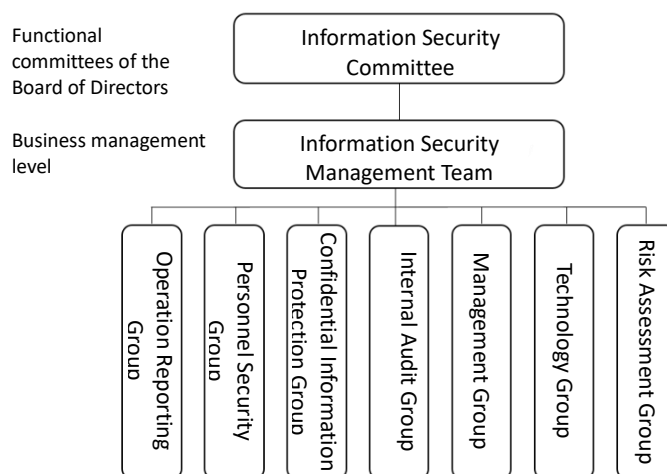
(V) Losses sustained due to labor-management disputes:

AIDC values labor-management harmony and there was no significant loss caused by labor-management disputes in 2025.

VI. Information Security Management

(I) Information security risk management framework

1. AIDC has established a board-level "Information & Communication Security Committee" with an independent director serving as the convener and chair of meetings. There are 5 members in total, more than half of are independent directors, and 2 are experts in information security. Meetings are convened at least twice a year, and additional meetings are convened due to the information security risk management situation.
2. The Company established a management-level "Information & Communication Security Management Team," in which the vice president serves as the convener, and members include information security officers of first-level units (concurrently held by the deputy director) and information security personnel. Meetings are convened every six months (additional meetings are convened as necessary) to review information security management.



A total of 2 Information & Communication Security Committee meetings and 2 Information & Communication Security Management Team meetings were convened in 2025.

(II) Information security policy

The Company's information security policy is disclosed on the company website (<https://www.aidc.com.tw/tw/about/infosecurity>)

1. The purpose of information security

To enhance the security of the Company's information and communication operations and to prevent unauthorized access, use, control, leakage, destruction, tampering or other infringement of information and communication systems or information to ensure their confidentiality, integrity and availability. To comply with relevant laws, regulations and customer requirements in order to

smoothly promote the Company's various businesses, thereby gaining the trust of customers, enhancing competitive advantages and ensuring the sustainable operation of the Company.

2. Management objectives

- (1) To ensure the confidentiality, integrity and availability of the Company's business information and the sustainable operation of the Company.
- (2) To meet or exceed information security related laws, regulations, and customer information security requirements and testing to achieve continuous and safe business operations.
- (3) To establish and continuously improve the information and communication security management system to ensure the security of the Company's information and communication and effectively reduce the risk of theft, misuse, leakage, tampering or destruction of information assets caused by human negligence, intentional or natural disasters, etc.

3. Scope of Application

This policy applies to our employees, vendors and third party personnel who access our business information or provide services.

4. Information Security Organization

AIDC established a board-level functional committee – "Information & Communication Security Committee". The committee is convened by an independent director elected by all board members. The independent director serves as the chairman and convenes meetings at least twice a year. A vice president serves as the convener of the "Information & Communication Security Management Team", a cross-departmental task force set up under the Committee at the management level. The team is responsible for planning and executing the Company's information Security Policy. It also formulates the Company's measures for information security management, crisis reporting, and emergency response.

5. Management Principles

Information security management covers the management requirements of ISO/IEC 27001:2022 and 4 information security control measures:

- (1) Organizational control measures
- (2) Personnel control measures
- (3) Physical control measures
- (4) Technology control measures

6. Responsibility

- (1) The Information & Communication Security Committee shall review this policy and the related management system, and report to the Board of Directors annually on the results of the project.
- (2) The Information & Communication Security Management Team shall review and revise this policy and the specific management plan in a timely manner to ensure that the policy meets current needs.
- (3) The Information Security Management Unit shall implement this policy through appropriate standards and procedures, and raise the awareness of information security risks for all

employees.

(4) Department heads shall proactively promote and require their subordinates to understand and comply with this Security Policy and all information security related requirements.

(5) All Company employees, suppliers or third party personnel who have access to relevant business information shall comply with the requirements of this policy.

(6) It is the responsibility of all Company personnel to report any potential ATC security incidents or ATC security weaknesses, and the Information & Communication Security Management Team will be responsible for prevention and improvement.

