



Company Limited

Stock code : 2630

Air Asia Co., Ltd

2025 Annual Report

Website of Market Observation Post System:

mops.twse.com.tw

Company website: www.airasia.com.tw

April 20, 2026

I. Company spokesman, Acting spokesman

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Title : Vice President
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II. Addresses and telephones of company and factory

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IV. CPAs who duly audited the annual financial report for the most recent fiscal year

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V. Name of any exchanges where the Company's securities are traded offshore, and the method by which to access information on said offshore securities: None.

VI. Company Website : www.airasia.com.tw

Air Asia Co., Ltd.

2025 Annual Report

Index

I.	Letter to Shareholders	1
i.	Business Results for Fiscal Year 2025	1
ii.	Summary of 2026 Operating Plans	1
iii.	Future Development Strategies of the Company	4
iv.	Impact of External Competition, Legal Environment, and Overall Operating Environment	6
II.	Corporate governance report.....	8
i.	Directors, Supervisors, General Manager, Assistant General Manager, Associates, Departments and Branches Officer Information.....	8
ii.	Remuneration paid during the most recent fiscal year to Directors, Supervisors, General Manager, Assistant General Manager	23
iii.	Corporate Governance Status	28
iv.	Information on CPA professional fees	106
v.	Information on replacement of CPA.....	106
vi.	Where the Company's Chairman, general manager, or any managerial officer in charge of finance or accounting matters has in the most recent year held a position at the accounting firm of its certified public accountant or at an affiliated enterprise of such accounting firm	106
vii.	In the most recent year and up to the print date of annual report, any transfer of equity interests and/or pledge of or change in equity interests by a Director, supervisor, managerial officer, or shareholder with a stake of more than 10 percent.....	107
viii.	Relationship information, if among the Company's 10 largest shareholders any one is a related party or a relative within the second degree of kinship of another..	109
ix.	The number of shares held by the Company, the number of shares held by the Company's Directors, supervisors, the personnel whose positions are managerial or higher, and the number of shares of the same investee enterprise which are held by the entities directly or indirectly controlled by the Company. Calculate the consolidated shareholding percentage of the above categories	109

III.	Fund-raising situation	110
i.	Capital and shares	110
ii.	Bonds implementation status	114
iii.	Preferred shares	114
iv.	Overseas Depository Receipts	114
v.	Employee Stock Options	114
vi.	Restricted Stock Awards	114
vii.	Issuance of New Shares for Acquisition or Exchange of Other Companies’ Shares.....	114
viii.	Financing Plans and Implementation: As of the first quarter of 2026, the Company's previous funding plans for the issuance or private placement of securities have been completed.....	115
IV.	Operations Profile	116
i.	Business Content	116
ii.	Overview of market and production/sales situation	126
iii.	Number of employees, average length of service, average age and education contribution ratio of employees in the last two years and up to the print date of annual report	132
iv.	Information of environmental protection expenditure	132
v.	Labor Relations.....	133
vi.	Information Security Management and Personal Data Protection	137
vii.	Significant contracts	146
V.	Review and analysis of financial status and financial performance and their risk issues..	150
i.	Financial status	150
ii.	Financial Performance	151
iii.	Cash flow	152
iv.	Impact of recent major capital expenditures on financial operations	153
v.	The reinvestment policy in recent year, its main reason of profit or loss and improvement plan; and investment plan for the coming year	153
vi.	Risk analysis and evaluation.....	153
vii.	Other important issues	157

VI. Special items	158
i. Relevant information of affiliated enterprises	158
ii. In the most recent year and up to the print date of annual report, the process of private funding of securities	158
iii. Other necessary supplementary notes.....	158
iv. In the most recent year and up to the print date of annual report, any matter with significant impact to shareholder's equity or security price regulated in Sub-paragraph 2, Paragraph 3, Article 36 pf the Securities and Exchange Act occurs.....	158

I. Letter to Shareholders

i. Business Results for Fiscal Year 2025

(i). Results of Business Plan Implementation

The Company's operating revenue for FY2025 was NT\$5,454,110 thousand, with a net profit after tax of NT\$209,725 thousand and earnings per share (EPS) of NT\$1.00.

(ii). Status of Budget Execution

Operating revenue for FY2025 was NT\$5,454,110 thousand, an increase of NT\$433,484 thousand compared to the budgeted NT\$5,020,626 thousand. Net profit after tax was NT\$209,725 thousand, an increase of NT\$85,075 thousand over the budget of NT\$124,650 thousand. The fact that both revenue and net profit exceeded the budget was primarily attributed to the smooth replenishment of maintenance materials for military aircraft parts and the improvement of contract terms for full-aircraft maintenance services.

(iii). Analysis of Financial Results and Profitability

Operating revenue for FY2025 was NT\$5,454,110 thousand, representing an increase of NT\$254,054 thousand compared to NT\$5,200,056 thousand in FY2024. Net profit after tax for FY2025 reached NT\$209,725 thousand, an increase of NT\$69,116 thousand from NT\$140,609 thousand in FY2024. The growth in profitability was primarily driven by the increased demand for full-aircraft maintenance.

(iv). Research and Development Status

The Company's R&D expenses for FY2025 amounted to NT\$26,164 thousand. Key research and development efforts are focused on unmanned aerial vehicles (UAVs) and fiber optic gyroscopes.

ii. Summary of 2026 Operating Plans

(i). Management Policies and Major Production-and-Sales Plans

1. Commercial Aircraft Maintenance

The Commercial Aircraft Business Unit serves as a professional maintenance facility specializing in single-aisle narrow-body and regional aircraft, including the Boeing B737, Airbus A320 series, DHC-8-Q400, and ATR 42/72. Under the strategies of "Retaining Existing Customers" and "Developing New Customer Bases," the division has established short-, medium-, and long-term plans to expand capabilities, aiming to secure new clients and fleet maintenance contracts.

In recent years, the Company has leveraged its professional independence, competitive turnaround times, customized services, and superior management to effectively implement various business development initiatives.

In 2025, the Company served a total of 17 customers with 54 aircraft inducted for maintenance. For 2026, while maintaining our existing client base, we will designate the Australian market as a key development priority. By deepening these collaborative relationships, we aim to generate stable revenue streams and enhance overall profitability.

Line Maintenance services are provided at major domestic airports, including Songshan, Taoyuan, Taichung, Tainan, and Kaohsiung, to meet customers' real-time maintenance requirements on the line. Benefiting from its geographical advantage and the synergy of economic and tourism effects, Taiwan has become a critical aviation hub in the Asia-Pacific region. Airlines have significantly increased flight frequencies; the average monthly flights in 2025 exceeded 3,000 movements. The Tigerair Taiwan routes from Tainan to Kumamoto and Okinawa, launched in December 2025. Looking ahead to 2026, we remain committed to acquiring new clients and securing additional service routes to sustain business growth. Furthermore, the commercial maintenance contract for the National Airborne Service Corps King Air 200 (NA-301) was officially launched in July 2025. This project will secure future revenue and profit, ensuring stable growth for the Commercial Aircraft Business Unit.

2. Government and Military Aircraft Maintenance

The Company rigorously executes maintenance services for various aircraft and components under the "Air Force Second Logistics Command Military Factory Delegating Private Operation Project" and the "Air Force Songshan Base Command Rehabilitation and Supply Team Delegating Private Operation Project". Adhering to the principle of "Flight Safety First," we aim to complete all military-commissioned tasks on time and with high quality, ensuring the achievement of annual scheduled maintenance targets. These efforts are dedicated to meeting customer demands, addressing urgent shortages for military units, and supporting various combat, exercise, and training missions.

In 2026, the Company will continue to collaborate with the Air Force on the "C-130 Rainbow Fitting Replacement Project" for the center wing section. Furthermore, the Company will fully leverage the military assets transferred under the Second Logistics Command's GOCO project to conduct third-party operations. This strategy aims to increase overall revenue and optimize the operational efficiency of the GOCO project.

The outsourced operation contract for the "Air Force Songshan Base Command Rehabilitation and Supply Team Delegating Private Operation Project" is set to expire in 2026. The renewal application was submitted in July 2024 and reviewed by the Air Force. Following a Renewal Evaluation Committee meeting on December 4, 2025, the proposal was submitted to the Ministry of National Defense (MND) for processing. Upon completion of the MND procedures in 2026, a subsequent contract expansion will be implemented for the period of 2027 to 2028.

The Company secured the "Albatross II Production and Assembly Project" at the end of 2023. The delivery of the first aircraft was completed in August 2024, followed by the final acceptance and closing of the entire project in September 2025. In 2026, in addition to pursuing business opportunities under the Ministry of National Defense's (MND) mass production plans, the Company will also incorporate its current performance and results into the business proposal for the "MND Armaments Bureau Littoral Surveillance and Reconnaissance UAV" project. This aims to facilitate a favorable evaluation and secure the contract, further expanding the Company's UAV business.

In compliance with the "National Defense Industry Development Act" and its relevant regulations, defense contractors must obtain qualification and grade certifications, which impact their eligibility and scoring in future Ministry of National Defense (MND) procurement projects. In December 2023, the Company was awarded the "Controlled Defense Products Contractor Grade Certification" by the MND for three aircraft types: C-130, E-2K, and P-3C. The Company will continue to undergo security clearances and renewal applications in accordance with regulations to ensure its eligibility and competitive advantage for future defense projects, thereby maximizing the Company's benefits.

3. Helicopter Maintenance

The Company serves as an Authorized Service Center for Bell Flight and Breeze-Eastern. Furthermore, we have signed a Technical Support Agreement with Sikorsky, ensuring the seamless execution of various projects and programs.

In accordance with the Strategic Commercial Maintenance contracts signed with the Army, the Company performs maintenance services for airframes, engines, and components of the OH-58D, CH-47SD, and TH-67 helicopter models. These efforts aim to support the fleet availability of various Army aircraft, meeting the demands of combat, exercises, and training missions.

Leveraging our professional helicopter maintenance expertise and advanced facilities, we also persist in executing Depot-Level planned IRAN (Inspect and

Repair as Necessary) maintenance for 500MD helicopters under the GOCO project. Starting in 2026, the Company will implement the Radar Altimeter Transceiver Modification Project for the Navy's 500MD helicopters to effectively resolve fleet availability issues.

The Company rigorously executes the contract for the outsourced management and maintenance of the National Airborne Service Corps UH-60M Black Hawk fleet for 2026–2027. Adhering to the principles of "Flight Safety First, Quality Priority, and Maintenance of Operational Readiness," we aim to satisfy customer mission requirements. Furthermore, the Company will actively pursue tenders for component maintenance and material procurement to further enhance revenue growth.

The Company continues to execute maintenance projects for rescue hoists and cargo winches from Breeze-Eastern for the National Airborne Service Corps, the Army, Air Force, Navy, and Korea Aerospace Industries. Furthermore, the Company is expanding into the Malaysian market by developing Performance-Based Logistics (PBL) management and MRO services for rescue hoists and cargo winches, thereby increasing the overall scale of its hoist maintenance business.

(ii). Expected Sales Volume and Its Basis

Due to the nature of our business, which includes Full-Fleet Operations & Maintenance, aviation material trading, outsourced component maintenance, and in-house component repairs, there is significant variation in product types. Furthermore, measurement units and pricing models differ across these categories. For fleet-related operations, the operational readiness rate (or availability rate) is utilized as the primary performance indicator. Consequently, traditional production capacity and output volume cannot be quantified for these activities.

iii. Future Development Strategies of the Company

(i). Commercial Aircraft Maintenance Business

The global airline fleet continues to expand. However, due to raw material constraints and production capacity limitations faced by Original Equipment Manufacturers, the delivery schedules for new aircraft have failed to meet market demand. Consequently, airlines are extending the service life of aging aircraft or delaying lease returns to meet operational needs. This has led to a surge in maintenance demand, resulting in a supply-demand imbalance within the MRO industry. The Company has built a strong reputation for professional maintenance in the Asia-Pacific market, holding certifications from the US FAA, EU EASA, and

Australian CASA. The short-, medium-, and long-term market plans are outlined below:

1. Short-Term Objectives:

Given the Company's solid customer base in the Northeast Asian market, we will continue to strengthen the scale of aircraft inducted under existing Master Services Agreements, thereby increasing the utilization rate of existing capacity and enhancing operational efficiency. Concurrently, the Australian market has been designated as a key development region. By deepening customer cooperation, we can create stable revenue streams and improve overall profitability for the Company.

