



Aerospace Industrial Development Corporation

2026 Annual Shareholders' Meeting

Meeting Handbook

(Translated from Mandarin)

Date: 22 May 2026

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

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

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

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Aerospace Industrial Development Corporation (AIDC)
2026 Annual Shareholders' Meeting Procedure

- I. Meeting Commencement Announcement

- II. Chairman's Address

- III. Reports

- IV. Ratifications

- V. Discussion

- VI. Extempore Motions

- VII. Meeting Adjournment

Aerospace Industrial Development Corporation (AIDC)

2026 Annual Shareholders' Meeting Agenda

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

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

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

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

- I. Meeting Commencement Announcement
- II. Chairman's Address
- III. Reports
 - (1) Business Report of 2025
 - (2) Audit Committee Review Report of 2025
 - (3) Report on 2025 Compensation to Employees and Directors
- IV. Ratifications
 - (1) Ratification of the 2025 Business Report and Financial Statements
 - (2) Ratification of the Proposal for Earnings Distribution of 2025 Profits
- V. Discussion

The Lifting of Non-Competition Restrictions on Directors and Their Representatives
- VI. Extempore Motions
- VII. Meeting Adjournment

Reports

- Item 1: Business Report of 2025, as shown in Attachment I (Pages 7-9).

- Item 2: Audit Committee Review Report of 2025, as shown in Attachment II (Page 10).

- Item 3: Report on 2025 Compensation to Employees and Directors, as shown in Attachment III (Page 11).

Ratifications

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

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

II. Business Report of 2025, Independent Auditors' Report and 2025 Financial Statements are shown in Attachments I and IV (Pages 7-9 and Pages 12-31).
(The Company's Financial Reports are available on the MOPS.
https://mops.twse.com.tw/mops/#/web/t57sb01_q1)

Resolution:

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

Description: I. The company's net profit after taxes for 2025 was \$733,068,169 NT dollars. Based on Article 28-1 "Reserve Allocation" of the Company's Articles of Incorporation, the Company plans to distribute a cash dividend of \$0.778 NT dollars per share, and the total amount is \$732,772,605 NT dollars. Please refer to the Proposal for Earnings Distribution of 2025 Profits in Attachment V (Page 32).

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

Resolution:

Discussion

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

Description:

- I. Pursuant to Article 209 of the Company Act, a director who engages, for himself / herself or on behalf of another person, in any activity within the scope of the Company's business shall disclose the material details of such activity to the shareholders' meeting and obtain its approval.
- II. In response to the amendment to Article 2 of the Company's Articles of Incorporation as approved by the 2025 Annual Shareholders' Meeting, which expanded the scope of the Company's business, it is proposed that the Shareholders' Meeting approve the lifting of non-competition restrictions on the Company's directors and their representatives, allowing them to hold positions in or engage in businesses of other companies with the same or similar business scope, provided that no damage is caused to the Company's interests.
- III. Details of the positions for which the non-competition restrictions are proposed to be lifted are provided in Attachment VI (Pages 33-34).

Resolution:

Extempore Motions

Meeting Adjournment

Aerospace Industrial Development Corporation Business Report of 2025

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

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

Revenue and Profitability

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

Research and Development

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

Outlook for 2026

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

***Military Businesses**

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

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

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

***Civil Aviation Businesses**

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

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

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

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

***Technology Services**

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

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

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

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

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

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

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

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

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

Attachment II

Date: March 30, 2026

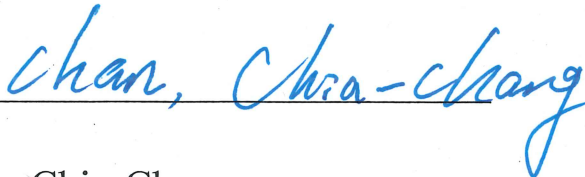
To: Aerospace Industrial Development Corporation
2026 Annual Shareholders' Meeting

Subject: Audit Committee Review Report

Dear Valued Shareholders,

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

Sincerely,

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

Chan, Chia-Chang
Chairman of the Audit Committee

Aerospace Industrial Development Corporation
2025 Compensation to Employees and Directors

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

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



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INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Aerospace Industrial Development Corporation

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

Impairment loss of inventory

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

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

Other Matter

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

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

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

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

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 30, 2026

Notice to Readers

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

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

AEROSPACE INDUSTRIAL DEVELOPMENT CORPORATION AND SUBSIDIARIES

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

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

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

AEROSPACE INDUSTRIAL DEVELOPMENT CORPORATION AND SUBSIDIARIES

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

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

(Continued)

AEROSPACE INDUSTRIAL DEVELOPMENT CORPORATION AND SUBSIDIARIES

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

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

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

(Concluded)