7. Evaluation and Review

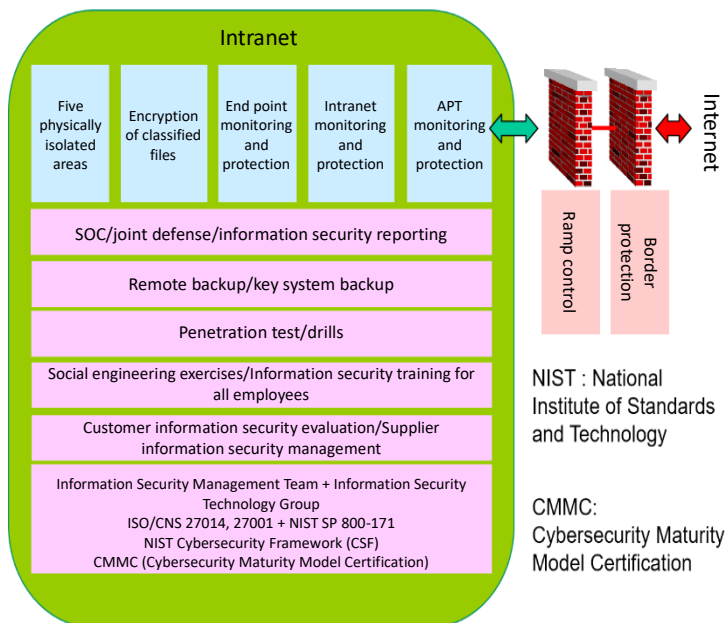
This information security policy shall be evaluated every six months or re-evaluated when there are significant changes in the organization. Based on the evaluation results, the policy shall be revised as necessary.

8. Announcement and Implementation

This policy shall be reviewed and approved by the Information & Communication Security Committee, and the implementation date shall be announced and disclosed on the Company's intranet and official website or in the annual report. The same shall apply to future amendments.

(III) Specific management plans

1. Information security infrastructure management and maintenance - Information security architecture–



2. Information security strategies

AIDC complies with international information security standards, established an Information Security Management System (ISMS), and formulated information security policies, procedures and specifications. The Company continues to enhance the information security management system and information security defense measures in terms of system, management, and technology, in order to

ensure the confidentiality, integrity, and availability of information systems and data, and achieve annual information security management goals.

AIDC obtained ISO/IEC 27001 Information Security Management certification for the first time in 2008. Reviews are regularly reviewed by the IAF/TAF every year, and renewal audits are conducted every three years to maintain the validity of the certificate.

The ISO officially released ISO 27001:2022 on October 25, 2022. The Company obtained the new certificate for ISO/IEC 27001:2022 and CNS 27001:2023 on September 3, 2024, maintaining the validity of the certificate until August 25, 2026.

AIDC referenced the NIST CSF cybersecurity framework and developed five core functions "identify, protect, detect, respond, and recover" as the foundation for information security, and continues to make improvements through the "Plan, Do, Check, Act (PDCA) cycle."

In addition, the Company has also implemented information security control measures specified in the "Guidelines for Information Security Control of TWSE/TPEX Listed Companies," and gradually implemented a zero-trust information security architecture.

In addition, the maturity of information security is also improved through red teaming, penetration testing, information security health examinations, and third-party information security risk assessment. The Company is also working to achieve the cybersecurity maturity model certification (CMMC 2.0) Level 2 (Advanced).

3. Information security infrastructure and protection system

AIDC builds a complete information security infrastructure and protection system from gateway management and control, endpoint protection, intranet monitoring and protection, information security joint defense, and defense business entity isolation zone control.

For gateway management and control, we use a global information security intelligence analysis and defense system, new generation firewall, website application firewall, e-mail APT defense and spam prevention, intrusion detection and protection system and Internet access control, and online contents and threat analysis to block hackers and viruses outside the Company.

For endpoint protection, we use anti-virus software, Microsoft system update, asset management system/USB control, operating system vulnerability scanning system, application vulnerability scanning system, and file encryption system to effectively protect the Company's endpoint computers from being hacked or sensitive data from being leaked.

For intranet monitoring and control, we established a network package intrusion detection system for the intranet, cloud sandbox analysis platform, LAN usage control system, privilege management system, and log collection and analysis system for early discovery of intrusion by hackers, and to prevent intrusion events from horizontally expanding.

For information security joint defense, besides establishing an information security monitoring center to monitor and handle information security incidents. We also hired the information security incident monitoring center of a professional information security company for 24/7 joint defense. When the monitoring center discovers signs of hacking, it will immediately contact full-time information security personnel to stop the hacker.

For classified defense business, physical isolation measures are implemented to physically block access.

AIDC has not only established a complete information security system, but also remote backup mechanisms for key systems of the Company. Emergency response drills are organized for key systems once a year, so that the Company's key systems can resume operations within the shortest time possible when an information security incident occurs.

4. Information security system development

AIDC established steps and methods for developing, improving, and maintaining information systems, so that information systems will meet requirements, while ensuring confidentiality, completeness, and availability. Automated inspection and analysis tools for source code can effectively, completely, and accurately assist developers in finding vulnerabilities in the code, and lower the risk of information security vulnerabilities impacting operations. Furthermore, we use web application firewall (WAF) to filter and defend against external or internal cyberattacks. WAF can provide logs for information security identification and to find the point of intrusion.

5. Personal data protection management

AIDC established the Personal Data Information Security Operating Procedures to ensure the collection, processing, and use of personal data files complies with the law and is secure.