2. Medium-Term Objectives:

The Company will focus on MRO services for the 737 MAX fleet. In alignment with market demand and capacity planning, the Company aims to progressively enhance its maintenance capabilities and increase the number of clients. This strategy is designed to expand the scope of aircraft model maintenance and strengthen market competitiveness.

3. Long-Term Objectives:

In response to business growth and market demand, we plan to add a fourth maintenance line to expand our overall maintenance capacity. Simultaneously, the Company will actively develop the Southeast Asian market by pursuing new clients in Thailand, India, and the Philippines. A further strategy involves expanding our presence in the lease return maintenance business, aiming to establish a diversified revenue structure with long-term stability.

(ii). Government and Military Aircraft Maintenance Business

The Taichung Accessory Plant's plating facility features 39 electroplating tanks capable of chrome plating, cadmium plating, and anodizing. It currently handles electroplating for components such as landing gear, propellers, and hydraulic systems for various military aircraft. To maximize the use of transferred equipment and manpower and to pursue third-party operations, the facility has obtained ISO 9001 and AS9110 certifications and joined the "Taichung Youth Shalu Shengang Industry Association (TYSIA)." Through marketing and promotion, the facility aims to secure electroplating subcontracting orders, with the goal of becoming a premier electroplating center for hardware fasteners in Taiwan. Meanwhile, the Pingtung Aircraft Maintenance Plant aims to fully utilize the Da-Sheng Camp under the GOCO model for third-party operations. This includes revitalizing airport usage and planning the expansion of Business Jet FBO (Fixed-Base Operator) services as well as commercial aircraft paint stripping, repainting, and MRO services. These

efforts will increase maintenance capacity and establish a "barrier to entry" for the Second Logistics Command GOCO Project, securing a highly favorable position for future contract renewals.

The Company has been awarded a total of 71 Industrial Cooperation Program (ICP) capability certificates for F-16 and P-3C aircraft and has undertaken maintenance tasks commissioned by the Air Force. Moving forward, the Company will continue to invest in the development of ICP capabilities to strengthen national defense autonomy.

The Company has established capabilities for UAV assembly and maintenance. Through commercial licensing and technology transfer for the manufacturing of medium-sized UAV composite airframes, the Company continues to enhance its UAV maintenance and manufacturing capacities. These efforts aim to secure upcoming contracts for UAV assembly and commercial maintenance (MRO) projects for unmanned vehicle systems.

(iii).Helicopter Maintenance Business

The Company continues to develop the avionics performance upgrade for the TH-67 helicopter and the structural life extension for the Navy's S-70C helicopter. In the international market, we will perform maintenance for Breeze-Eastern rescue hoists and cargo winches from South Korea, while pursuing Performance-Based Logistics (PBL) and MRO contracts for the same components in Malaysia. These efforts are part of a comprehensive strategy to promote helicopter MRO business across Asia and generate operational synergy.

iv. Impact of External Competition, Legal Environment, and Overall Operating Environment

In recent years, the aviation maintenance industry has faced challenges such as the loss of technical personnel and the retirement of senior engineers. To address this, the Company continues to invest in professional maintenance training and provides guidance to encourage employees to obtain certifications. In addition to industry-academia collaborations with colleges and universities, the Company's Maintenance Training Organization (MTO), approved by the CAA, conducts internal aircraft maintenance training programs. Based on operational and manpower requirements, these programs provide essential training and certification exams to optimize training quality, cultivate talent reserves, and build long-term maintenance capacity.

Due to the impact of Diminishing Manufacturing Sources and Material Shortages (DMSMS) for aging aircraft models and geopolitical factors, the industry has faced extended lead times for raw materials and difficulties in procuring maintenance parts. In

response, the Company actively collaborates with domestic Taiwanese suppliers through joint development and prototype testing to help customers secure high-quality maintenance sources, thereby ensuring stable revenue growth.

The provision of maintenance services for both military and commercial aircraft is strictly regulated by international aviation authorities. The Company currently holds numerous OEM authorizations and certifications for aircraft and component maintenance. Looking ahead, in addition to expanding our presence in the domestic and international commercial maintenance markets, we will continue to consolidate our core businesses under the government's consistent outsourcing policy, striving for steady and sustainable growth.

II. Corporate governance report

i. Directors, Supervisors, General Manager, Assistant General Manager, Associates, Departments and Branches Officer Information

(i). Information of directors and supervisors

April 20, 2026

Title	Nationality or place of registration	Name	Gender Age	Date of election (taking office)	Term of office	First elected date	Shares held at election		Shares held now		Shares held by spouse and minor children		Shares held under other's name		Main (education) experience	Position now concurrently served in this company and other company	The other head, director or supervisor is his/her spouse or a relative within the second degree of kinship			Note
							Shares	Ratio	Shares	Ratio	Shares	Ratio	Shares	Ratio			Title	Name	Relation	
Chairman	ROC	Taiwan Aerospace Corp.	-	Sep. 4, 2024	3 Y	Dec. 16, 1994	92,156,523	63.76%	104,029,402	49.67%	0	0	0	0	-	-	-	-	-	-
	ROC	Lee, Woei-Shyan	M 70	Sep. 4, 2024	3 Y	Sep. 4, 2024	0	0	0	0	0	0	0	0	Ph.D., Graduate School of Mechanical Engineering, Ecole Centrale de Nantes, France President of National United University Professor of National Cheng Kung University	Chairman and General Manager of Air Asia Co., Ltd. Air Asia Co., Ltd. (USA) Director、President	-	-	-	Note 2
Director	ROC	Taiwan Aerospace Corp.	-	Sep. 4, 2024	3 Y	Dec. 16, 1994	92,156,523	63.76%	104,029,402	49.67%	0	0	0	0	-	-	-	-	-	-
	ROC	Li, Han-Ming	M 63	Sep. 4, 2024	3Y	Sep. 4, 2024	0	0	0	0	0	0	0	0	Ph.D., Department of Computer Science and Information Engineering, National Taiwan University Distinguished Professor, Department of Computer Science and Information Engineering, National Taiwan University of Science and Technology Director of Enova Technology Corp. Advisor, National Security Council Chairman, Telecom Technology Center	Director of CHT Security Co., Ltd. Director of TrendForce Corp. Independent Director of Galaxy Software Services Corp.	-	-	-	-
Director	ROC	Taiwan Aerospace Corp.	-	Sep. 4, 2024	3 Y	Dec. 16, 1994	92,156,523	63.76%	104,029,402	49.67%	0	0	0	0	-	-	-	-	-	-
	ROC	Chang, Pei-Jen	M 63	Sep. 4, 2024	3 Y	Sep. 4, 2024	0	0	0	0	0	0	0	0	Ph.D., Theoretical & Applied Mechanics, Cornell University, USA Vice President, Industrial Technology Research Institute	Professor, Institute of Applied Mechanics, National Taiwan University President, Industrial Technology Research Institute	-	-	-	-
Director	ROC	Taiwan Aerospace Corp.	-	Sep. 4, 2024	3 Y	Dec. 16, 1994	92,156,523	63.76%	104,029,402	49.67%	0	0	0	0	-	-	-	-	-	-
	ROC	Lu, I-Hsuan	F 51	Sep. 4, 2024	3 Y	Sep. 4, 2024	0	0	0	0	0	0	0	0	Master of Arts (International Economic Management), University of Birmingham, UK Vice President of Taiwan Aerospace Corp. Senior Specialist, Hsinchu Science Park Bureau Confidential Secretary, Office of the Chairperson of the Financial Supervision Commission Intermediate Specialist, First Commercial Bank of First Financial Holding Co., Ltd.	Acting General Manager of Taiwan Aerospace Corp. Director of Link Wave Aerospace Technologies Inc.	-	-	-	-

Title	Nationality or place of registration	Name	Gender Age	Date of election (taking office)	Term of office	First elected date	Shares held at election		Shares held now		Shares held by spouse and minor children		Shares held under other's name		Main (education) experience	Position now concurrently served in this company and other company	The other head, director or supervisor is his/her spouse or a relative within the second degree of kinship			Note
							Shares	Ratio	Shares	Ratio	Shares	Ratio	Shares	Ratio			Title	Name	Relation	
Director	ROC	Taiwan Aerospace Corp.	-	Sep. 4, 2024	3 Y	Dec. 16, 1994	92,156,523	63.76%	104,029,402	49.67%	0	0	0	0	-	-	-	-	-	
	ROC	Sun, Hsing-Kuang	M 60	Apr. 11, 2025	Note 1	Apr. 11, 2025	0	0	0	0	0	0	0	0	Mechanical Engineering, Air Force Mechanical School Supervisor Aircraft Quality Control, Pingtung of Air Asia Co., Ltd.	President of Union of Air Asia Co., Ltd.	-	-	-	-
Director	ROC	Taiwan Sugar Cop.	-	Sep. 4, 2024	3 Y	Aug. 31 ,1999	17,800,712	12.32%	19,898,469	9.50%	0	0	0	0	-	-	-	-	-	
	ROC	Wu, Chih-Wei	M 58	Sep. 4, 2024	3 Y	Nov. 29, 2023	0	0	0	0	0	0	0	0	Master, Institute of Environmental Engineering, National Chiao Tung University Deputy Director General of Energy Administration, Ministry of Economic Affairs Counselor of Ministry of Economic Affairs Director of Bureau of Energy, Ministry of Economic Affairs	Acting Director General of Energy Administration, Ministry of Economic Affairs	-	-	-	-
Director	ROC	Taiwan Sugar Cop.	-	Sep. 4, 2024	3 Y	Aug. 31 ,1999	17,800,712	12.32%	19,898,469	9.50%	0	0	0	0	-	-	-	-	-	
	ROC	Li, Yu-Ying	M 63	Sep. 4, 2024	3Y	Apr. 22, 2022	0	0	0	0	0	0	0	0	Master, Department of Information Management, National Yunlin University of Science and Technology Deputy Director of Department of Human Resource, Taiwan Sugar Corporation Human Development Manager, Department of Human Resource, Taiwan Sugar Corporation Human Resources Manager, Biotechnology Business Division, , Taiwan Sugar Corporation	Director of Department of Human Resource, Taiwan Sugar Corporation	-	-	-	-
Independent Director	ROC	Lin, Chang-Ching	M 53	Sep. 4, 2024	3 Y	Aug. 25, 2021	0	0	0	0	0	0	0	0	Ph.D. in Economics, University of Michigan, Ann Arbor, USA Associate Dean of College Social Sciences, National Cheng Kung University Joint Research Fellow, Institute of Economics, Academia Sinica Associate Professor, Department of Economics, National Cheng Kung University Assistant Research Fellow, Institute of Economics, Academia Sinica	Professor and Department Chair, Department of Economics, National Cheng Kung University Independent Director of Mega Financial Holding Co., Ltd. Member of the 21st Board of Directors of the Central Bank of the Republic of China (Taiwan)	-	-	-	-
Independent Director	ROC	Wang, Hui-Ching	M 59	Sep. 4, 2024	3 Y	Sep. 4, 2024	0	0	0	0	0	0	0	0	Master, Institute of Industrial Engineering, National Tsing Hua University Executive Assistant to GM of Jetwell Computer Co., Ltd. Associate of PricewaterhouseCoopers Business Consulting Services Taiwan Ltd. Executive of Public, Communication, Distribution, IBM Taiwan Corp.	-	-	-	-	
Independent Director	ROC	Wang, Shih-Kun	M 70	Sep. 4, 2024	3 Y	Sep. 4, 2024	0	0	0	0	0	0	0	0	Master, Institute of Industrial Management, National Cheng Kung University Independent Director of Tong Ming Enterprise Co., Ltd. Partnership CPA of Li Yang Accounting Firm Manager, Accountant of Deloitte & Touche Tohmatsu Ltd.	Director, CPA of Li Yi Accounting Firm Independent Director of China Steel Corp.	-	-	-	-