AEROSPACE INDUSTRIAL DEVELOPMENT CORPORATION AND SUBSIDIARIES

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

	Equity Attributable to Owners of the Company					Other Equity		Total Equity
	Common Stock (Note 22)	Capital Surplus (Notes 4 and 11)	Retained Earnings (Note 22)			Exchange Differences on Translation of the Financial Statement of Foreign Operations	Unrealized gain (loss) on Investments in Equity Instruments Designated as at Fair Value Through Other Comprehensive Income	
			Legal Reserve	Special Reserve	Unappropriated Earnings			
BALANCE ON JANUARY 1, 2024	\$ 9,418,671	\$ 11,746	\$ 1,374,269	\$ 1,946,538	\$ 4,366,362	\$ 11,235	\$ (29,481)	\$ 17,099,340
Appropriation of 2023 earnings								
Legal reserve	-	-	225,005	-	(225,005)	-	-	-
Special reserve	-	-	-	(26,837)	26,837	-	-	-
Cash dividends distributed by the Company	-	-	-	-	(1,337,451)	-	-	(1,337,451)
Changes in capital surplus from investments in associates accounted for using the equity method	-	6,505	-	-	-	-	-	6,505
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	(13,691)	-	13,691	-
Profit for the year ended December 31, 2024	-	-	-	-	2,168,067	-	-	2,168,067
Other comprehensive income (loss) for the year ended December 31, 2024, net of income tax	-	-	-	-	207,064	107,610	(5,637)	309,037
Total comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	2,375,131	107,610	(5,637)	2,477,104
BALANCE ON DECEMBER 31, 2024	9,418,671	18,251	1,599,274	1,919,701	5,192,183	118,845	(21,427)	18,245,498
Appropriation of 2024 earnings								
Legal reserve	-	-	236,144	-	(236,144)	-	-	-
Special reserve	-	-	-	(18,246)	18,246	-	-	-
Cash dividends distributed by the Company	-	-	-	-	(1,299,777)	-	-	(1,299,777)
Profit for the year ended December 31, 2025	-	-	-	-	733,068	-	-	733,068
Other comprehensive income (loss) for the year ended December 31, 2025, net of income tax	-	-	-	-	241,731	(76,609)	(1,347)	163,775
Total comprehensive income (loss) for the year ended December 31, 2025	-	-	-	-	974,799	(76,609)	(1,347)	896,843
BALANCE ON DECEMBER 31, 2025	\$ 9,418,671	\$ 18,251	\$ 1,835,418	\$ 1,901,455	\$ 4,649,307	\$ 42,236	\$ (22,774)	\$ 17,842,564

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

AEROSPACE INDUSTRIAL DEVELOPMENT CORPORATION AND SUBSIDIARIES

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

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

(Continued)

AEROSPACE INDUSTRIAL DEVELOPMENT CORPORATION AND SUBSIDIARIES

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

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

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

(Concluded)



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INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Aerospace Industrial Development Corporation

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements for the year ended December 31, 2025. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

Impairment loss of inventory

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 30, 2026

Notice to Readers

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

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

AEROSPACE INDUSTRIAL DEVELOPMENT CORPORATION

PARENT COMPANY ONLY BALANCE SHEETS

DECEMBER 31, 2025 AND 2024

(In Thousands of New Taiwan Dollars)

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

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

AEROSPACE INDUSTRIAL DEVELOPMENT CORPORATION

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

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

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

(Continued)

AEROSPACE INDUSTRIAL DEVELOPMENT CORPORATION

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

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

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

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

AEROSPACE INDUSTRIAL DEVELOPMENT CORPORATION

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

	Equity Attributable to Owners of the Company					Other Equity		Total Equity
	Common Stock (Note 22)	Capital Surplus (Notes 4 and 10)	Retained Earnings (Note 22)			Exchange Differences on Translation of the Financial Statement of Foreign Operations	Unrealized Gain (Loss) on Investments in Equity Instruments Designated as at Fair Value Through Other Comprehensive Income (Note 7)	
			Legal Reserve	Special Reserve	Unappropriated Earnings			
BALANCE ON JANUARY 1, 2024	\$ 9,418,671	\$ 11,746	\$ 1,374,269	\$ 1,946,538	\$ 4,366,362	\$ 11,235	\$ (29,481)	\$ 17,099,340
Appropriation of 2023 earnings								
Legal reserve	-	-	225,005	-	(225,005)	-	-	-
Special reserve	-	-	-	(26,837)	26,837	-	-	-
Cash dividends distributed by the Company	-	-	-	-	(1,337,451)	-	-	(1,337,451)
Changes in capital surplus from investments in associates accounted for using the equity method	-	6,505	-	-	-	-	-	6,505
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	(13,691)	-	13,691	-
Profit for the year ended December 31, 2024	-	-	-	-	2,168,067	-	-	2,168,067
Other comprehensive income (loss) for the year ended December 31, 2024, net of income tax	-	-	-	-	207,064	107,610	(5,637)	309,037
Total comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	2,375,131	107,610	(5,637)	2,477,104
BALANCE ON DECEMBER 31, 2024	9,418,671	18,251	1,599,274	1,919,701	5,192,183	118,845	(21,427)	18,245,498
Appropriation of 2024 earnings								
Legal reserve	-	-	236,144	-	(236,144)	-	-	-
Special reserve	-	-	-	(18,246)	18,246	-	-	-
Cash dividends distributed by the Company	-	-	-	-	(1,299,777)	-	-	(1,299,777)
Profit for the year ended December 31, 2025	-	-	-	-	733,068	-	-	733,068
Other comprehensive income (loss) for the year ended December 31, 2025, net of income tax	-	-	-	-	241,731	(76,609)	(1,347)	163,775
Total comprehensive income (loss) for the year ended December 31, 2025	-	-	-	-	974,799	(76,609)	(1,347)	896,843
BALANCE ON DECEMBER 31, 2025	\$ 9,418,671	\$ 18,251	\$ 1,835,418	\$ 1,901,455	\$ 4,649,307	\$ 42,236	\$ (22,774)	\$ 17,842,564