6. 2025 information security management resources and performance

- (1) Obtained the new certificate for ISO/IEC 27001:2022 and CNS 27001:2023, maintaining the validity of the certificate until August 25, 2026.
- (2) Meet the information security assessment requirements of domestic and foreign customers. Passed the DFARS-7012 of the Defense Contract Management Agency (DCMA) of the U.S. Department of Defense (equivalent to CMMC 2.0 Level 2).
- (3) Passed the annual audit of financial statement certification information (audit by accountant).
- (4) Established information security management related regulations, which are reviewed and revised each year in response to information security threats and trends.
- (5) The Company has included information security inspection as an audit item in the annual audit plan.
- (6) Social engineering exercises are conducted to keep all employees alert when opening e-mails.
- (7) Effective interception of spam e-mail.
- (8) Effective defense against advanced persistent threat (APT) attacks.
- (9) Effectively maintained the availability of critical information systems.
- (10) Improve information security and protection
 - A. Level 1: Boundary protection that blocks entry and exit, such as abnormal traffic from zombie computers, phishing websites, and malicious IP addresses.
 - B. Level 2: New generation advanced firewall that successfully blocks external attacks and APT malicious attacks.
 - C. Level 3: Effectively block advanced persistent threat (APT) attack letters.

- D. Strengthen prevention and control of the spreading of virus e-mails by targeting suspicious e-mails reported by employees.
 - E. Establish an information security monitoring center and cooperate with external information security to effectively prevent attacks.
- (11) Information security audit and inspection
- A. Information security inspection: Includes security inspections of portable storage media and physical isolation areas for classified data.
 - B. System and network security inspection: Includes anti-virus systems, Microsoft system update, system vulnerability scanning system, application system vulnerability scanning, computer room environment control system, data backup system, and ELK log collection and analysis system.
- (12) Completed information security training and information security awareness campaigns for all personnel.
- A. Completed information security training for full-time information security personnel, IT personnel other than full-time information security personnel, general users, and managers.
 - B. Ad hoc information security awareness campaigns.
- (13) Business continuity
- A. Complete business continuity and emergency recovery drills.
 - B. Complete emergency response drills for critical systems.
 - C. Complete comprehensive rehearsals of emergency event reporting, response, and recovery.
- (14) Implemented the Zero Trust Architecture
- A. The Company has implemented a zero-trust policy using two-factor authentication in the remote access system authentication mechanism.
 - B. In addition to using two-factor authentication of accounts, the Company has also established a network packet intrusion detection system, endpoint threat detection and response system (MDR), network micro-segmentation system, and privilege management system. We hope to ensure consistent security when accessing data regardless of time and place through the principle of "Never Trust, Always Verify."

(IV) Resources invested in information security management

AIDC invested over NT\$24 million in 2025 to strengthen and maintain information security, with over 100 employees involved in information security operations.

(V) Losses sustained due to major information security incidents, potential impact, and response measures:

The Company did not have any material information security incidents in the most recent year and up to the date of report.

VII. Important Contracts

The start and end dates of the contract are confidential within the scope of the contract with each contracting party, so they will not be disclosed.

Nature of contract	The Parties	Commencement date/expiration date	Main Content	Restrictive clauses
Sales contracts	Airbus	-	Commercial aircraft components and parts manufacturing program	None
Sales contracts	Bell	-	Helicopter components and parts manufacturing program	None
Sales contracts	Boeing	-	Commercial aircraft components and parts manufacturing program	None
Sales contracts	Bombardier	-	Commercial aircraft components and parts manufacturing program	None
Sales contracts	GE	-	Engine parts manufacturing program	None
Sales contracts	HBS	-	Engine parts manufacturing program	None
Sales contracts	Honeywell	-	Engine/Commercial aircraft components and parts manufacturing program	None
Sales/Service Contracts	ITEC	-	Military engine production/maintenance	None
Sales contracts	KHI	-	Commercial aircraft components and parts manufacturing program	None
Sales contracts	PFW	-	Commercial aircraft components and parts manufacturing program	None
Sales contracts	Pratt & Whitney	-	Engine parts manufacturing program	None
Sales contracts	Rolls-Royce	-	Engine parts manufacturing program	None
Sales contracts	Shinmaywa	-	Commercial aircraft components and parts manufacturing program	None
Sales contracts	Sikorsky	-	Helicopter components and parts manufacturing program	None
Sales contracts	Air Asia Co., Ltd.	-	Aircraft spare parts sales	None
Sales/Service Contracts	Ministry of National Defense, R.O.C.	-	IDF modification, maintenance, and engine spare parts CAD/PAD sales	None

Nature of contract	The Parties	Commencement date/expiration date	Main Content	Restrictive clauses
			GOCO program for 11th Open contract for F-16 maintenance Helicopter system maintenance New fighter air-to-air gun target practice	
Sales contracts	National Chung-Shan Institute of Science and Technology	-	Smoke tank manufacturing New advanced jet trainer maintenance program	None
Sales/Service Contracts	GE Vernova	-	Taiwan Power Company Tongxiao Power Plant maintenance, operation, and renewal	None
Sales/Service Contracts	Taiwan Power Company	-	Fenglin STATCOM construction	None
Sales contracts	Delta Electronics Inc.	-	Microgrid construction	None
Sales/Service Contracts	CPC Corporation	-	Procurement and installation of power generator for self-use	None