Title	Nationality or place of registration	Name	Gender Age	Date of election (taking office)	Term of office	First elected date	Shares held at election		Shares held now		Shares held by spouse and minor children		Shares held under other's name		Main (education) experience	Position now concurrently served in this company and other company	The other head, director or supervisor is his/her spouse or a relative within the second degree of kinship			Note
							Shares	Ratio	Shares	Ratio	Shares	Ratio	Shares	Ratio			Title	Name	Relation	
Independent Director	ROC	Chang, Ke-Hao	M 42	Sep. 4, 2024	3 Y	Sep. 4, 2024	0	0	0	0	0	0	0	0	Master of EMBA, National Cheng Kung University Master of Law, Fu Jen Catholic University Independent Director of Sun Ba Power Corp. Partner of Chen, Tsai & Partners Attorneys-At-Law	Co-Located of Welead Attorneys-At-Law Independent Director of Solytech Enterprise Corp. Independent Director of DIANTHUS Co., Ltd.	-	-	-	-
Note 1: He has served as a Director of the Company since Apr. 11, 2025; the term is till Sep. 03, 2027.																				
Note 2: Where the Chairperson of the Board of Directors and the President or person of an equivalent post (the highest level manager) of a company are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto (i.g. increase the positions of Independent Directors or there should be more than half of Directors who are not employees or managers in the same time):																				
The reason why the Company's Chairperson and President is the same person is to improve operation efficiency and execution of decision making, however, in order to strengthen the independence of Board of Directors, we have been actively cultivating suitable personnel for this position. In addition, the Chairperson works closely with each Director on the communication of company operation status and policy to carry out the governance of the Company. The Company has also increased the number of Independent Directors to improve the competency of Board of Directors and strengthen function of supervision. Currently we have actual measures as below:																				
1. Four of current Independent Directors have expertise in finance and accounting, legal and industry economy relatively, which allows efficient supervision competency.																				
2. The Company will arrange training courses from Securities and Future Institute and other external facilities for each Director to improve the operation efficiency of Board of Directors.																				
3. Independent Directors can fully involve discussion and provide suggestions for reference on each functional committee to carry out the governance of the Company.																				
4. No more than half members of the Board of Directors are employees or managers.																				

(ii). Major shareholders of juristic person shareholders

April 19, 2026

Name of juristic person shareholders	Major shareholders of juristic person shareholders	Shareholding ratio
Taiwan Aerospace Corp.	National Development Fund, Executive Yuan	49.15%
	Cathay Life Insurance Company, Ltd.	9.99%
	Mega International Commercial Bank Co., Ltd.	6.04%
	CTBC Bank Co., Ltd.	5.02%
	TransGlobe Life Insurance Inc.	4.40%
	Evergreen Steel Corp.	4.06%
	Hui'an Investment Co., Ltd.	2.53%
	Shin Kong Life Insurance Co., Ltd.	2.51%
	KGI Life Insurance Co., Ltd.	2.51%
	Young Brothers International Inc. (Hong Kong)	1.25%
	Fubon Insurance Co., Ltd.	1.25%
	Taipei Fubon Commercial Bank Co., Ltd.	1.25%
	Tungsho Steel Corp.	1.20%
Taiwan Sugar Corp.	Ministry of Economics	86.15%
	Northern Region Branch, National Property Administration, MOF	9.92%

(iii). When major shareholder of juristic person shareholders is a juristic person shareholder, the major shareholders of such juristic person shareholders

April 19, 2026

Name of juristic person shareholders	Major shareholders of juristic person shareholders	Shareholding ratio
National Development Fund, Executive Yuan	None (Governmental unit, not corporation organization)	-
Cathay Life Insurance Company, Ltd.	Cathay Financial Holdings Co., Ltd.	100.00%
Mega International Commercial Bank Co., Ltd.	Mega Financial Holding Company Ltd.	100.00%
CTBC Bank Co., Ltd.	CTBC Financial Holding Co., Ltd.	100.00%

TransGlobe Life Insurance Inc.	CWY De Hui Holding Co., Ltd.	100.00%
Evergreen Steel Corp. (Note 1)	Evergreen Marine Corp. (Taiwan) Ltd.	19.00%
	Chang, Kuo-Hua	6.18%
	Continental Engineering Corp.	6.15%
	Chang Yung-Fa Foundation	6.00%
	Shine Glow Investments Ltd.	6.00%
	Yang, Mei-Chen	4.87%
	Chang, Sheng-En	4.78%
	Taiwan Business Bank, Ltd. in custody for Yuanta Taiwan High Dividend Low Volatility ETF	3.20%
	Wei-Dar Development Co., Ltd.	3.07%
	TSRC Corporation	2.91%
Shin Kong Life Insurance Co., Ltd.	Shin Kong Financial Holding Co., Ltd.	100.00%
KGI Life Insurance Co., Ltd.	KGI Financial Holding Co., Ltd.	100.00%
Fubon Insurance Co., Ltd.	Fubon Financial Holding Co., Ltd.	100.00%
Taipei Fubon Commercial Bank Co., Ltd.	Fubon Financial Holding Co., Ltd.	100.00%
Tungho Steel Corp. (Note 2)	Earle Ho and Sons, Ltd.	14.89%
	Mao Sheng Investment Inc.	8.92%
	He Zhao Investment Co., Ltd.	8.61%
	Yuanda Taiwan High Dividend Fund Special Account	5.33%
	Bank of Taiwan entrusted with the trust fund account of Yuanta Taiwan High Dividend Low Volatility ETF	4.33%
	Yu Tai Investment Co., Ltd.	1.78%
	Taiwan Life Insurance Co., Ltd.	1.21%
	Standard Chartered International Commercial Banking Department is entrusted with the special investment account of Advanced Starlight Fund Company's series funds Advanced Aggregate International Stock Index Fund	1.18%
	Public Service Pension Fund Management Committee	1.14%
	Yu Tai Huan Yu Investment Co., Ltd.	1.10%
Ministry of Economics	None (Governmental unit, not	-

	corporation organization)	
Northern Region Branch, National Property Administration, MOF	None (Governmental unit, not corporation organization)	-

Note 1: Based on the information of that company in March, 2025

Note 2: Based on the information of that company in March, 2025

(iv). Information about Directors' and Supervisors' Professional Qualifications and Independence of Independent Directors

April 20, 2026

Title	Condition	Professional qualifications and experience	Compliance with independence (Note 2)	The number of other public offering companies in which he/she serves as independent director
	Name			
Chairman	Lee, Woei-Shyan	1 Board and functional committee leadership experience: Chairman, Convenor of Sustainable Development Committee 2 Functional committee experience: Member of Nomination Committee 3 Other leadership experience: President of National United University 4 More than 5 years professional experience in mechanical engineering: Ph.D., Graduate School of Mechanical Engineering, Ecole Centrale de Nantes, France, Professor of National Cheng Kung University	Qualifications: (3), (6), (8), (9), (10), (11)	-
Director	Li, Han-Ming	1 Board leadership experience in other organizations: Chairman, Telecom Technology Center 2 Board experience in other organizations: Director, CHT Security Co., Ltd., Director, TrendForce Corp., Independent Director of Galaxy Software Services Corp., Director, Enova Technology Corp. 3 More than 5 years of information engineering experience: Ph.D., Department of Computer Science and Information Engineering, National Taiwan University, Distinguished Professor, Department of Computer Science and Information Engineering, National Taiwan University of Science and Technology 4 Other field experience: Advisor, National Security Council	Qualifications: (1), (3), (4), (6), (7), (8), (9), (10), (11)	-
Director	Chang, Pei-Jen	1 More than 5 years of applied mechanics experience: Ph.D., Theoretical & Applied Mechanics, Cornell University, USA, Professor, Institute of Applied Mechanics, National Taiwan University 2 Other field experience: President, Industrial Technology Research Institute, Vice President, Industrial Technology Research Institute	Qualifications: (1), (3), (4), (6), (7), (8), (9), (10), (11)	-
Director	Lu, I-Hsuan	1 More than 5 years' experience in business management: Master of Arts (International Economic Management), University of Birmingham, UK, Acting General Manager of Taiwan Aerospace Corp., Vice President of Taiwan Aerospace Corp., Director of Link Wave Aerospace Technologies Inc. 2 Other field experience: Senior Specialist, Hsinchu Science Park Bureau, Confidential Secretary, Office of the Chairperson of the Financial Supervision Commission, Intermediate Specialist, First Commercial Bank of First Financial Holding Co., Ltd.	Qualifications: (1), (2), (3), (4), (6), (7), (8), (9), (10), (11)	-
Director	Sun, Hsing-Kuang	1 More than 5 years professional experience in aviation industry: Mechanical Engineering, Air Force Mechanical School, Supervisor Aircraft Quality Control, Pingtung of Air Asia Co., Ltd. 2 Labor Relations Experience: President of Union of Air Asia Co., Ltd.	Qualifications: (3), (4), (6), (7), (8), (9), (10), (11)	-
Director	Wu, Chih-Wei	1 More than 5 years professional experience in energy planning: Deputy Director-General of Energy Administration, Ministry of Economic Affairs, Counselor of Ministry of Economic Affairs, Director of Bureau of Energy, Ministry of Economic	Qualifications: (1), (3), (4), (6), (7), (8), (9), (10), (11)	-

Title	Condition	Professional qualifications and experience	Compliance with independence (Note 2)	The number of other public offering companies in which he/she serves as independent director
	Name			
		Affairs, Deputy Director of Bureau of Energy, Ministry of Economic Affairs 2 Other field experience: None		
Director	Li, Yu-Ying	1 More than 5 years of human resource relations experience: Director of Department of Human Resource, Taiwan Sugar Corporation, Deputy Director of Department of Human Resource, Taiwan Sugar Corporation, Human Development Manager, Department of Human Resource, Taiwan Sugar Corporation, Human Resources Manager, Biotechnology Business Division, Taiwan Sugar Corporation 2 Other field experience: None	Qualifications: (1), (3), (4), (6), (7), (8), (9), (10), (11)	-
Independent Director (Note 1)	Lin, Chang-Ching	1 Functional committee leadership experience: Convenor of the Audit, Remuneration, Risk Management and Nomination Committees 2 Other company Independent Director experience: Independent Director of Mega Financial Holding Co., Ltd. 3 Lecturer or above qualifications in public and private colleges and universities in business, finance and accounting: Professor, Department of Economics, National Cheng Kung University, Independent Director Mr. Lin, has provided his Certificate of Appointment and Letter of Approval for Full-time Teacher to take off-campus positions issued by National Cheng Kung University 4 More than 5 years' experience in business, finance and accounting: Ph.D. in Economics, University of Michigan, Ann Arbor, USA, Master of Economics, National Taiwan University, Bachelor of Economics, National Taiwan University, Member of the 21st Board of Directors of the Central Bank of the Republic of China (Taiwan), Joint Research Fellow, Institute of Economics, Academia Sinica, Associate Dean of College Social Sciences, National Cheng Kung University, Associate Professor, Department of Economics, National Cheng Kung University, Assistant Research Fellow, Institute of Economics, Academia Sinica 5 No case for violating Provision 30 of Company Act in which Lin, Chang-Ching was listed as a defendant was found in the Judgement Archive of the Court of Judgement, Supreme Court, and the local civil and criminal courts in different districts. Mr. Lin, Chang-Ching's "Statement of Independent Director Nominee's Clearance of Cases Violating Provision 30 in Company Act" was obtained; it has been claimed that Mr. Lin was not involved in matters described in Provision 30 of Company Act	Qualifications: (1), (2), (3), (4), (5), (6), (7), (8), (9), (10), (11), (12) Additional remarks: (1), (2), (4): A review of the employee list, list of Directors and supervisors of the Company and its affiliations, the reported data of internal personnels, list of shareholders, report for annual Shareholders' meeting, and other relevant information indicates that the Independent Director Mr. Lin, Chang-Ching, his spouse, and relatives within second degree of kinship have fulfilled criteria (1), (2), (4) (3): The Company has obtained Mr. Lin, Chang-Ching's "Statement for (Nomination of) the Independent Director of Air Asia Co., Ltd." and he has fulfilled all criteria stated here. A review of the recent shareholder list, disclosed information in annual report of Shareholders' meeting, and report of internal personnel has indicated no shares of the Company is in possession of Independent Director Mr. Lin, Chang-Ching, his spouse, and his minor children, so he has fulfilled the criteria here (5), (6), (7), (8): A review on the list of Directors and supervisors who hold over 5 percent of the Company's total amount of issued shares, the top 5 institutional shareholders serving as the Directors or supervisors, the Directors or supervisors as representatives of institutional shareholders who are designated according to Item 1 or 2 in Provision 27 of the Company Act, the Company's financial record, and Mr. Lin's "Statement for (Nomination of) the Independent Director of Air Asia Co., Ltd." indicates that Mr. Lin is not one of the above mentioned shareholders or employed by any of them; he is not involved in any financial or business affairs of National Cheng Kung University which he worked for. He thus fulfilled criteria (5), (6), (7), (8) (9): A review on the expenses in Company's accounting record indicates that Mr. Lin, Chang-Ching has not offered any commercial, legal, financing, or accounting consultation service for the Company or any of its affiliations within the past 2 years and have not received any remuneration, and thus fulfills the criterion	1
Independent Director	Wang, Hui-Ching	1 Functional committee experience: Member of the Audit, Remuneration, Risk Management and Nomination Committees 2 More than 5 years information system integration experience:	Qualifications: (1), (2), (3), (4), (5), (6), (7), (8), (9), (10), (11), (12) Additional remarks: (1), (2), (4): A review of the employee list, list of	-