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

AEROSPACE INDUSTRIAL DEVELOPMENT CORPORATION

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

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

(Continued)

AEROSPACE INDUSTRIAL DEVELOPMENT CORPORATION

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

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

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

Attachment V

**Aerospace Industrial Development Corporation
Proposal for Earnings Distribution of 2025 Profits**

Currency: in NTD

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

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

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

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

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

Appendixes

Aerospace Industrial Development Corporation Rules and Procedures of Shareholders' Meetings

Formulated by the 2nd Promoters' Meeting on 14 June, 1996
Amended by 2002 Annual Shareholders' Meeting on 6 June, 2002
Amended by 2014 3rd Special Shareholders' Meeting on 17 October, 2014
Amended by 2015 Annual Shareholders' Meeting on 23 June, 2015
Amended by 2021 Annual Shareholders' Meeting on 13 August, 2021
Amended by 2023 Annual Shareholders' Meeting on 30 May, 2023
Amended by 2024 Annual Shareholders' Meeting on 27 May, 2024

- Article 1 Shareholders' meeting of the Company, except as otherwise governed by the laws and regulations or the Articles of Incorporation, shall be proceeded in compliance with the rules and procedures set out herein.
- Article 2 Shareholders' meeting convened in the form of visual conference, except as otherwise governed by the laws and regulations, shall be approved by the Board of Directors with two third of the directors present and agreement of the majority.
- Article 3 The attendance of the meeting shall be counted based on the shares represented. Numbers of shares present at the meeting shall be counted based on registration book, attendance cards, and the shares checked in on the virtual meeting platform, plus the shares that exercise their voting power in writing or electronic form.
- The chair shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of outstanding shares of the Company, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of outstanding shares of the Company, the chair shall declare the meeting adjourned. In the event of a virtual shareholders' meeting, the Company shall also declare the meeting adjourned at the virtual meeting platform.
- Unless otherwise stipulated by the Company Act, resolutions of shareholders' meetings shall be reached by a majority of the shareholders who represent half or more of the total number of outstanding shares of the Company.
- When the number of shareholders presented does not constitute the quorum prescribed in the preceding Paragraph, but sufficiently represent one third or more of the total number of outstanding shares of the Company, a tentative resolution may be passed by a majority of those who present. Each of the shareholders shall be informed on such tentative resolution and a shareholders' meeting shall be reconvened within one month. In the event of a virtual shareholders' meeting, shareholders intending to attend the meeting online shall re-register according to the Company's Rules and Procedures of Shareholders' Meeting in accordance with Article 4-1.
- In the aforesaid shareholders' meeting, if the tentative resolution is again adopted by a majority of those present who represent one third or more of the total number of outstanding shares, such tentative resolution shall be deemed to be a formal resolution.
- Article 4 The Company's rules and procedures, agenda handbook and supplemental materials under the preceding paragraph for shareholders' meetings shall be held in accordance with Regulations Governing Content and Compliance Requirements for Shareholders' Meeting Agenda Handbooks of Public Companies.
- Thirty days before the Company is to convene an annual shareholders' meeting and fifteen days before a special shareholders' meeting, the Company shall inform the shareholders on meeting notice and shareholders' meeting agenda. The meeting notice shall contain reasons for convening the meeting and may be presented in electronic form.
- Election or discharge of directors; changes in the Articles of Incorporation; capital reduction; termination of public issuance; exemption of non-competition restrictions for directors; transfer of

profits to capital increase; transfer of reserve to capital increase; dismissal, merge and demerger of the Company or issues regarding Article 185-1 of the Company Act; issues regarding Article 26-1, 43-6 of the Securities and Exchange Act and Article 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be listed in the reasons for convening the meeting with description and shall not be proposed as extempore motions.

When election of the board is held in a shareholders' meeting and the meeting notice contains a set inauguration date for the new board, such date shall not be altered after completion of the election either by an extempore motion or any other means in the same meeting.