V. Discussion and Analysis of Financial Standing and Financial Performance and Risks

I. Financial position

(I) Review and analysis of consolidated financial position

Unit: NT\$ thousands

Item	Year	2024	2025	Difference	
				Amount	%
Current assets		35,460,810	39,979,601	4,518,791	12.74
Property, plant and equipment		9,449,086	9,580,389	131,303	1.39
Intangible assets		597,178	433,297	(163,881)	(27.44)
Other assets (Note 2)		3,870,660	3,931,342	60,682	1.57
Total assets		49,377,734	53,924,629	4,546,895	9.21
Current liabilities		22,500,448	28,776,839	6,276,391	27.89
Non-current liabilities		8,631,788	7,305,226	(1,326,562)	(15.37)
Total liabilities		31,132,236	36,082,065	4,949,829	15.90
Share capital		9,418,671	9,418,671	0	0.00
Capital reserve		18,251	18,251	0	0.00
Retained earnings		8,711,158	8,386,180	(324,978)	(3.73)
Other equity		97,418	19,462	(77,956)	(80.02)
Total equity		18,245,498	17,842,564	(402,934)	(2.21)

● Main reasons for any material change in assets, liabilities, or equity during the last two years (changes reaching 20% and above and absolute amount of change reaches NT\$10 million) are as follows:

1. Decrease in intangible assets: Mainly due to project development expenses being lower than amortization expenses in the current period.
2. Increase in current liabilities: Mainly due to the increase in financial borrowings in response to operating and investment needs.
3. Decrease in other equity: Mainly due to the total foreign exchange loss converted from the financial statements of the US subsidiary.

● Impacts of changes in financial position over the past two years and future response plans: N/A

Note 1: Data for 2024 and 2025 have been reviewed and certified by an accountant in accordance with IFRSs.

Note 2: Other assets include non-current financial assets at fair value through other comprehensive income, investments recognized under the equity method, right-of-use assets, deferred income tax assets, advance payments for equipment, non-current net defined benefit assets, other non-current financial assets, and other non-current assets.

Note 3: For the Company's consolidated financial statements, please visit the Market Observation Post System > Company > Electronic Document Download > Financial Statements Section (Company Code 2634). (https://mops.twse.com.tw/mops/#/web/t57sb01_q1)

(II) Review and analysis of standalone financial position

Unit: NT\$ thousands

Item	Year	2024	2025	Difference	
				Amount	%
Current assets		34,537,736	38,943,111	4,405,375	12.76
Property, plant and equipment		9,064,067	9,164,486	100,419	1.11
Intangible assets		596,515	432,940	(163,575)	(27.42)
Other assets (Note 2)		5,179,360	5,369,368	190,008	3.67
Total assets		49,377,678	53,909,905	4,532,227	9.18
Current liabilities		22,502,601	28,763,103	6,260,502	27.82
Non-current liabilities		8,629,579	7,304,238	(1,325,341)	(15.36)
Total liabilities		31,132,180	36,067,341	4,935,161	15.85
Share capital		9,418,671	9,418,671	0	0.00
Capital reserve		18,251	18,251	0	0.00
Retained earnings		8,711,158	8,386,180	(324,978)	(3.73)
Other equity		97,418	19,462	(77,956)	(80.02)
Total equity		18,245,498	17,842,564	(402,934)	(2.21)
<ul style="list-style-type: none"> ● Main reasons for any material change in assets, liabilities, or equity during the last two years (changes reaching 20% and above and absolute amount of change reaches NT\$10 million) are as follows: <ol style="list-style-type: none"> 1. Decrease in intangible assets: Mainly due to project development expenses being lower than amortization expenses in the current period. 2. Increase in current liabilities: Mainly due to the increase in financial borrowings in response to operating and investment needs. 3. Decrease in other equity: Mainly due to the total foreign exchange loss converted from the financial statements of the US subsidiary. ● Impacts of changes in financial position over the past two years and future response plans: N/A 					

Note 1: Data for 2024 and 2025 have been reviewed and certified by an accountant in accordance with IFRSs.

Note 2: Other assets include non-current financial assets at fair value through other comprehensive income, investments recognized under the equity method, right-of-use assets, investment property, deferred income tax assets, advance payments for equipment, non-current net defined benefit assets, other non-current financial assets, and other non-current assets.

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II. Financial performance

(I) Comparative analysis of consolidated financial performance in the past two years

Unit: NT\$ thousands

Item \ Year	2024	2025	Increase (Decrease)	Percentage of change (%)
Net operating revenues	39,338,315	35,452,130	(3,886,185)	(9.88)
Operating costs	35,613,870	32,920,041	(2,693,829)	(7.56)
Gross profit	3,724,445	2,532,089	(1,192,356)	(32.01)
Operating expenses	1,505,822	1,363,805	(142,017)	(9.43)
Net operating profit	2,218,623	1,168,284	(1,050,339)	(47.34)
Non-operating income and expenses	561,847	(197,583)	(759,430)	(135.17)
Net profit before tax	2,780,470	970,701	(1,809,769)	(65.09)
Income tax (gains) expenses	612,403	237,633	(374,770)	(61.20)
Net profit for the year	2,168,067	733,068	(1,434,999)	(66.19)
Other comprehensive income (net amount after tax)	309,037	163,775	(145,262)	(47.00)
Total comprehensive income for the period	2,477,104	896,843	(1,580,261)	(63.79)