Title	Condition Name	Professional qualifications and experience	Compliance with independence (Note 2)	The number of other public offering companies in which he/she serves as independent director
		Master, Institute of Industrial Engineering, National Tsing Hua University, Executive Assistant to GM of Jetwell Computer Co., Ltd., Associate of PricewaterhouseCoopers Business Consulting Services Taiwan Ltd., Executive of Public, Communication, Distribution, IBM Taiwan Corp. 3 No case for violating Prevision 30 of Company Act in which Wang, Hui-Ching was listed as a defendant was found in the Judgement Archive of the Court of Judgement, Supreme Court, and the local civil and criminal courts in different districts. Mr. Wang, Hui-Ching's "Statement of Independent Director Nominee's Clearance of Cases Violating Provision 30 in Company Act" was obtained; it has been claimed that Mr. Wang was not involved in matters described in Provision 30 of Company Act	Directors and supervisors of the Company and its affiliations, the reported data of internal personnels, list of shareholders, report for annual Shareholders' meeting, and other relevant information indicates that the Independent Director Mr. Wang, Hui-Ching, his spouse, and relatives within second degree of kinship have fulfilled criteria (1), (2), (4) (3): The Company has obtained Mr. Wang, Hui-Ching's "Statement for (Nomination of) the Independent Director of Air Asia Co., Ltd." and he has fulfilled all criteria stated here. A review of the recent shareholder list, disclosed information in annual report of Shareholders' meeting, and report of internal personnel has indicated no shares of the Company is in possession of Independent Director Mr. Wang, Hui-Ching, his spouse, and his minor children, so he has fulfilled the criteria here (5), (6), (7), (8): A review on the list of Directors and supervisors who hold over 5 percent of the Company's total amount of issued shares, the top 5 institutional shareholders serving as the Directors or supervisors, the Directors or supervisors as representatives of institutional shareholders who are designated according to Item 1 or 2 in Provision 27 of the Company Act, the Company's financial record, and Mr. Wang's "Statement for (Nomination of) the Independent Director of Air Asia Co., Ltd." indicates that Mr. Wang is not one of the above mentioned shareholders or employed by any of them. He thus fulfilled criteria (5), (6), (7), (8) (9): A review on the expenses in Company's accounting record indicates that Mr. Wang, Hui-Ching has not offered any commercial, legal, financing, or accounting consultation service for the Company or any of its affiliations within the past 2 years and have not received any remuneration, and thus fulfills the criterion	
Independent Director	Wang, Shih-Kun	1 Functional committee experience: Member of the Audit, Remuneration, Risk Management and Nomination Committees 2 Other company Independent Director experience: Independent Director of China Steel Corp. 3 Qualification of accountant: Certificate of Accountant of the Republic of China 4 More than 5 years' experience in financial accounting: Master, Institute of Industrial Management, National Cheng Kung University, Director, CPA of Li Yi Accounting Firm, Partnership CPA of Li Yang Accounting Firm, Manager, Accountant of Deloitte & Touche Tohmatsu Ltd. 5 No case for violating Prevision 30 of Company Act in which Wang, Shih-Kun was listed as a defendant was found in the Judgement Archive of the Court of Judgement, Supreme Court, and the local civil and criminal courts in different districts. Mr. Wang, Shih-Kun's "Statement of Independent Director Nominee's Clearance of Cases Violating Provision 30 in Company Act" was obtained; it has been claimed that Mr. Wang was not involved in matters described in Provision 30 of Company Act	Qualifications: (1), (2), (3), (4), (5), (6), (7), (8), (9), (10), (11), (12) Additional remarks: (1), (2), (4): A review of the employee list, list of Directors and supervisors of the Company and its affiliations, the reported data of internal personnels, list of shareholders, report for annual Shareholders' meeting, and other relevant information indicates that the Independent Director Mr. Wang, Shih-Kun has fulfilled criteria (1), (2), (4) (3): The Company has obtained Mr. Wang, Shih-Kun's "Statement for (Nomination of) the Independent Director of Air Asia Co., Ltd." and he has fulfilled all criteria stated here. A review of the recent shareholder list, disclosed information in annual report of Shareholders' meeting, and report of internal personnel has indicated no shares of the Company is in possession of Independent Director Mr. Wang, Shih-Kun, so he has fulfilled the criteria here (5), (6), (7), (8): A review on the list of Directors and supervisors who hold over 5 percent of the Company's total amount of issued shares, the top 5 institutional	1

Title	Condition Name	Professional qualifications and experience	Compliance with independence (Note 2)	The number of other public offering companies in which he/she serves as independent director
			shareholders serving as the Directors or supervisors, the Directors or supervisors as representatives of institutional shareholders who are designated according to Item 1 or 2 in Provision 27 of the Company Act, the Company's financial record, and Mr. Wang's "Statement for (Nomination of) the Independent Director of Air Asia Co., Ltd." indicates that Mr. Wang is not one of the above mentioned shareholders or employed by any of them; he is not involved in any financial or business affairs of Li Yi Accounting Firm, which he worked for. He thus fulfilled criteria (5), (6), (7), (8) (9): A review on the expenses in Company's accounting record indicates that Mr. Wang, Shih-Kun has not offer any commercial, legal, financing, or accounting consultation service for the Company or any of its affiliations within the past 2 years and have not received any remuneration, and thus fulfills the criterion	
Independent Director	Chang, Ke-Hao	1 Functional committee experience: Member of the Audit, Remuneration, Risk Management and Nomination Committees 2 Other company Independent Director experience: Independent Director of Solytech Enterprise Corp., Independent Director of DIANTHUS Co., Ltd., Independent Director of Sun Ba Power Corp. 3 Lawyer Qualification: Lawyer certificate of the Republic of China 4 More than 5 years legal experience: Master of EMBA, National Cheng Kung University, Master of Law, Fu Jen Catholic University, Co-Located of Welead Attorneys-At-Law, Partner of Chen, Tsai & Partners Attorneys-At-Law 5 No case for violating Prevision 30 of Company Act in which Chang, Ke-Hao was listed as a defendant was found in the Judgement Archive of the Court of Judgement, Supreme Court, and the local civil and criminal courts in different districts. Mr. Chang, Ke-Hao's "Statement of Independent Director Nominee's Clearance of Cases Violating Provision 30 in Company Act" was obtained; it has been claimed that Mr. Chang was not involved in matters described in Provision 30 of Company Act	Qualifications: (1), (2), (3), (4), (5), (6), (7), (8), (9), (10), (11), (12) Additional remarks: (1), (2), (4): A review of the employee list, list of Directors and supervisors of the Company and its affiliations, the reported data of internal personnels, list of shareholders, report for annual Shareholders' meeting, and other relevant information indicates that the Independent Director Mr. Chang, Ke-Hao, his spouse, and relatives within second degree of kinship have fulfilled criteria (1), (2), (4) (3): The Company has obtained Mr. Chang, Ke-Hao's "Statement for (Nomination of) the Independent Director of Air Asia Co., Ltd." and he has fulfilled all criteria stated here. A review of the recent shareholder list, disclosed information in annual report of Shareholders' meeting, and report of internal personnel has indicated no shares of the Company is in possession of Independent Director Mr. Chang, Ke-Hao, his spouse, and his minor children, so he has fulfilled the criteria here (5), (6), (7), (8): A review on the list of Directors and supervisors who hold over 5 percent of the Company's total amount of issued shares, the top 5 institutional shareholders serving as the Directors or supervisors, the Directors or supervisors as representatives of institutional shareholders who are designated according to Item 1 or 2 in Provision 27 of the Company Act, the Company's financial record, and Mr. Chang's "Statement for (Nomination of) the Independent Director of Air Asia Co., Ltd." indicates that Mr. Chang is not one of the above mentioned shareholders or employed by any of them; he is not involved in any financial or business affairs of Co-Located of Welead Attorneys-At-Law which he worked for. He thus fulfilled criteria (5), (6), (7), (8) (9): A review on the expenses in Company's accounting record indicates that Mr. Chang, Ke-Hao has not offered any commercial, legal, financing, or accounting consultation service for the Company or any of its	1

Title	Condition	Professional qualifications and experience	Compliance with independence (Note 2)	The number of other public offering companies in which he/she serves as independent director
	Name			
			affiliations within the past 2 years and have not received any remuneration, and thus fulfills the criterion	
Note 1: Convener of Audit, Remuneration, Risk Management and Nomination Committees				
Note 2: All directors and supervisors should fulfill the following criteria within 2 years prior to nomination and during their terms:				
(1)	Not an employee of the company or any of its affiliates.			
(2)	Not a director or supervisor of the company or any of its affiliates. (The same does not apply, however, in cases where the person is an independent director of the company, its parent company, or any subsidiary, as appointed in accordance with the Act or with the laws of the country of the parent or subsidiary.)			
(3)	Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under any other's name, in an aggregate amount of 1% or more of the total number of issued shares of the company or ranking in the top 10 in shareholding.			
(4)	Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of any of the persons in the preceding three subparagraphs.			
(5)	Not a director, supervisor, or employee of a corporate shareholder that directly holds 5% or more of the total number of issued shares of the company or ranks in the top 5 in shareholding.			
(6)	Directors, supervisors or employees of other companies who are not controlled by the same person or more than half of the shares of the company are controlled by the same person (The same does not apply, however, in cases where concurrent independent directors of the company, parent company, subsidiary or subsidiary belonging to same parent company chosen under this act or location laws and regulations).			
(7)	Directors (member of council), supervisors (supervisors) or employees of other companies or organizations who are not the same person or spouse with the company's chairman, general manager or equivalent (The same does not apply, however, in cases where concurrent independent directors of the company, parent company, subsidiary or subsidiary belonging to same parent company chosen under this act or location laws and regulations).			
(8)	Not a director, supervisor, managerial officer, or shareholder holding 5% or more of the shares, of a specified company or institution that has a financial or business relationship with the company. (The same does not apply, however, in cases where a particular company or institution holding more than 20% and less than 50% of the company's total issued shares and concurrent independent directors of the company, parent company, subsidiary or subsidiary belonging to same parent company chosen under this act or location laws and regulations).			
(9)	Not Professionals, sole proprietorships, partnerships, business owners of companies or institutions, partners, directors (member of council), supervisors (supervisors), managers and their spouses who did not provide audits for the company or related company and received no more than NTD 500,000 on business, legal, financial and accounting. The same does not apply, however, in cases where members of Salary and Remuneration Committee, Public Takeover Review Committee or Mergers and Acquisitions Special Committee who perform duties in accordance with Securities and Exchange Act or Business Mergers and Acquisitions Act.			
(10)	Not a spouse of or are related within the second degree of kinship to other managers, the directors.			
(11)	Not any of the circumstances in the subparagraphs of Article 30 of the Company Act.			
(12)	Not a director representing the agency or a juristic person or its representative based on Article 27 of the Company Act.			