Shareholders holding one percent or more of the total number of outstanding shares of the Company may propose one proposal at most to annual shareholders' meeting in writing. In cases where a proposal contains more than one matter, such proposal shall not be included in the agenda.

Proposals with regard to Article 172-1, Paragraph 4 of the Company Act submitted by shareholders may not be listed as discussion items by the Board of Directors. Shareholders may submit a proposal regarding promotion of CSR by following the procedure cited in Article 172-1 of the Company Act, with the limitation of one CSR proposal per meeting. The rest, if any, will not be included in the agenda.

Prior to the book closure date before the convening of a regular shareholders' meeting, the Company shall give a public notice announcing acceptance of proposals, acceptable formats of proposal, the place and the period for shareholders to submit proposals to be discussed at the meeting; and the period for accepting such proposals shall not be less than ten days.

The number of words of a proposal submitted by a shareholder shall be limited to not more than three hundred words, and any proposal containing more than 300 words shall not be included in the agenda of shareholders' meetings. The shareholder who has submitted proposals shall attend, in person or by proxy, the regular shareholders' meeting whereat the submitted proposal are to be discussed and shall take part in the discussion of such proposals.

Before the day on which the meeting notice is announced, the Company shall inform the shareholder who has submitted proposals on the acceptance result and list the proposals in compliance with this article in the meeting notice. For proposals not included in the agenda, the Board of Directors shall make an explanation about exclusion of such proposals.

The agenda of shareholders' meetings shall be set by the Board of Directors when it is convened by the Board. All the proposals in the agenda shall be voted consecutively (including extempore motions and amendments.) Unless otherwise resolved at shareholders' meetings, the meetings shall proceed in accordance with the agenda. Before all proposals, including extempore motions, listed in the agenda are resolved, the chair shall not announce adjournment of the meeting unless otherwise resolved. It also applies to a shareholders' meeting which is convened by persons, other than the Board, with the meeting calling right.

Article 4-1 If the Company shareholders' meeting is convened by videoconference, it shall be handled in accordance with the Regulations Governing the Administration of Shareholder Services of Public Companies.

In the event of a virtual shareholders' meeting, shareholders wishing to attend the meeting online shall register with this Corporation two days before the meeting date, and the same applies to cancellation.

Article 5 Unless otherwise restricted or in the circumstances provided by Article 179-2 of the Company Act, a shareholder shall have one voting right in respect of each share of the Company in the shareholder's possession.

When a shareholder is government agency or corporate shareholder, it may designate more than one representative. The exercising of its voting power, however, is counted based on the number of shares it holds. In cases where two representatives are appointed, they shall exercise the voting rights jointly. Prior to a shareholders' meeting is convened, a shareholder may appoint one proxy only to attend the meeting through a power of attorney issued by the Company stating therein the scope of power authorized to the proxy. Such power of attorney shall be delivered to the Company five days before the convening of the meeting. In cases where two or more written proxies are sent, the first one received by the Company shall prevail.

When a person acts as the proxy for two or more shareholders, the number of voting rights represented by the person shall not exceed 3 percent of the total number of voting rights of the Company, otherwise, the portion of excessive voting rights shall not be counted.

If, after a proxy form is delivered to this Corporation, a shareholder wishes to attend the shareholders' meeting online, a written notice of proxy cancellation shall be submitted to this Corporation two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

Article 6 Registration of shareholders, proceedings of shareholders' meetings, voting and vote counting shall be recorded in audio and video uninterrupted by the Company and shall be retained for at least one year. When lawsuits are filed in pursuant to Article 189 of the Company Act, the relevant audio or video record shall be retained until the conclusion of the litigation.

Article 7 When the chair at a shareholders' meeting deem that a proposal, amendment or extempore motion has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call a vote.

Article 8 When a shareholder present at a shareholders' meeting wishes to speak, a speech note shall be filled out with summary of the speech, the shareholder's number (or the number of attendance card) and the name of the shareholder. The order of speeches by shareholders shall be decided by the chair. If any shareholder present at a shareholders' meeting submits a speech note but does not speak, no speech should be deemed to have been made by such shareholder. In cases where the contents of the speech of a shareholder are inconsistent with the contents of the speech note filled out, the contents of actual speech shall prevail.

Unless otherwise permitted by the chair, each shareholder shall not, for each discussion item, speak more than two times (each time not exceeding 5 minutes). In cases where the speech of any shareholder violates the above provision or exceeds the scope of the discussion item, the chair may stop the speech of such shareholder.

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

If a corporate shareholder designates two or more representatives to present at a shareholders' meeting, only one representative can speak for each discussion item.

Where a virtual shareholders' meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chair declaring the meeting open until the chair declaring the meeting adjourned. No more than two questions for the same proposal may be raised, and each question shall contain no more than 200 words. The regulations in paragraphs 1 to 5 do not apply.