Main reasons for material change in operating revenues, operating profit, or net income before tax during the last two years (changes reaching 20% and above and absolute amount of change reaches NT\$10 million) and future response plan are described below:

1. Net decrease in non-operating income and expenses: Mainly due to the increase in exchange losses caused by the sharp depreciation of the US dollar.
2. Decrease in gross profit, net operating profit, net profit before tax, and net profit for the year: Mainly due to the decline in revenue and profit caused by delayed product shipment and the recognition of related fines, as well as the foreign exchange losses caused by the depreciation of USD against NTD.
3. Decrease in income tax expense: Mainly due to the decrease in net profit before tax.
4. Decrease in other comprehensive income (net amount after tax): Mainly due to the total exchange losses converted from financial statements in foreign currencies.
5. Decrease in total comprehensive income for the period: Mainly due to the decrease in net profit for the year and other comprehensive income compared with last year.

Note 1: Data for 2024 and 2025 have been reviewed and certified by an accountant in accordance with IFRSs.

Note 2: For the Company's consolidated financial statements, please visit the Market Observation Post System > Company > Electronic Document Download > Financial Statements Section (Company Code 2634).
(https://mops.twse.com.tw/mops/#/web/t57sb01_q1)

(II) Comparative analysis of standalone financial performance in the past two years

Unit: NT\$ thousands

Item \ Year	2024	2025	Increase (Decrease)	Percentage of change (%)
Net operating revenues	39,246,798	35,378,960	(3,867,838)	(9.86)
Operating costs	35,605,763	32,908,893	(2,696,870)	(7.57)
Gross profit	3,641,035	2,470,067	(1,170,968)	(32.16)
Operating expenses	1,437,261	1,288,641	(148,620)	(10.34)
Net operating profit	2,203,774	1,181,426	(1,022,348)	(46.39)
Non-operating income and expenses	477,214	(319,073)	(796,287)	(166.86)
Net profit before tax	2,680,988	862,353	(1,818,635)	(67.83)
Income tax (gains) expenses	512,921	129,285	(383,636)	(74.79)
Net profit for the year	2,168,067	733,068	(1,434,999)	(66.19)
Other comprehensive income (net amount after tax)	309,037	163,775	(145,262)	(47.00)
Total comprehensive income for the period	2,477,104	896,843	(1,580,261)	(63.79)

Main reasons for material change in operating revenues, operating profit, or net income before tax during the last two years (changes reaching 20% and above and absolute amount of change reaches NT\$10 million) and future response plan are described below:

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2. Decrease in gross profit, net operating profit, net profit before tax, and net profit for the year: Mainly due to the decline in revenue and profit caused by delayed product shipment and the recognition of related fines, as well as the foreign exchange losses caused by the depreciation of USD against NTD.
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4. Decrease in other comprehensive income (net amount after tax): Mainly due to the total exchange losses converted from financial statements in foreign currencies.
5. Decrease in total comprehensive income for the period: Mainly due to the decrease in net profit for the year and other comprehensive income compared with last year.

Note 1: Data for 2024 and 2025 have been reviewed and certified by an accountant in accordance with IFRSs.

Note 2: For the Company's standalone financial statements, please visit the Market Observation Post System > Company > Electronic Document Download > Financial Statements Section (Company Code 2634).
(https://mops.twse.com.tw/mops/#/web/t57sb01_q1)

(III) Expected sales volume and its basis, the possible impact on the company's future financial business and the response plan

The Company's sales figures are based on market demand and development trends, the business situation of customers, the Company's current purchase orders, and after considering the Company's production capacity. The Company's sales volume is expected to continue to grow in the future with the quality of products highly recognized by customers, stable purchase orders already received, and opportunities to take on new business. There will not be a significant impact on the Company's future financial position and business performance.

III. Cash Flow and Liquidity Analysis

(I) Consolidated liquidity analysis for the past two years

Item \ Year	2024	2025	Percentage of increase (decrease) (%)
Cash flow ratio (%)	-	-	-
Cash flow adequacy ratio (%)	100.71	85.47	(15.24)
Cash reinvestment ratio (%)	-	-	-

Analysis and explanation of the increase or decrease of ratio:

- Cash flow ratio and cash reinvestment ratio are both 0:
Mainly due to the net cash outflow from operating activities in the past two years.
- Decrease in cash flow adequacy ratio:
Mainly due to the decrease in net cash flow from operating activities in the past five years.

Note: Data for 2024 and 2025 have been reviewed and certified by an accountant in accordance with IFRSs.

(II) Individual liquidity analysis for the past two years:

Item \ Year	2024	2025	Percentage of increase (decrease) (%)
Cash flow ratio (%)	-	-	-
Cash flow adequacy ratio (%)	104.80	89.78	(15.02)
Cash reinvestment ratio (%)	-	-	-

Analysis and explanation of the increase or decrease of ratio:

- Cash flow ratio and cash reinvestment ratio are both 0:
Mainly due to the net cash outflow from operating activities in the past two years.
- Decrease in cash flow adequacy ratio:
Mainly due to the decrease in net cash flow from operating activities in the past five years.