(v). Diversity and Independence of the Board of Directors

1. Diversity of the Board of Directors: According to the operation points of corporate governance and the procedure of Director election at the Company, the election of Directors at the Company must consider the overall arrangement of the Board of Directors. The members of the Board of Directors must be equipped with knowledge, skills and literacy required by the duty execution. The overall abilities must include abilities of operation judgment, accounting and finance analysis, operation management, crisis handling, industry knowledge, prospective of international market, leadership and decision-making.

The nomination and election of the members of the Board of Directors at the Company abide by company regulations, adopting the system of candidate nomination. Apart from the evaluation of candidate education, experience and qualification, consult stakeholders and comply with “Procedures for Election of Directors” and “The Principles of Corporate Governance” to ensure the diversity and independence of the members of the Board of Directors. The Company has drawn up the guidelines for the diversity of the members of the Board of Directors as per the need of company operation, the type and development of operation, etc.

- (1) The Company’s Articles of Incorporation for 2024 specify that each gender must be represented by at least one Director.
- (2) All Independent Directors of the Company have a consecutive term of less than 6 years and are aged between 42 and 70 years old, ensuring the independence and transparency of the Board of Directors' operations.
- (3) The Company conducted a comprehensive re-election of Directors at the 2024 Shareholders' Meeting, maintaining 4 Independent Directors (not less than one-third of the total number of Directors), electing 1 Director of each gender, and ensuring that non-executive Directors (those not serving as corporate managers) account for more than half of the board seats. This structure aims to provide more advice for business management and enhance board diversity and independence through the knowledge, personal insight, and business judgment of Independent Directors from different fields and backgrounds.

The Company attaches great importance to gender equality in the composition of the Board of Directors, and aims to achieve "more than one-third of the Director seats of each gender". Currently, 91% of the Board members are men (10 persons) and 9% are women (1 person). The main reason is that the Company is in the aviation maintenance industry, and the gender of people with relevant professional backgrounds is more concentrated in men. Therefore, when corporate shareholders nominate Directors, the gender is relatively single. The

Company will continue to strengthen communication with corporate shareholders and the Nomination Committee. In the future, when nominating, by-electioning or reassigning Directors, priority will be given to female Director candidates in order to increase the recommendation and nomination of female Director candidates, so as to give priority to increasing the number of female Director seats and achieve the goal of "more than one-third of Director seats of each gender".

Diversity Policy Management Objectives	Achievement Status
Non-executive Directors (those not serving as company Managers) constitute more than half of the Board seats	Achieved
Each gender shall represent at least one-third of the total number of Directors on the Board	Not Achieved

Practices for implementing the policy for enhancing diversity of the Company's Board of Directors are as follows:

Title	Nationality	Name	Gender	Age	Industry knowledge	Financial & Accounting	Practice of Law	Operation Management & Operation Judgment	Leadership Decision	Crisis Management & International Market Outlook
Chairman	ROC	Lee, Woei-Shyan	M	70	✓			✓	✓	✓
Director	ROC	Li, Han-Ming	M	63	✓			✓	✓	✓
Director	ROC	Chang, Pei-Jen	M	63	✓			✓	✓	✓
Director	ROC	Lu, I-Hsuan	F	51	✓	✓		✓	✓	✓
Director	ROC	Sun, Hsing-Kuang (Note)	M	60	✓		✓ (Labor)	✓	✓	
Director	ROC	Wu, Chih-Wei	M	58	✓			✓	✓	✓
Director	ROC	Li, Yu-Ying	M	63			✓ (Labor)	✓	✓	
Independent Director	ROC	Lin, Chang-Ching	M	53		✓		✓	✓	✓
Independent Director	ROC	Wang, Hui-Ching	M	59				✓	✓	✓
Independent Director	ROC	Wang, Shih-Kun	M	70		✓		✓	✓	✓
Independent Director	ROC	Chang, Ke-Hao	M	42			✓	✓	✓	✓

Note: Director Sun, Hsing-Kuang concurrently serves as an employee of the Company.

- Independence of the Board of Directors: The Board of the Company is composed of 11 Directors with experience operating companies or academic related experience, including 4 Independent Directors (taking up 36% of all

Board members). An Audit Committee, Remuneration Committee and Risk Management Committee involving all Independent Directors have been established for collaborating with the Board for decision making.

According to the Company's Corporate Governance Best Practice Principles and Procedures for Elections of Directors, over half of the Directors shall not be the spouse or relatives within second degree of kinship of the other Board members. Also, Independent Directors shall not be simultaneous serving as the Director (or Independent Director) or supervisor of five other listed companies. The Directors should remain unbiased while performing their duties; they should not be direct or indirect stakeholders of the Company.

The Company has obtained written statements from four of the Independent Directors, which indicate that they fulfill the criteria in as regulated in Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, and they follow regulations specified in Provision 14 item 2 of Securities and Exchange Act. The cases of Independent Directors simultaneously serving as Directors (including Independent Directors) or supervisors of listed companies are specified as below:

- (1) Lin, Chang-Ching Independent Director: Independent Director of Mega Financial Holding Co., Ltd.
- (2) Wang, Hui-Ching Independent Director: He has not served as a Director (including Independent Director) or supervisor of any listed or OTC company.
- (3) Wang, Shih-Kun Independent Director: Independent Director of China Steel Corp.
- (4) Chang, Ke-Hao Independent Director: Independent Director of Solytech Enterprise Corp., Independent Director of DIANTHUS Co., Ltd.

None of the four Independent Directors mentioned above serve as a Director (including Independent Director) or Supervisor for more than five listed companies concurrently. Furthermore, there are no business dealings between the Company and the entities where these Independent Directors hold positions. Consequently, the Company believes that the Independent Directors are able to maintain their independence in the performance of their duties.

Furthermore, based on the internal declarations of the Directors, none of the 11 Board members have a spousal or second-degree kinship relationship with any other Director or Supervisor. Additionally, the number of Directors who concurrently serve as employees of the Company, its parent, subsidiaries, or affiliates (brother companies) does not exceed one-third of the total Board seats.

(vi).General Manager, Assistant General Manager, Associates, Departments and Branches Officer Information

April 20, 2026

Title	Nationality	Name	Gender	Date of election (taking office)	Shares held		Shares held by spouse and minor children		Shares held under other's name		Main (education) experience	Position now concurrently served in other company	The manager is his/her spouse or a relative within the second degree of kinship			Note
					Shares	Ratio	Shares	Ratio	Shares	Ratio			Title	Name	Relation	
Chairman and General Manager	ROC	Lee, Woei-Shyan	M	Sep. 04, 2024	0	0%	0	0	0	0	Ph.D., Graduate School of Mechanical Engineering, Ecole Centrale de Nantes, France President of National United University Professor of National Cheng Kung University	Air Asia Co., Ltd. (USA) Director 、 President	None	None	None	Note 1
Vice President of Commercial Aircraft Business Unit	ROC	Chao, Jin-Xian	M	Feb. 26, 2025	15,903	0.01%	0	0	0	0	Department of Political Science, National Taiwan University Vice President of Air Asia Co., Ltd. Director of Procurement Division, Air Asia Co., Ltd. Leader of Songsan Supplementary Management Team of Air Asia Co., Ltd.	Air Asia Co. Ltd. (USA) Director 、 Secretary	None	None	None	Note 2
Vice President of Military Aircraft Business Unit	ROC	Tsui, Ren-Jun	M	Oct. 30, 2024	9,000	0.00%	0	0	0	0	Department of Applied Mathematics, Zhongzheng Institute of Technology Vice President of Air Asia Co., Ltd. Director of Marketing Division, Air Asia Co., Ltd. Air Force F-16 Logistics Contact Officer Stationed in USA	None	None	None	None	None
Vice President of Helicopter Business Unit	ROC	Tsai, Song-Ling	M	Jan. 01, 2018	3,823	0.00%	0	0	0	0	Master of Management, I-Shou University Director of Equipment Service Department, Army Aviation Base	None	None	None	None	None
Vice President	ROC	Kuo, Ssu-Tsen	F	Nov. 08, 2023	649	0.00%	0	0	0	0	Master of Financial, National Central University Director of Finance Division, Air Asia Co., Ltd.	Air Asia Co. Ltd. (USA) Treasurer	None	None	None	Note 3
Director of Legal Affairs Office & Corporate Governance Officer	ROC	Liu, Shu-Chun	F	Sep. 09, 2024	1,136	0.00%	0	0	0	0	Master of Asia-Pacific Industrial and Business Management, National University of Kaohsiung Manager of Legal Affairs Office, Air Asia Co., Ltd.	None	None	None	None	None

Note 1: Where the chairman of the board of directors and the general manager or person of an equivalent post (the highest level manager) of a company are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto (i.g. increase the positions of independent directors or there should be more than half of directors who are not employees or managers in the same time):

The reason why the company's chairman and general manager is the same person is to improve operation efficiency and execution of decision making, however, in order to strengthen the independence of board of directors, we have been actively cultivating suitable personnel for this position. In addition, the chairman works closely with each director on the communication of company operation status and policy to carry out the governance of the company. The company has also increased positions of independent directors to improve the competency of board of directors and strengthen function of supervision. Currently we have actual measures as below:

1. Four of current independent directors have expertise in finance and accounting, legal and industry economy relatively, which allows efficient supervision competency.
2. The company will arrange training courses from Securities and Future Institute and other external facilities for each director to improve the operation efficiency of board of directors.
3. Independent directors can fully involve discussion and provide suggestions for reference on each functional committee to carry out the governance of the company.
4. No more than half members of the board of directors are employees or managers.

Note 2: Took office on Feb. 26, 2025. Changed from Vice President to Vice President of Commercial Aircraft Business Unit.

Note 3: Appointed as Financial Supervisor on Feb. 22, 2023, and concurrently as Accounting Supervisor on Nov. 8, 2023.

ii. Remuneration paid during the most recent fiscal year to Directors, Supervisors, General Manager, Assistant General Manager

(i). Remuneration Paid to Directors and Independent Directors

Unit: NT\$ (K)

Title	Name	Remuneration of Directors (Note 5)								Total amount of A, B, C, and D the ratio taken by the four items in after-tax net profit (%)				Relevant remuneration for concurrently serves as employee								Total amount of A, B, C, and D the ratio taken by the four items in after-tax net profit (%)				Whether to receive the remuneration from the
		Wage(A)		Passion(B)		Director's bonus(C)		Business execution fee s(D)						Wage, award and special expenses, etc. (E)		Passion (F)		Employee's bonus(G) (Note 6)								
		Thi s Co mp any	All compa nies in the financi al report	This Co mpa ny	All compan ies in the financi al report	This Com pany	All compan ies in the financi al report	This Com pany	All compan ies in the financi al report	This Company		All companies in the financial report		This Com pany	All compan ies in the financi al report	This Com pany	All compan ies in the financi al report	This Company		All companies in the financial report		This Company		All companies in the financial report		
										total amo unt	ratio	total amo unt	ratio					Cash amo unt	Share amoun t	Cash amo unt	Share amoun t	total amo unt	ratio	total amo unt	ratio	
Chairman (Note 1)	Lee, Woei-Shyan	0	0	0	0	0	0	120	120	120	0.06%	120	0.06%	3,915	3,915	0	0	0	0	0	0	4,035	1.92%	4,035	1.92%	None
Director (Note 1)	Li, Han-Ming	0	0	0	0	0	0	120	120	120	0.06%	120	0.06%	0	0	0	0	0	0	0	0	120	0.06%	120	0.06%	None
Director (Note 1)	Chang, Pei-Jen	0	0	0	0	0	0	120	120	120	0.06%	120	0.06%	0	0	0	0	0	0	0	0	120	0.06%	120	0.06%	None
Director (Note 1)	Lu, I-Hsuan	0	0	0	0	0	0	120	120	120	0.06%	120	0.06%	0	0	0	0	0	0	0	0	120	0.06%	120	0.06%	None
Director (Note 1)	Kuang, Chien-Wei (Note 3)	0	0	0	0	0	0	33	33	33	0.02%	33	0.02%	281	281	13	13	0	0	0	0	327	0.16%	327	0.16%	None
Director (Note 1)	Sun, Hsing-Kuang (Note 4)	0	0	0	0	0	0	87	87	87	0.04%	87	0.04%	537	537	27	27	5	0	5	0	656	0.31%	656	0.31%	None
Director (Note 2)	Wu, Chih-Wei	0	0	0	0	0	0	120	120	120	0.06%	120	0.06%	0	0	0	0	0	0	0	0	120	0.06%	120	0.06%	None
Director (Note 2)	Li, Yu-Ying	0	0	0	0	0	0	120	120	120	0.06%	120	0.06%	0	0	0	0	0	0	0	0	120	0.06%	120	0.06%	None
Independent Director	Lin, Chang-Ching	360	360	0	0	0	0	0	0	360	0.17%	360	0.17%	0	0	0	0	0	0	0	0	360	0.17%	360	0.17%	None
Independent Director	Wang, Hui-Ching	360	360	0	0	0	0	0	0	360	0.17%	360	0.17%	0	0	0	0	0	0	0	0	360	0.17%	360	0.17%	None
Independent	Wang, Shih-Kun	360	360	0	0	0	0	0	0	360	0.17%	360	0.17%	0	0	0	0	0	0	0	0	360	0.17%	360	0.17%	None