After the speech of a shareholder, the chair may respond in person or appoint an appropriate person to respond.

Article 9 When election is held in a shareholders' meeting, relevant rules of election set by the Company shall be followed and the election result, including list of director elected and voting rights obtained, shall be announced at the meeting. In the event of a virtual shareholders' meeting, the record shall be made and uploaded to the video conference platform.

Ballots of the aforesaid election shall be sealed with signatures by the persons to monitor and kept in proper custody for at least one year. When lawsuits are filed in pursuant to Article 189 of the Company Act, the relevant audio or video record shall be retained until the conclusion of the litigation.

Article 10 Resolutions of a shareholders' meeting shall be recorded in meeting minutes which shall bear the signature or seal of the chair and shall be distributed to each shareholders within 20 days after the meeting.

The aforesaid meeting minutes may be produced and distributed in electronic form.

Article 11 Numbers of shares that are solicited through solicitation, represented by proxy, and the number of shares represented by shareholders attending the meeting in person or by electronic means, shall be presented in a statistical table in required format by the Company and shall be revealed explicitly at the venue of the shareholders' meeting.

- Article 12 During a shareholders' meeting, the chair may announce an intermission at the chair's discretion. When an event of force majeure occurs, the chair may decide to suspend the meeting and announce the time for resumption of the meeting depending on the situation. Before all discussion items listed in the agenda are resolved but venue for a shareholders' meeting becomes unavailable, the meeting may resolve to resume the meeting elsewhere. Pursuant to Article 182 of the Company Act, shareholders' meeting may resolve to postpone or reconvene the meeting for not more than five days.
- Article 12-1 In the event of a virtual shareholders' meeting when the proceedings are obstructed due to natural disasters, accidents or other force majeure events, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply. In the event that the circumstances described in the preceding paragraph occur, the Company shall postpone or resume the meeting in accordance with Article 44-20, paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies.
- Article 12-2 When convening a virtual-only shareholders meeting, the Corporation shall reveal in the meeting notice that on-line connecting support and alternative measures will be provided to shareholders who have difficulty in participating a virtual conference upon their request in the duration given by the Corporation.
- Article 13 Matters not specified herein shall be governed by the Company Act, the Securities and Exchange Act and the Articles of Incorporation and relevant regulations of the Company.
- Article 14 The rules set forth herein shall take effect after approval by a shareholders' meeting; the same applies to amendments.

Aerospace Industrial Development Corporation

Articles of Incorporation

Chapter I General Provisions

Article 1 The Corporation shall be incorporated, as a company limited by shares, under the Company Act of the Republic of China, and its name shall be 漢翔航空工業股份有限公司 in the Chinese language, and AEROSPACE INDUSTRIAL DEVELOPMENT CORPORATION in the English language.

Article 2 The scope of business of the Corporation shall be as follows:

1. CB01010 Mechanical Equipment Manufacturing
2. CD01060 Aircraft and Parts Manufacturing
3. I101100 Aviation Consulting
4. JE01010 Rental and Leasing
5. IG03010 Energy Technical Services
6. CD01020 Rail Vehicle and Parts Manufacturing
7. I599990 Other Designing
8. I199990 Other Consulting Service
9. CB01030 Pollution Controlling Equipment Manufacturing
10. F113100 Wholesale of Pollution Controlling Equipments
11. E605010 Computer Equipment Installation
12. G502011 General Aviation
13. F401010 International Trade
14. E701030 Controlled Telecommunications Radio-Frequency Devices Installation Engineering
15. E606010 Power Consuming Equipment Inspecting and Maintenance
16. I103060 Management Consulting
17. I401010 General Advertisement Service
18. JB01010 Conference and Exhibition Services
19. CF01011 Medical Devices Manufacturing
20. F108031 Wholesale of Medical Devices
21. F208031 Retail Sale of Medical Apparatus
22. D101060 self-usage power generation equipment utilizing renewable energy industry
23. D101050 Combined Heat and Power
24. CC01010 Manufacture of Power Generation, Transmission and Distribution Machinery
25. CC01100 Controlled Telecommunications Radio-Frequency Devices and Materials Manufacturing
26. CC01060 Wired Communication Mechanical Equipment Manufacturing
27. CC01070 Wireless Communication Mechanical Equipment Manufacturing
28. F501990 Other Catering
29. H703100 Real Estate Leasing
30. CD01030 Motor Vehicles and Parts Manufacturing
31. I301010 Information Software Services