Note: Data for 2024 and 2025 have been reviewed and certified by an accountant in accordance with IFRSs.

(III) Liquidity analysis for the coming year: N/A

IV. Effect of major capital expenditures on finance and business in the past year

(I) Status of major capital expenditures and source of funds

Unit: NT\$ thousands

Project Item	Actual or expected source of funds	Expected date of completion	Total funding required	Actual or expected fund use			
				2023	2024	2025	2026
1. Turbine Center Frame (TCF) Phase II equipment expansion.							
2. Behind-the-meter microgrid and load shifting energy storage system construction project	Self-own funds and bank borrowings	1. December, 2025 2. 2026	1,383,111	170,867	518,321	365,522	328,401

(II) Expected benefits

1. "Turbine Center Frame (TCF) Phase II Equipment Expansion" Project:

The Company signed a 10-year long-term contract with GE for core components of the LEAP series engines in February 2023. It plans to combine the production capacity of contractors and fully utilize existing equipment in the factory, in hopes of obtaining greater benefits with less investment, and ensuring that contract performance goals of customers are met. This project increases production capacity through equipment expansion, shortens delivery time, and improve technology and quality to create competitive advantages. It will continue to enhance the Company's competitiveness by seizing opportunities and key positions in the trend of global aerospace supply chain restructuring.

2. Behind-the-meter microgrid and load shifting energy storage system construction project

Renewable energy has flourished in recent years, but the intermittent nature of its power generation means that it is dependent on weather factors (such as climate change). As such, energy storage is the most effective and economical solution to improve the quality and stability of power supply, and achieve a low-carbon lifestyle and sustainable development. Energy storage systems provide users with a number of benefits, such as uninterrupted power supply, load shifting, lower contract capacity, and lower electricity fees. AIDC plans to build a 9MW/54MWh large-scale behind-the-meter energy storage microgrid at the Taichung Complex, and expects to complete it in 2026.

V. Investment policy in the past year, profit/loss analysis, improvement plan, and investment plan for the coming year

The Company's investment policy is aligned with the overall business strategy, and seeks complementing resources that will enhance its core capabilities. Besides securing and extending current core businesses, we also hope to accelerate the development of market opportunities to achieve the Company's vision.

The Company invested in 5 companies in 2025, in which 1 company suffered losses, see the description of profit/loss of investee companies (see attachment). The Company will continue to implement management mechanisms for its investments to improve the business performance of investee companies.

December 31, 2025 Unit: NT\$ thousands

Industry	Name of investee	Amount of profit/loss	Main reason for profit or loss	Improvement plan
Aviation manufacturing	AIDC USA LLC	364,752	The main reason for the profit was non-operating income from re-investments.	-
Metal products manufacturing	Jung Sheng Precision Ind. Co., Ltd.	356	The main reason for the profit was the increased demand for air travel, which drove the growth of related businesses.	-
Aerospace electronics	AeroVision Avionics Inc.	-35,620	The main reason for the loss is that revenue was affected by weakened competitiveness of the original product, and orders from aerospace customers have decreased year by year.	Reduce costs, strengthen employee training, and actively pursue business for projects jointly developed with customers.
Track consulting	Taipei Metro Consulting Service Co., Ltd. (Note)	6,364	The main reason for the profit was the active development of services and effective control of operating expenses.	-
Service industry	Hsiang Yuan Co., Ltd.	5,337	The main reason for the profit was the active development of services and effective control of operating expenses.	-

Note : Metro Consulting Service Ltd. changed its name to Taipei Metro Consulting Service Co., Ltd. on July 10, 2025.

VI. Risks and assessment for the most recent year and up to the date of report

(I) Impact of interest rate and exchange rate changes and inflation on the Company's profit and response measures

Interest income in 2025 was NT\$54,805 thousand, accounting for 0.15% of consolidated revenue. Interest expense of NT\$404,859 thousand accounted for 1.14% of consolidated revenue shows that interest expense does not have a material impact on the Company's profit and loss. In the future, the Company will adjust the utilization of funds in a timely manner based on changes in financial interest rates, in order to mitigate the impact of changes in interest rates on the Company's profit or loss.

1. The effect of exchange rate fluctuations on earnings and losses of the Company as well as response measures:

Net exchange losses in 2025 was NT\$370,644 thousand, accounting for 1.05% of consolidated revenue. The Company's exports and purchases are mainly in USD. The Company has taken the following measures in response to the impact of exchange rate fluctuations:

- (1) Collect information on exchange rates at all times, and consult financial institutions for planning foreign exchange hedging strategies to stay up-to-date on trends in exchange rates.
- (2) Flexibly utilize the offset effect of receivables to lower the impact of exchange rate fluctuations.
- (3) The Procedures Governing Derivatives Trading were established according to regulations of the competent authority. Trades are made based on the principle of hedging and not speculation, and hedging is carried out when appropriate to mitigate the impact of exchange rate fluctuations.

2. The effects that inflation has on earnings and losses of the Company as well as response measures:

- (1) According to the announcement of the Directorate-General of Budget, Accounting and Statistics, Executive Yuan, the annual average growth rate of the Consumer Price Index (CPI) was 1.66% and Core CPI was 1.66% in 2025. Hence, inflation risk is still within the acceptable range.