Title	Name	Remuneration of Directors (Note 5)								Total amount of A, B, C, and D the ratio taken by the four items in after-tax net profit (%)				Relevant remuneration for concurrently serves as employee								Total amount of A, B, C, and D the ratio taken by the four items in after-tax net profit (%)				Whether to receive the remuneration from the
		Wage(A)		Passion(B)		Director's bonus(C)		Business execution fees(D)						Wage, award and special expenses, etc. (E)		Passion (F)		Employee's bonus(G) (Note 6)								
		This Company	All companies in the financial report	This Company	All companies in the financial report	This Company	All companies in the financial report	This Company	All companies in the financial report	This Company		All companies in the financial report		This Company	All companies in the financial report	This Company	All companies in the financial report	This Company		All companies in the financial report		This Company		All companies in the financial report		
										total amount	ratio	total amount	ratio					Cash amount	Share amount	Cash amount	Share amount	total amount	ratio	total amount	ratio	
Director																										
Independent Director	Chang, Ke-Hao	360	360	0	0	0	0	0	0	360	0.17%	360	0.17%	0	0	0	0	0	0	0	0	360	0.17%	360	0.17%	None
1. Please address in details about remuneration payment policy, system, standard and structure of Independent Directors and address in details about connections of amounts of remuneration based on factors including duties, risks, time of involvement, etc.: All Independent Directors are members of Audit Committee, Remuneration Committee and Risk Management Committee, and they have to take on the duty for discussing and deciding on agendas of the meetings, so they receive a monthly salary of NT\$30,000. Subject to the Company's "Articles of Incorporation" and the Company's "Regulations Governing the Remuneration of Directors and Managers," which no extra Independent Directors' bonus. 2. Except as disclosed in the above table, the Director of Company provides service to all companies in the financial report (E.g. serving as the non-employee consultant for parent company / all companies in the financial report / the reinvested companies): None.																										

Note 1: Legal representative of Taiwan Aerospace Corp.

Note 3: Resign on Apr. 11, 2025

Note 2: Legal representative of Taiwan Sugar Corp.

Note 4: Took office on Apr. 11, 2025

Note 5: Directors of the Company only receive NTD 10,000 for business execution fees, as Independent Directors receive NTD 30,000 for regular wages. And according to Articles of Incorporation, no Director's bonus paid to either Directors or supervisors.

Note 6: On March 4, 2026, the Board of Directors decided to approve the payment of 2025 employees' bonus in cash for NT\$10,908 (K). The detail of proposed distribution amount for this year has not been approved, so the distribution amount is estimated according to the ratio of actual distribution amount last year.

(ii). Remuneration of General Manager, Assistant General Manager

Unit: NT\$ (K)																
Title	Name	Wage(A)		Passion(B)		Award and special expenses, etc. (C)		Employee's bonus (D) (Note 1)				Total amount of A, B, C, and D the ratio taken by the four items in after-tax net profit (%)				Whether to receive the remuneration from the re-invested
		This Company	All companies in the financial report	This Company	All companies in the financial report	This Company	business other than subsidiary All companies in the financial report	This Company		All companies in the financial report		This Company		All companies in the financial report		
								Cash amount	Share amount	Cash amount	Share amount	total amount t	ratio	total amount t	ratio	
Chairman	Lee, Woei-Shyan	2,640	2,640	0	0	1,275	1,275	0	0	0	0	3,915	1.87%	3,915	1.87%	
Vice President of Commercial Aircraft Business Unit	Chao, Chin-Hsien (Note 2)	1,680	1,680	106	106	550	550	0	0	0	0	2,336	1.11%	2,336	1.11%	
Vice President of Military Aircraft Business Unit	Tsui, Ren-Jun	1,884	1,884	108	108	684	684	0	0	0	0	2,676	1.28%	2,676	1.28%	
Vice President of Helicopter Business Unit	Tsai, Song-Ling	1,620	1,620	103	103	567	567	0	0	0	0	2,290	1.09%	2,290	1.09%	
Vice President	Kuo, Ssu-Tsen	1,430	1,430	91	91	569	569	0	0	0	0	2,090	1.00%	2,090	1.00%	
Vice President	Li, Zhong-Lin (Note 3)	255	255	16	16	153	153	0	0	0	0	423	0.20%	423	0.20%	

Note 1: On Mar. 4, 2026, the Board of Directors decided to approve the payment of 2025 employees' bonus in cash for NT\$10,908 (K). The detail of proposed distribution amount for this year has not been approved, so the distribution amount is estimated according to the ratio of actual distribution amount last year.

Note 4: Take over on Feb. 26, 2025.

Note 7: Retirement on Feb. 25, 2025.

(iii).The name of managers who participate in the distribution of employees' bonus and the distribution situation

April 20, 2026

Unit NT\$ (K)

	Title	Name	Cash amount	Share amount	Total	The ratio of total to the net profit after tax(%)
Managers	General Manager	Lee, Woei-Shyan	0	0	0	0
	Vice President of Commercial Aircraft Business Unit	Chao, Jin-Xian (Note 2)				
	Vice President of Military Aircraft Business Unit	Tsui, Ren-Jun				
	Vice President of Helicopter Business Unit	Tsai, Song-Ling				
	Vice President	Kuo, Ssu-Tsen				
	Director of Legal Affairs Office & Corporate Governance Officer	Liu, Shu-Chun				

Note 1: On Mar. 4, 2026, the Board of Directors decided to approve the payment of 2025 employees' bonus in cash for NT\$10,908 (K). The detail of proposed distribution amount for this year has not been approved, so the distribution amount is estimated according to the ratio of actual distribution amount (0%) last year.

Note 2: Take over on Feb. 26, 2025.

(iv).To explain the total amount of remuneration for the Company's Directors, supervisors, president, and vice presidents in the most recent two years, paid by the Company and all companies in the consolidated report, to analyze the proportion taken up by such remunerations in the after-tax net income in their personal or independent financial report, and to illustrate how the remuneration policy and standards and the procedures for combining and regulating remuneration are related to the operation performance and the risks in the future.

1. Analysis on the proportion taken up by remuneration for the Company's Directors, supervisors, president, and vice president in the most recent two years, paid by the Company, in the after-tax net income in their personal or independent financial report.

Unit NT\$ (K)

Title	2024			2025		
	Total remuneration	Net income	Percentage	Total remuneration	Net income	Percentage
Director	2,280	140,609	1.62%	2,280	209,725	1.09%
President and Vice President	16,028		11.40%	13,731		6.55%
Total	18,308	140,609	13.02%	16,011	209,725	7.63%

Note: The Company established the Audit Committee on December 17, 2012 to replace the supervisor's authority, so there is no supervisor's remuneration.

2. Policies, standards, and packages for payment of remuneration, the procedures for determining remuneration, and its linkage to business performance and future risk exposure.

The remuneration of the Company's Directors and Independent Directors is governed by the Company's Articles of Incorporation and the Company's "Regulations Governing the Remuneration of Directors and Managers," which only pays regular transportation expenses with no extra Directors or supervisors' bonus.

The remuneration of the Company's Chairman is governed by the Company's "Regulations Governing the Remuneration of Directors and Managers." In addition to regular salary, year-end bonus will be given based on financial performance indicators, talent cultivation status, quality and risk control performance result. If any special contribution is performed, it will be reviewed by Remuneration Committee and reported to Board of Directors for bonus.

The remuneration of President is governed by the Company's "Regulations Governing the Remuneration of Directors and Managers" The amount of the remuneration of the managers of the Company shall take into account the general pay levels in the industry, the time spent by the individual and their responsibilities, the extent of goal achievement, their performance in other positions, and the compensation paid to employees holding equivalent positions in recent years. Also to be evaluated are the reasonableness of the correlation between the individual's performance and this Company's operational performance and future risk exposure, with respect to the achievement of short-term and long-term business goals and the financial position of this Company, then the Remuneration Committee shall review the result according to the "Regulations Governing the Remuneration of Directors and Managers" and submit it to for the resolution of Board of Directors.

iii. Corporate Governance Status

(i). Operation Status of Board of Directors

The Board of Directors has held 6 meetings in the most recent year, the attendance of the Directors is as follows:

Title	Name	Actual attendance (sit in) to meeting	Attendance by proxy	Actual attendance to meeting (%)	Remark
Chairman	Lee, Woei-Shyan (Note 1)	6	0	100%	Shall attend 6 times.
Director	Li, Han-Ming (Note 1)	5	1	83.33%	Shall attend 6 times.
Director	Chang, Pei-Jen (Note 1)	5	1	83.33%	Shall attend 6 times.
Director	Lu, I-Hsuan (Note 1)	6	0	100%	Shall attend 6 times.
Director	Kuang, Chien-Wei (Note 1)	2	0	100%	Resign on Apr. 11, 2025. Shall attend 2 times.
Director	Sun, Hsing-Kuang (Note 1)	4	0	100%	Elected on Apr. 11, 2025. Shall attend 4 times.
Director	Li, Yu-Ying (Note 2)	6	0	100%	Shall attend 6 times.
Director	Wu, Chih-Wei (Note 2)	3	3	50%	Shall attend 6 times.
Independent Director	Lin, Chang-Ching	5	1	83.33%	Shall attend 6 times.
Independent Director	Wang, Hui-Ching	6	0	100%	Shall attend 6 times.
Independent Director	Wang, Shih-Kun	6	0	100%	Shall attend 6 times.
Independent Director	Chang, Ke-Hao	6	0	100%	Shall attend 6 times.

Other items to be recorded:

- i. The Board of Directors shall state the Board meeting's date, period, content of the proposal, and the opinions of all Independent Directors and the Company's treatment on the Independent Director's opinion if any of the following circumstances occurs.
 - (i). Matters listed in Article 14-1 of the Securities and Exchange Act
The Company has set up the Audit Committee according to law, in accordance with Paragraph 1, Article 14-5 of the Securities and Exchange Act, the regulation of Article 14-3 of the same act is not applicable.
 - (ii). Except the foregoing matters, other resolution of Board of Directors on which an Independent Director has a dissenting or qualified opinion which is on record or stated in a written statement.
The Independent Directors of this Company have no dissenting or qualified opinion on various proposals of the meetings of Board of Directors in 2025.
- ii. For the Director's recusal to the proposal with interest, the name of the Director, the content of the proposal, the reasons for recusal and the participation in the voting shall be stated
 - (i). The 10th Board of Directors' meeting of the 10th Session on Nov. 10, 2025
 1. Name of Director: Chairman, Lee, Woei-Shyan
 2. Content of the proposal: The case of incentive bonuses for the Managers in the Army Utility Helicopter Inspection and Maintenance Project.
 3. Reasons for recusal and the participation in the voting:
Chairman, Lee, Woei-Shyan was absent to avoid conflict of interest, Director Lu, I-Hsuan was designated as deputy chairperson; this case was discussed by all attending Directors and substitute Director, and it was unanimously approved by all attending Directors and substitute Director.
 - (ii). The 11th Board of Directors' meeting of the 10th Session on Dec. 18, 2025
 1. Name of Director: Chairman, Lee, Woei-Shyan
 2. Content of the proposal: Amendment to the "Remuneration Management Measures for Directors and Managers".
 3. Reasons for recusal and the participation in the voting:
Chairman, Lee, Woei-Shyan was absent to avoid conflict of interest, Director Lu, I-Hsuan was designated as deputy chairperson; this case was discussed by all attending Directors and substitute Directors, and it was unanimously approved by all attending Directors and substitute Directors.