32. J202010 Industry Innovation and Incubation Services
33. F107060 Toxic and Concerned Chemical Substances Wholesale Trade
34. E603050 Automatic Control Equipment Engineering
35. CA02030 Screw, Nut and Rivet Manufacturing
36. CA02060 Metal Containers Manufacturing
37. CA02990 Other Metal Products Manufacturing
38. CA03010 Heat Treatment
39. CA04010 Surface Treatments
40. CB01990 Other Machinery Manufacturing
41. CC01020 Electric Wires and Cables Manufacturing
42. CC01080 Electronics Components Manufacturing
43. CC01110 Computer and Peripheral Equipment Manufacturing
44. CC01990 Other Electrical Engineering and Electronic Machinery Equipment Manufacturing
45. CD01990 Other Transport Equipment and Parts Manufacturing
46. CQ01010 Mold and Die Manufacturing
47. CA01050 Steel Secondary processing
48. CA02080 Metal Forging
49. E502010 Fuel Catheter Installation Engineering
50. E599010 Piping Engineering
51. E601010 Electric Appliance Construction
52. E603010 Cable Installation Engineering
53. E603040 Fire Safety Equipment Installation Engineering
54. E604010 Machinery Installation
55. EZ05010 Instrument and Meters Installation Engineering
56. EZ13010 Nuclear Engineering
57. EZ15010 Warming and Cooling Maintainance Construction
58. EZ99990 Other Engineering
59. F114070 Wholesale of Aircraft and Component Parts Thereof
60. F114990 Wholesale of Other Traffic Means of Transport and Component Parts Thereof
61. F213060 Retail Sale of Telecommunication Apparatus
62. F214030 Retail Sale of Motor Vehicle Parts and Motorcycle Parts, Accessories
63. F214060 Retail Sale of Ship and Component Parts Thereof
64. F214070 Retail Sale of Aircraft and Component Parts Thereof
65. G801010 Warehousing
66. J101050 Environmental Testing Services
67. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

Article 3 As business may require, the Company may provide guarantee according to the Company's warranty principles.

Article 4 The Company is located in Taichung City. It may establish subsidiaries in and out the country where and when necessary with approval from the Board of Directors.

Article 5 The Company's public announcements shall be made according to Article 28 of the Company Act.

Article 6 When the Company performs reinvestment to become a limited liability shareholder, the total investment amount must not exceed 60% of the paid-up capital.

Chapter II Shares

Article 7 The total capital of the Company is 15 billion NT dollars in 1.5 billion shares and NT\$10 per share. The shares may be issued in separate batches to the public.

Article 8 All company stock shares are registered. Their issuance shall be in accordance with Article 162 of the Company Act and is to be legitimately certified by an endorsement bank.

The Company may issue non-printed stock shares and the public shall register the acquired stock shares with the Taiwan Depository & Clearing Corporation through their securities dealers.

Article 9 The execution and management of stock share issuing is conducted according to the Government's "Criteria Governing Handling of Stock Affairs by Public Stock Companies".

Article 10 Activities of stock share transfers are prohibited under the following timeframes: within 60 days prior to the shareholders' general meeting; within 30 days prior to the provisional shareholders' meeting; and within 5 days of the determined record date on which dividends or other benefits are to be distributed.
The aforementioned times are initiated based on the date of meeting or the date of record.

Chapter III Shareholders' Meeting

Article 11 There are general and provisional meetings for the shareholders. General shareholders' meeting is called six months from the end of the previous fiscal year by the Board of Directors, whereas provisional shareholders' meeting is held whenever necessary according to applicable regulations.

Article 12 The shareholders' meeting is assembled according to the Company Act, the Securities & Exchange Act, and applicable regulations.
The shareholders' meeting can be held by means of visual conference or other methods announced by the central competent authority, and shall be subject to the regulations of the securities competent authority.

Article 13 Except when otherwise regulated in the Company Act, resolutions shall be approved by more than half of the votes from the attending shareholders, who collectively hold more than half of the total number of outstanding stock shares issued.

Article 14 The shareholder's each share stands for one count of vote, unless otherwise regulated in Item 2, Article 197 of the Company Act.

Article 15 The Company shall follow the procedures cited in the "Rules for Public Offering Company with Shareholders Using the Power of Attorney" for its shareholders who are unable to attend the shareholders' meeting.

Article 16 When Shareholders' meeting is called by the Board of Directors, the Chairman is the chairperson of the shareholders' meeting. The Chairman shall assign one of the executive directors as proxy when the Chairman is on leave or unable to perform this task. If the assignment is not being made, the executive directors shall elect a director among themselves to chair the shareholders' meeting.

For meetings whose convener is not a member of the BOD, the one who convenes the meeting shall be the chairperson of the shareholders' meeting. If there are more than one conveners, they shall elect one among themselves.

Article 17 Resolutions of shareholders' meeting shall be recorded in meeting minutes; signed by the chairperson; and distributed to the shareholders within 20 days after the shareholders' meeting.

Such meeting minutes may be generated in the form of an electronic file and may be distributed through public announcement.

Article 17-1 Shall the Company decide to terminate public offerings in the future, Article 156-2 of the Company Act shall be followed.

Chapter IV The Board of Directors and the Committees

Article 18 The company has 11 seats of Directors of whom 3 shall be Executive Directors elected among the Directors. One of the 3 Executive Directors shall be the Independent Director. The Chairman shall be elected among the Executive Directors. Directors may be excused from any Board session with appointment of another Director as the proxy to attend the meeting with the scope of authorization specified.