Note: Core CPI refers to CPI after eliminating interference from short-term events or incidents (such as typhoons, war, etc.). In Taiwan, Core CPI is the CPI excluding fresh fruits and vegetables and energy (gas, electricity fees, fuel fees).

- (2) The Company will continue to strictly control cost through raw materials inventory management, procurement strategy, and process innovation. Furthermore, we will continue to monitor inflation for product pricing, and make suitable adjustments. Hence, inflation will not have a material impact on operations and profits.

(II) Policies of engaging in high-risk, high-leverage investments, lending to others, providing endorsement and guarantee, and derivatives transactions, profit/loss analysis, and future response measures

1. Based on the business philosophy of steady and pragmatic, aside from trading forward exchange contracts for hedging, the Company does not engage in high risk or high leverage investments

and financial operations.

2. The Company's board of directors on July 30, 2007 adopted the resolution do not lend to others and provide endorsements or guarantees to others.
3. The Company established the Procedures Governing Derivatives Trading according to regulations of the competent authority, providing the basis for derivatives trading. The Company did not engage in derivatives trading in 2025 and up to the end of March 2026.

(III) Future R&D projects and expected R&D expenses

The Company's mission is to achieve self-reliant national defense, and is building an air defense system with layered defense, high sensitivity, and effective interception based on the concept of the T-Dome. The Company will further introduce and integrate advanced technologies with AI to build an intelligent defense and combat system, enhancing the deterrence of the nation's asymmetric strategy. The Company will continue to invest in innovative defense technologies and collaborate with the military industry of advanced countries to build capabilities of the domestic defense and military industries, supporting the national defense policy to strengthen the domestic supply chain and enhance capabilities of the defense industry. The Company will engage in drone-related R&D (e.g., different types of drones, anti-drone systems, and radar antennas) and develop and manufacture military aircraft systems and parts (e.g., avionics equipment and landing gear), in hopes of seizing international business opportunities for system parts with high added value. The Company is working with domestic industries in hopes of making technological breakthroughs, so that items that were originally designed, developed, or purchased from foreign companies can be produced domestically. We are also focusing on businesses with high added value and the development of high level production and maintenance technologies, such as AI-optimized manufacturing and maintenance technologies, and the development of key technologies for expanding thermoplastic and casting/forging businesses, in order to further upgrade the technologies of Taiwan's aerospace industry.

The Company's R&D projects adhere to the business strategy. The required technologies are determined based on the business direction and list of businesses, the R&D strategies, paths, testing and verification method, and expected results are then determined on the basis, and then resources are allocated for implementation. We continued to invest R&D manpower and funds to meet the needs of business development and purchase orders, in hopes of achieving the planned operational goals.

(IV) The effect of changes in important domestic and foreign policies and laws on the Company's financial position and business operations, and response measures

The Company's operations are in compliance with domestic and overseas laws and regulations. We monitor changes in domestic and overseas policies and laws, and share information for analysis by professional units.

(V) The impacts of technology changes (including information security risks) and industry changes on the Company's financial position and business performance, and response measures

Countries around the world have set the target of net zero emissions in response to the global trend of net zero in recent years. In the aviation industry, the IATA adopted the resolution for the global air transport industry to achieve net zero emissions before 2050. The two global leaders of the aerospace manufacturing industry, Boeing and Airbus, are also supporting carbon reduction actions, and encourage their suppliers around the world to disclose carbon emissions.

AIDC is the leader of the domestic aviation industry and planned a pathway to carbon neutrality by 2050 under Taiwan's carbon fee system and the carbon reduction appeal of major international aerospace companies (Boeing, Airbus, etc.). The pathway is implemented in three phases through a five-year project. Work items recently implemented, including solar panel installation, energy conservation works, and process improvement/waste reduction. In the internal waste reduction process, AIDC is actively seizing opportunities in the energy creation, energy storage, and energy control/use markets brought by the trend of energy transition.

AIDC obtained ISO/IEC 27001 Information Security Management certification for the first time in 2008. Reviews are regularly conducted by the IAF/TAF every year, and renewal audits are conducted every three years to maintain the validity of the certificates. The Company obtained the new certificate ISO/IEC 27001:2022 in 2024, and completed the regular review in 2025. The Company strengthens the information security of network and computer software/hardware from system, management, and technology aspects. However, information security measures cannot guarantee that data loss or suspension of information system services due to information security incidents (computer viruses, ransomware, cyberattacks, natural disasters, force majeure, and other threats) can be entirely avoided. Facing the rapidly changing information security threats, the Company has taken response measures, including establishing the information security system architecture and protection system, enhancing information security capabilities, information security inspections and tests, information security education and promotion, and joining information security joint defense. We carry out business continuity and emergency recovery drills, information security incident reporting and response, and rehearsals to reduce the losses caused by cyberattacks.

(VI) Impact of corporate image change on risk management and response measures

The Company upholds the business philosophy and corporate culture of "accountability, innovation, concentration, customer-orientation," and strives to improve aircraft manufacturing technologies and quality management, strengthen customer relationships, create customer value, and further improve quality and efficiency through internal management and external review mechanisms. The Company has a good corporate image, and there has not been any crises caused by major changes in corporate image.