(iii). The 11th Board of Directors' meeting of the 10th Session on Dec. 18, 2025

1. Name of Director: Chairman, Lee, Woei-Shyan
2. Content of the proposal: The proposal on salary increase for Chairman and Managers.
3. Reasons for recusal and the participation in the voting:

Chairman, Lee, Woei-Shyan was absent to avoid conflict of interest, Director Lu, I-Hsuan was designated as deputy chairperson; this case was discussed by all attending Directors and substitute Directors, and it was unanimously approved by all attending Directors and substitute Directors.

(iv). The 11th Board of Directors' meeting of the 10th Session on Dec. 18, 2025

1. Name of Director: Chairman, Lee, Woei-Shyan
2. Content of the proposal: The proposal of company's 2025 year-end bonus of Chairman and Managers.
3. Reasons for recusal and the participation in the voting:

Chairman, Lee, Woei-Shyan was absent to avoid conflict of interest, Director Lu, I-Hsuan was designated as deputy chairperson; this case was discussed by all attending Directors and substitute Directors, and it was unanimously approved by all attending Directors and substitute Directors.

(v). The 12th Board of Directors' meeting of the 10th Session on Mar. 4, 2026

1. Name of Director: Chairman, Lee, Woei-Shyan
 2. Content of the proposal: The case of incentive bonuses for the Managers in the Transport Helicopter Strategic Fleet Maintenance Project.
 3. Reasons for recusal and the participation in the voting:
- Chairman, Lee, Woei-Shyan was absent to avoid conflict of interest, Director Lu, I-Hsuan was designated as deputy chairperson; this case was discussed by all attending Directors, and it was unanimously approved by all attending Directors.

Note 1: Legal representative of Taiwan Aerospace Corp.

Note 2: Legal representative of Taiwan Sugar Corp.

iii. TWSE/ORC listed company should disclose self-valuation cycle, period, evaluation range, method and evaluation contents of Board of Directors. The evaluation is listed as below:

The Company has established the performance evaluation system of the Board of Directors. The Board of Directors also approved the performance evaluation methods of the Board of Directors to elevate the operating function of the Board of Directors. The internal performance evaluation of the Board of Directors is carried out once a year; the external performance evaluation is carried out once in three years by an external professional independent organization or a team of external experts and scholars.

1. Please find below the content regarding the internal performance evaluation of the Directors in 2025 of the Company, after evaluation, the result of evaluation in 2025 is defined as "Good.")

Evaluation Cycle	Evaluation Period	Evaluation Range	Evaluation Method	Evaluation Contents
Annual	Evaluation on performance of Board of Directors from Jan 1 to Dec 31, 2025	Performance evaluation of the Board of Directors, individual board members, and functional committees (Audit, Remuneration, Risk Management, Nomination, and Sustainable Development Committee)	Board internal self-evaluation, individual Director evaluation (self or peer), and functional committee self-evaluation (Audit, Remuneration, Risk Management, Nomination, and Sustainable Development Committees)	(i). Performance evaluation on Board of Directors: Involvement of company operation, decision-making quality, composition and structure, election and continuation study and internal control. (ii). Performance evaluation on Directors (self or peer): control of company goal and mission, recognition of Director's duty, involvement of company operation, management and communication of internal relationships, profession of a Director and continuation study and internal control. (iii). Performance evaluation on functional committee (Audit, Remuneration, Risk Management, Nomination, and Sustainable Development

				Committees); involvement of company operation, recognition of the duty, decision-making quality, composition and member election and internal control.
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2. In Jul. 2024, the Company appointed an external corporation aggregate, Taiwan Corporate Governance Association, to conduct an external Board performance evaluation (the duration extends from Jun. 2022 to May 2023). The executing committee members had not been doing business with our Company, which ensures their independence. The evaluation covered eight major aspects, including Board composition, guidance, authorization, supervision, communication, internal control, risk management, self-discipline, and others (such as Board meetings, support system, etc.). The evaluation was conducted through self-assessment, expert document review, and video interviews. On Jul. 24, 2023, the Taiwan Corporate Governance Association issued a report about evaluation the Board's performance, which was included on the Board report issued on Feb. 29, 2024. In Mar. 2026, the Company pre-appointed the Taiwan Corporate Governance Association to conduct an external Board performance evaluation (covering the period from Jul. 2025 to Jun. 2026). The evaluation results will be reported to the Board of Directors by the end of 2026.

3. The overall summary and conclusions of the 2023 Board Performance Evaluation Report are as follows:

For the second time, the Company appointed a third-party independent organization to assist with the evaluation of the Board's performance. Based on the outcome of internal and external performance evaluation, the Company has been actively establishing measures for implement. This shows that the Board holds an active attitude toward implementing corporate governance system and improves the performance of the Board. They also hope that with the credible and objective reviews they could seek further improvement.

The Company respects opinions from the Independent Directors. The Independent Directors are all initiative in their jobs. They have provided constructive guidance and suggestions to senior executives in previous meetings. Relevant matters have been recorded in the minutes in detail. In addition, the management team of the Company also actively responds to the comments and provides relevant information, which is a positive interactive mode. The Independent Directors have been fully exercising their duties.

In 2022, the Company established its Risk Management Committee and its risk management policies. The committee is responsible for executing risk management while supervising the operation of risk management in various Departments, and it coordinates and negotiates for interdepartmental operation of risk management. The results of risk control are reported to the Company's Risk Management Committee and the Board of Directors each quarter, which demonstrated the Company's dedication to risk managing practices.

The Audit Committee of the Company regularly holds closed-door meeting with external certified public accountants to discuss issues such as annual audit planning, key audit matters, audit results, and the latest regulatory changes before reviving financial reports, fulfilling its supervising responsibilities.

Below are the suggestions for improvements, which can serve as references for the Company's subsequent decision-making on formulating improvement measures. The Company has also compiled relevant improvement responses accordingly:

The Advice on Optimization	The Responses to Future Improvement in the Company
The Company has established "Measures for the Report on Illegal, Unethical and Dishonest Conducts." The procedures as well as the whistleblower's mail box and the Chairman's mailbox have been disclosed on the official website. A dedicated department has been designated to handle and investigate such reported cases. However, direct channel between the Board of Directors (especially Independent Directors) is missing in the current whistleblower mechanism. It is suggested that the Company establish a reporting channel that Independent Directors can simultaneously receive such reports so as to further enhance the independence of the whistleblowers' mechanism.	In response to this case, in addition to the existing reporting channel, the Company will establish a reporting channel accessible to Independent Directors for receiving reports. This will be conducted after the Company seeks the opinions of the Independent Directors.
The Company has established its "Sustainable Development Best Practice Principles", and the Chairman's Office designated as the unit responsible for promoting sustainability. The office is tasked with the proposing and implementing relevant projects, reporting on the execution to the Board of Directors annually, and disclosing related information on the official website. It is suggested that the Company take a further step to	The Company has engaged a consulting firm to assist in the preparation of the 2023 Sustainability Report and has established the "Sustainability Implementation Committee." The Company initiated sustainability training programs in Oct. 2023. Subsequently, the 2023 Sustainability Report was published in Jun. 2024, followed by the scheduled release of the 2024 Sustainability Report in Aug 2025.

compile a sustainability report in the future to enhance disclosure of the Company's deeds to contribute to sustainability, thereby showcasing the Company's performance and outlook in sustainable operations.	
When there is an occasional major event in the Company, it is generally imperative to immediately notify key executives. Simultaneously, the Corporate Governance Supervisor may also notify the Board of Directors via phone or communication groups. In this regard, the Company is advised to clearly outline its "Procedures for Reporting Occasional Major Events," which allows a reporting channel the Board of Directors, for handling relevant matters. This ensures that all members of the Board can be promptly informed of significant information about major events that occur within the Company.	The Company has established its operational procedures during an occasional major event. The current "Safety & Health Operation Rules" include the "Emergency Response Operating Guidelines," which cover fire/aircraft accidents/explosions/toxic gas leaks/natural disasters, etc. In terms of information security, we have formulated the "Emergency Response Plan," which includes significant information security matters such as internal security risks/external intrusions/natural disasters or emergencies (such as explosions). Additionally, the Board of Directors has established "Operational Procedures for Handling Material Information and Preventing Insider Trading", which specifies that the Company should promptly release significant information within the time limit stipulated in laws if the significance of incident meets the following criteria: 1. The incident is related to signing, amending, terminating, or rescinding of the sales contract, or related important content that can change the business plan. This is also true when the development of a new product is completed, when trial of a developed product is successful and the product is officially in mass production, when there is significant progress in the development of new products or technologies that has an annual impact amounting to more than fifty percent of the Company's revenue in the most recent accounting year. 2. There are disasters, pass protests, strikes, environmental pollution, information security incidents, or other significant events which have an impact amounting to more than fifty percent of the Company's average monthly revenue in the most recent fiscal year, or the cumulative fines for a single event exceeds NT\$1 million dollars. 3. There are disputes involving or not involving lawsuit or the Company is liable for administrative penalties, administrative litigation, false seizures, sales disposals, or forced executions that affect more than two percent of the Company's net worth as stated in the latest financial statements. 4. There is reduced production, shutdown of factories, rental or pledging of factories or assets, or other circumstance which can affect fifty of monthly revenues in the most recent fifty years. If the above events occur, the Corporate Governance Supervisor will immediately notify the Board members by phone or Line group according to the current notification method.
After the re-election of the Board of Directors in 2021 and the new appointment of corporate shareholders in 2022, there are four new Directors for this term. New Directors have been arranged to visit various factory sites to explain the features and risks of Company's industry. However, the mechanism is not comprehensively established and included in the	The Company provides newly appointed Directors with legally required documents such as the "Regulatory Handbook for Directors and Supervisors" and "Guide to regulations related to Independent Directors (including indicators)." The Company also offers documents such as "Regulatory Matters for Listed Companies, Directors, Supervisors, and Major Shareholders to Be

documented regulated. It is suggested that the Company establish a clear ‘New Director Onboarding System’ and consider creating a ‘Director’s Duties Manual’ for future reference.	Aware of.” Furthermore, the Company arranges factory visits and business briefing based on Directors’ needs and scheduling flexibility, allowing them to gain a deeper understanding of characteristic of the industry which the Company is in.
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iv. Goal to strengthen competency of Board of Directors of the current year and the most recent year (i.g. composition of Audit Committee and increase of information transparency) and evaluation execution status.

- (i). The Company has composited Audit Committee, Remuneration Committee, Risk Management Committee, Nomination Committees and Sustainable Development Committees and also assigned personnel to disclose information of online declaration operation, company info collection and disclosure to ensure info that may affect decision-making of shareholders and stakeholders can be disclosed properly and timely.
- (ii). The Company has set up regulation for Board of Directors performance evaluation and method.
- (iii). The attendance rate of the Board’s meeting in 2025 has decreased to 90.91% from 91.92% in 2024. In 2026, we will continue to arrange the meeting time flexibly in accordance with the time of Directors, or invite Directors to participate in video conferences to maintain the attendance rate of Directors.
- (iv). In 2026, the Company will encourage Directors to attend the Shareholders' Meeting in person or via video.
- (v). Due to the special characteristics of aircraft maintenance business. After the comprehensive re-election of all Directors in 2024, the Company will arrange new Directors to visit Tainan Plant and other plants based on the needs of the Directors, so that the Directors have a sufficient understanding of the characteristics and risks of the Company's industry. In Mar. 2026, a site visit to the Taichung plant was successfully conducted for the Board.
- (vi). In 2025, all Directors have taken the required hours of professional training; and courses on sustainability issues accounted for 70.97%. In 2026, the Company will continue to encourage Directors to pursue diversified professional development in areas such as sustainable development, risk management, and legal affairs. Furthermore, the Company remains committed to providing Directors with updated information on various continuing education programs for their reference.