When the Board is in recess, the Executive Directors shall keep the Board in function in accordance with applicable legal rules, the Articles of Incorporation of AIDC, the resolution of the General Meeting of Shareholders, and the resolutions of the Board. The Chairman may call for special session at any time necessary and the presence of Directors representing half of the total seats shall qualify for a quorum and resolution can be made by a simple majority of the Directors attending the session.

Article18-1 The number of seats for Independent Directors as mentioned in the preceding article shall be at least 3. The professional qualification, quantity of shareholding, restriction on holding other positions, method of nomination, and other particulars to follow shall be subject to the regulations of the competent authority.

Article18-2 AIDC Directors shall be elected in accordance with a nomination system as specified in the Company Act of ROC. A list of prospective candidates of directors shall be proposed before the General Meeting of Shareholders, and directors shall be elected among the candidates on the list. AIDC will elect its Directors by the accumulation of individual votes whereby each stock share has legitimate votes relevant with the number of seats for the Directors. Each shareholder may vote in favor of a particular candidate with all his/her votes on hand or distribute his/her votes equally to a number of preferred candidates. Candidates winning the majority of the votes shall be elected as members on the Board of Directors.

Independent and non-independent directors shall be nominated separately and elected at the same time. The numbers of elected independent and non-independent directors shall be calculated separately.

To reduce of the legal liability risk of the Directors, the company shall provide appropriate professional liability insurance for each Director for the protection of their respective duties.

Article 19 The Board shall specify the reason for convening the meeting and shall inform all the Directors and Supervisors 7 days in advance. The Board may call for special sessions at any time where necessary.

The Board may give notice of meeting in correspondence or electronic means.

Article 20 The Directors of AIDC shall each have a term of office for 3 years and may assume a second term as Director if reelected.
The remuneration to the aforementioned Directors (including the Chairman, Independent Directors) shall be commensurate with their respective levels of participation in the operation of and contribution to the company with reference to industry level at home and abroad subject to the finalization of the Board.
The Chairman shall be entitled to a subsidy at the same level of the employees in remuneration. The Labor Standards Act shall be applicable to the Chairman in pension payment for resignation (retirement) irrespective of the limitation of the term of service or age.

Article 21 The Board of AIDC shall perform the following functions:

1. Planning for the adjustment of capital status and direct investment.
2. The approval of the organization code and management regulations of AIDC.
3. Approval of the long, mid, and short-term plans, business policy and annual plans.
4. Approval of company budget and account settlement.
5. Approval of unbudgeted long-term loans and the issuance of corporate bonds.
6. Approval of the disposition or exchange of lands, buildings, and essential machinery and equipment.
7. Approval of repair and renovation works, and the procurement of properties exceeding the authorized limit of the Board.
8. The appointment and discharge of personnel at the level senior to vice presidents, chief financial officer, chief accounting officer, and the chief of internal auditing.
9. Approval of the salary scale and fringe benefits for the employees.
10. Any other duties as required by law.

Further to the aforementioned scope, the duties of Independent Directors shall be determined separately subject to the approval of the Board before coming into effect.

Article 22 The company established the Auditing Committee pursuant to Article 14-4 of the Securities and Exchange Act with committee members consisting of all Independent Directors of the company.
The number of members, the term of office, the authority, and parliamentary rules of the Auditing Committee and the kind of resources available from the company at the time of performing their duties shall be determined in the organization code of the Auditing Committee.

The number of members, the term of office, the authority, and parliamentary rules of the Remuneration Committee and the kind of resources available from the company at the time of performing their duties shall be determined in the organization code of the Remuneration Committee.

Article 23 The Company shall establish a Remuneration Committee.
The number of members, the term of office, the authority, and parliamentary rules of the Remuneration Committee and the kind of resources available from the company at the time of performing their duties shall be determined in the organization code of the Remuneration Committee.

Chapter V Managers and Staff

Article 24 The president of the Company oversees the management and businesses of the company according to the operational guidelines of the BOD. Three to seven seats of

senior vice presidents shall be nominated to support the president.
The appointment, discharge, and remuneration of the aforementioned executives shall be conducted according to Article 29 of the Company Act.

Article 25 (Deleted)

Article 26 Unless regulated by legal rules or specified in the employment contract or agreement, the employment and discharge of employees shall be conducted according to the Company's applicable rules and regulations for human resources management.

Chapter VI Financial Report

Article 27 The fiscal period of the Company shall start on January 1 and end on December 31 of each calendar year. The calendar year shall be expressed as the year of the Republic of China. At the end of each fiscal year, the Board shall compile the following ledgers and statements and forward to the Auditing Committee for auditing 30 days before the session of the General Meeting of Shareholders, and presented before the General Meeting session for ratification:

1. Report on Operation.
2. Financial Statement
3. Proposal for distribution of earnings or allocation of earnings for covering losses carried forward.