(VII) Expected benefits and potential risks of merger and acquisition and response measures

The Company has not made any plans to merge with or acquire other companies in the past year and up to the date of report. If the Company makes any merger and acquisition plans in the future, it will carry out careful evaluation, fully consider the synergies of merging, and handle matters according to related laws and the Company's internal regulations, in order to protect the Company's interests and shareholders' equity.

(VIII) Expected benefits and potential risks of capacity expansion and response measures

The Board of Directors approved the "Turbine Center Frame (TCF) Phase II Equipment Expansion" Project on August 31, 2023. The project increases production capacity through equipment expansion, shortens delivery time, and improves technology and quality to create competitive advantages. It continues to enhance the Company's competitiveness by enabling the Company to seize opportunities and key positions as the global aerospace supply chain goes through restructuring. The project was completed and commenced production according to plan in December 2025.

(IX) Risks associated with over-concentration in purchase or sale and response measures

1. Risk assessment and response measures for over-concentration in purchase

The Company's purchases are made according to purchasing rules. Depending on the nature of the purchase, tendering methods include open tendering, selective tendering, restricted tendering, and inter-entity supply contract. The Company's top 10 suppliers accounted for 43.66%, 45.87%, and 48.00% of purchases in the past three years, respectively, while the largest supplier accounted for 20.07%, 21.47%, and 24.55% of purchases, respectively. There is no single supplier that accounts for 30% or more of purchases. The Company has built good long-term partnerships with main suppliers, and deliveries have been mostly according to schedule in the past three years. There is also no over-concentration of purchases. The Company continues to mass produce new advanced jet trainers and carry out fleet maintenance operations. Although delivery has been affected by the disruption to the global aviation supply chain after the pandemic, the Company has exhausted all means to reduce the impact of the disruption on delivery by maintaining close contact with system suppliers and urging them to deliver materials, switching to partial self-manufacturing, and catching up with three shifts working around the clock.

2. Risk assessment and response measures for over-concentration in sales

The Company shoulders the mission of the policy to "implement national self-reliant defense, guide industry upgrade, develop the aerospace industry, and promote economic prosperity." In the past, the Company's sales were mainly concentrated in the MND. However, as AIDC's aviation technologies gradually attracted the attention of major international aerospace companies, AIDC actively developed new aircraft and engine customers and energy business overseas, and our business has shifted from military to equal emphasis on military and civilian. Our largest customer the MND initially accounted for over 90% of sales, but the percentage accounted for by our military business has decreased as our civilian business grew in the past few years. Hence, there is no risk of over-concentration in sales.

- (X) The effects and risks of large-scale share transfers or conversions by directors, supervisors, or major shareholders holding more than 10% of the Company's shares, and response measures:** No such occurrences in 2025 and 2026 up to the date of report.
- (XI) The effect of changes in management right on the Company, risks, and response measures:** The MOEA will continue to maintain a certain shareholding percentage and remain the largest shareholder. Hence, there will not be any adverse effects on management right due to changes in shareholding.
- (XII) For litigious and non-litigious events, if the result of major litigious, non-litigious events, or administrative disputes, either concluded or ongoing, involving the company and its directors, supervisors, president, de facto responsible person, major shareholders with more than 10% shares, or subsidiaries may have a material impact on shareholders' equity or stock prices, disclose the facts in contention, amount, start date of litigation, main parties involved, and progress up to the date of report:** Based on the evaluation criteria for companies to announce material information, current lawsuits do not reach NT\$1.8 billion or more, and therefore do not have a significant impact on shareholders' equity or stock prices.
- (XIII) Other important risks and response measures:** None

VII. Other important matters: None.



VI. Special Notes

I. Information on affiliated enterprises:

(I) 2025 Consolidated Business Report: For details, please visit the Market Observation Post System > Single Company > Electronic Document Download > Three Forms for Affiliated Enterprises.

(https://mopsov.twse.com.tw/mops/web/t57sb01_q10)

(II) 2025 Business Reports of Affiliated Enterprises: None

(III) 2025 Consolidated Financial Statements of Affiliated Enterprises: None

(IV) Financial statements of affiliated enterprises

We hereby declare that companies that are to be included in the consolidated financial statements in accordance with the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" are the same as companies that are to be included in consolidated financial statements of the parent company in accordance with IFRS10 in 2025 (From January 1 to December 31, 2025). All information on affiliated enterprises that must be disclosed in the consolidated financial statements was already disclosed in the abovementioned consolidated financial statements. Hence, we did not separately prepare consolidated financial statements of affiliated enterprises.

II. Private placement of securities in the most recent year and up to the date of report: None.

III. Other necessary supplemental information: None.

IV. Matters, if any, that may affect shareholders' equity or securities prices as defined in Article 36, Paragraph 3, Subparagraph 2 of the Securities and Exchange Act in the most recent year and up to the date of report: None.

Aerospace Industrial Development Corporation



Chairman Tsao, Chin-Pin





AIDC

**Accountability, Innovation,
Dedication, Customer-Orientation**



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