Article 28 An amount not less than 0.58% and not more than 4.65% of the company's annual net profits before tax shall be allocated as employee remuneration, of which no less than 40% shall be distributed to the rank and file, and not more than 0.58% shall be allocated as remuneration for the directors of the Board. However, if there are accumulated losses, the amount to offset the losses shall be deducted, resulting in a corresponding reduction in the bonus/remuneration allocation.

Article 28-1 This corporation shall not pay dividends or bonuses when there is no profit. When allocating the net profits for each fiscal year, the sequence shall be as follows: taxes payment; offset of losses in previous years; in addition to that the legal profit reserve equals to the total capital of the Corporation, a legal capital reserve at 10% of the profits leftover shall be set aside; set aside special capital reserve in accordance with relevant laws or regulations. Any balance left over shall be allocated according to the following principles per resolution of the shareholders' meeting:

1. Profits may be distributed by taking financial, business and operational factors into consideration.
2. Profits of this corporation may be distributed by way of issuance of cash dividends and/or stock dividends. Since this Corporation is in a capital-intensive industry, distribution of profits shall be made preferably by way of issuance of cash dividends. Distribution of profits may also be made by way of issuance of stock dividends, provided however, the ration for stock dividends shall not exceed 50% of total distribution.

In case there is no profit for distribution in a certain year, or the profit of a certain year is far less than the profit actually distributed by this Corporation in the previous year, or in consideration of financial, business, operational, or other related factors of this Corporation, the Company may allocate a portion or all of its reserves for distribution in accordance with relevant laws or regulations or the orders of the authorities in charge.

Chapter VII Supplemental Provisions

Article 29 Matters that are not covered in the Articles shall be ruled according to the Company Act.

Article 30 The Articles of Incorporation of AIDC was instituted on March 5, 1996, with amendment for the 1st instance on June 14, 1996, the 2nd amendment was incorporated on June 24, 1996, the 3rd amendment was incorporated on May 29, 1997, the 4th amendment was incorporated on September 23, 1997, the 5th amendment was incorporated on November 24, 1998, the 6th amendment was incorporated on May 25, 1999, the 7th amendment was incorporated on November 2, 1999, the 8th amendment was incorporated on January 20, 2000, the 9th amendment was incorporated on June 12, 2001, the 10th amendment was incorporated on September 6, 2001, the 11th amendment was incorporated on June 6, 2002, the 12th amendment was incorporated on June 16, 2004, the 13th amendment was incorporated on June 15, 2005, the 14th amendment was incorporated on May 2, 2006, the 15th amendment was incorporated on August 26, 2008, the 16th amendment was incorporated on April 19, 2010, the 17th amendment was incorporated on September 17, 2013, the 18th amendment was incorporated on April 3, 2014, the 19th amendment was incorporated on October 17, 2014, the 20th amendment was incorporated on June 23, 2015, the 21st amendment was incorporated on June 14, 2016, the 22nd amendment was incorporated on June 14, 2017, the 23rd amendment was incorporated on May 31, 2019, the 24th amendment was incorporated on May 29, 2020, the 25th amendment was incorporated on August 13, 2021, the 26th amendment was incorporated on May 27, 2022, and the 27th amendment was incorporated on May 22, 2025.

Appendix III

Aerospace Industrial Development Corporation

Shareholdings of the Directors

Book Closure Date: 24 March, 2026

Title	Name	Shareholding recorded in shareholders' register on book closure date	
		Shares	%
Chairman	MOEA Representative: Tsao, Chin-Pin	331,301,773	35.175%
Executive Director	MOEA Representative: Chuang, Hsiu-Mei	331,301,773	35.175%
Director	MOEA Representative: Chang, Ming-Pin	331,301,773	35.175%
Director	MOEA Representative: Liu, Sung-Yu	331,301,773	35.175%
Director	MOEA Representative: Liu, Hans I. J.	331,301,773	35.175%
Director	MOEA Representative: Yu, Cheng-Tao	331,301,773	35.175%
Director	MOEA Representative: Chang, Kuo-Chang	331,301,773	35.175%
Director	NDIDF Representative: Huang, Chih-Wei	11,063,201	1.175%
Executive and Independent Director	Chan, Chia-Chang	0	0
Independent Director	Chen, Yin-Chin	0	0
Independent Director	Wang, Yi-Shen	0	0
Total Shareholding Owned by All Directors		342,364,974	36.350%

- Notes:
1. By 24 March, 2026, the book closure date, the Company has issued a total of 941,867,101 shares.
 2. Pursuant to the Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies, shareholdings of independent directors shall not be counted in the shareholdings owned by all directors; and, the prescribed minimum shares to be owned by all directors are 30,139,747 shares.
 3. The Company has set up an audit committee; hence, the provisions on the minimum percentage requirements for the shareholding of supervisors shall not apply.