(ii). Audit Committee

1. Professional Qualifications and Experience of Audit Committee Members

Please refer to pages 15-18 of this annual report.

2. Operation Status of Audit Committee

The Audit Committee of the Company consists of four Independent Directors. The Audit Committee is designed to assist the Board of Directors in fulfilling the quality and integrity of the Company in supervising the accounting, auditing, financial reporting process and financial control. The main considerations include auditing of financial statements and accounting policies and procedures, internal control systems and related policies and procedures, raising funds or issuing securities, legal compliance, information security, corporate risk management, qualifications, independence and performance assessment of CPA, appointment, dismissal or remuneration of CPA and self-assessment questionnaire of Audit Committee assessment appraisal.

The Audit Committee has held 6 meetings in the most recent year; the attendance of the Independent Directors is as follows:

Title	Name	Actual attendance to meeting	Attendance by proxy	Actual attendance (sit in) meeting (%)	Remark
Independent Directors	Lin, Chang-Ching	6	0	100%	Shall attend 6 times.
	Wang, Hui-Ching	6	0	100%	Shall attend 6 times.
	Wang, Shih-Kun	6	0	100%	Shall attend 6 times.
	Chang, Ke-Hao	6	0	100%	Shall attend 6 times.

Other items to be recorded:

i. The operation of the Audit Committee shall state the Board meeting's date, period, content of the proposal, objections, reservations or content of major proposed projects by Independent Directors, resolution of Audit Committee and the Company's opinion on resolution of Audit Committee if any of the following circumstances occurs.

(i). Matters listed in Article 14-5 of the Securities and Exchange Act

1. The 6th Board of Directors' meeting of the 10th Session on Feb. 26, 2025, reviewed the proposal of this Company's 2024 Business report and financial statements. After review of the 3rd Audit Committee meeting of the 5th Session on Feb. 24, 2025, the proposal as proposed was unanimously approved by the all attending Independent Directors. The treatment of this Company to the opinion of Audit Committee: Report to Board of Directors. Resolution of Board of Directors: the proposal as proposed was unanimously approved by all attending Directors.
2. The 7th Board of Directors' meeting of the 10th Session on Mar. 27, 2025, reviewed the proposal of this Company's "Internal control system". After review of the 4th Audit Committee meeting of the 5th Session on Mar. 26, 2025, the proposal as proposed was unanimously approved by the all attending Independent Directors. The treatment of this Company to the opinion of Audit Committee: Report to Board of Directors. Resolution of Board of Directors: This case was discussed by all the Directors present, and it was unanimously agreed to pass the amendments suggested by Director Mr. Li, Yu-Ying.
3. The 7th Board of Directors' meeting of the 10th Session on Mar. 27, 2025, reviewed the proposal of this Company's 2024 "Internal control statement". After review of the 4th Audit Committee meeting of the 5th Session on Mar. 26, 2025, the proposal as proposed was unanimously approved by the all attending Independent Directors. The

treatment of this Company to the opinion of Audit Committee: Report to Board of Directors. Resolution of Board of Directors: After discussion by all the Directors present, they unanimously agreed to pass the proposal, with the following resolution attached: The Audit Office is requested to refer to the internal control work of domestic and foreign peers, consider adding internal control mechanisms to the Company's emerging businesses, and include them in internal control and internal audit work projects next year to improve the quality of audit work and make the overall internal control audit work more complete.

4. The 8th Board of Directors' meeting of the 10th Session on May 6, 2025, reviewed the proposal of this Company's "Internal control system". After review of the 5th Audit Committee meeting of the 5th Session on May 5, 2025, the proposal as proposed was unanimously approved by the all attending Independent Directors. The treatment of this Company to the opinion of Audit Committee: Report to Board of Directors. Resolution of Board of Directors: the proposal as proposed was unanimously approved by all attending Directors and substitute Directors.
5. The 8th Board of Directors' meeting of the 10th Session on May 6, 2025, reviewed the proposal of this Company's "Consolidated Financial Statements for the First Quarter of 2025". After review of the 5th Audit Committee meeting of the 5th Session on May 5, 2025, the proposal as proposed was unanimously approved by the all attending Independent Directors. The treatment of this Company to the opinion of Audit Committee: Report to Board of Directors. Resolution of Board of Directors: the proposal as proposed was unanimously approved by all attending Directors and substitute Directors.
6. The 9th Board of Directors' meeting of the 10th Session on Aug. 7, 2025, reviewed the proposal of this Company's "Internal control system". After review of the 6th Audit Committee meeting of the 5th Session on Aug. 6, 2025, the proposal as proposed unanimously agreed to adopt the version recommended by Independent Director Mr. Lin, Chang-Ching. The treatment of this Company to the opinion of Audit Committee: Report to Board of Directors. Resolution of Board of Directors: this case was discussed by all the Directors present, and it was unanimously agreed to adopt the version recommended by the Audit Committee.
7. The 9th Board of Directors' meeting of the 10th Session on Aug. 7, 2025, reviewed the proposal of this Company's "Consolidated Financial Statements for the Second Quarter of 2025". After review of the 6th Audit Committee meeting of the 5th Session on Aug. 6, 2025, the proposal as proposed was unanimously approved by the all attending Independent Directors. The treatment of this Company to the opinion of Audit Committee: Report to Board of Directors. Resolution of Board of Directors: the proposal as proposed was unanimously approved by all attending Directors.
8. The 10th Board of Directors' meeting of the 10th Session on Nov. 10, 2025, reviewed the proposal of this Company's "Internal control system". After review of the 7th Audit Committee meeting of the 5th Session on Nov. 10, 2025, the proposal as proposed was unanimously approved by the all attending Independent Directors. The treatment of this Company to the opinion of Audit Committee: Report to Board of Directors. Resolution of Board of Directors: the proposal as proposed was unanimously approved by all attending Directors and substitute Director.
9. The 10th Board of Directors' meeting of the 10th Session on Nov. 10, 2025, reviewed the proposal of this Company's "Consolidated Financial Statements for the Third Quarter of 2025". After review of the 7th Audit Committee meeting of the 5th Session on Nov. 10, 2025, the proposal as proposed was unanimously approved by the all attending Independent Directors. The treatment of this Company to the opinion of Audit Committee: Report to Board of Directors. Resolution of Board of Directors: the proposal as proposed was unanimously approved by all attending Directors and substitute Director.
10. The 11th Board of Directors' meeting of the 10th Session on Dec. 18, 2025, reviewed the proposal of this Company's "2026 Annual Audit Plan". After review of the 8th Audit Committee meeting of the 5th Session on Dec. 17, 2025, the proposal as proposed was unanimously agreed to adopt the version recommended by Independent Director Mr. Wang, Shih-Kun. The treatment of this Company to the opinion of Audit Committee: Report to Board of Directors. Resolution of Board of Directors: the proposal as proposed was unanimously agreed to adopt the version recommended by the Audit Committee.
11. The 11th Board of Directors' meeting of the 10th Session on Dec. 18, 2025, reviewed the proposal of this Company's "the Appointment and Remuneration of the Auditors". After review of the 8th Audit Committee meeting of the 5th Session on Dec. 17, 2025, the proposal as proposed was unanimously approved by the all attending Independent Directors. The treatment of this Company to the opinion of Audit Committee: Report to Board of Directors. Resolution of Board of Directors: the proposal as proposed was unanimously approved by all attending Directors and substitute Directors.
12. The 11th Board of Directors' meeting of the 10th Session on Dec. 18, 2025, reviewed the proposal of this Company's "Pre-approved non-assured service items". After review of the 8th Audit Committee meeting of the 5th Session on Dec. 17, 2025, the proposal as proposed was unanimously approved by the all attending Independent

Directors. The treatment of this Company to the opinion of Audit Committee: Report to Board of Directors. Resolution of Board of Directors: the proposal as proposed was unanimously approved by all attending Directors and substitute Directors.

13. The 12th Board of Directors' meeting of the 10th Session on Mar. 4, 2026, reviewed the proposal of this Company's 2025 Business report and financial statements. After review of the 9th Audit Committee meeting of the 5th Session on Mar. 4, 2026, the proposal as proposed was unanimously approved by the all attending Independent Directors. The treatment of this Company to the opinion of Audit Committee: Report to Board of Directors. Resolution of Board of Directors: the proposal as proposed was unanimously approved by all attending Directors.

14. The 12th Board of Directors' meeting of the 10th Session on Mar. 4, 2026, reviewed the proposal of this Company's 2025 "Internal control statement". After review of the 9th Audit Committee meeting of the 5th Session on Mar. 4, 2026, the proposal as proposed was unanimously approved by the all attending Independent Directors. The treatment of this Company to the opinion of Audit Committee: Report to Board of Directors. Resolution of Board of Directors: the proposal as proposed was unanimously approved by all attending Directors.

(ii). Except the foregoing matters, other resolution not be approved by the Audit Committee but approved by more than two-thirds of all directors: None.

ii. For the Independent Director's recusal to the proposal with interest, the name of the Independent Director, the content of the proposal, the reasons for recusal and the participation in the voting shall be stated: None.

iii. Communication between Independent Directors and internal audit supervisors and CPA (shall include important matters, methods and results of communication on the Company's financial and business conditions)

(i). The audit supervisor submits an audit report to the Independent Directors in the month following the completion of the audit items. The Independent Directors have no objections.

(ii). The Independent Director has no objection to the audit report of the audit supervisor.

(iii). The audit supervisor will report the audit plan for the next year before the end of each fiscal year, and report it to the Board of Directors for resolution after being approved by the Audit Committee.

(iv). The Company has provided contact telephone numbers and email addresses between Independent Directors (members of the Audit Committee) and internal audit supervisors for direct contact and communication each other. The audit supervisors of the Company shall sit in each audit report of the Board of Directors and consult the Independent Directors (members of the Audit Committee).

(v). The Company's annual internal control effectiveness assessment and internal control statement shall be submitted to the Audit Committee for review.

(vi). The annual financial report and quarterly review of financial report of the Company shall be submitted to the Board of Directors for resolution after approval by more than one-half of all members of the Audit Committee. Prior to the review of the financial report, the Audit Committee will discuss and communicate with the CPA in advance about the results of the audit.

(vii). 2025 Communication Summary: Independent Directors and Chief Internal Auditor:

Date	Pre-Audit Committee Meeting	Communication Topics	Communication Status and Results	Company's Response to Independent Directors' Opinions
2025/02/24	Q4 Communication with Independent Directors Independent Directors: Lin, Chang-Ching Wang, Hui-Ching Wang, Shih-Kun Chang, Ke-Hao CPA: Su, Yen-Ta Chief Audit Office: Chen, Han-Ching	1. Ethics and independence and auditors' responsibilities for auditing financial statements. 2. Communication on KPMG's quality management system. 3. Audit opinions, scope and findings. 4. Other communication matters. 5. Introduction to the revision of corporate governance evaluation indicators for 2025 and important legal updates.	Discussed and approved by all Independent Directors.	No objections in this meeting.

	Date	Pre-Audit Committee Meeting	Communication Topics	Communication Status and Results	Company's Response to Independent Directors' Opinions
	2025/05/05	Q1 Communication with Independent Directors Independent Directors: Lin, Chang-Ching Wang, Hui-Ching Wang, Shih-Kun Chang, Ke-Hao CPA: Su, Yen-Ta Chief Audit Office: Chen, Han-Ching	1. Morality and Independence. 2. Review opinions, scope and findings. 3. Other communications and updates of important laws.	Discussed and approved by all Independent Directors.	No objections in this meeting.
	2025/08/06	Q2 Communication with Independent Directors Independent Directors: Lin, Chang-Ching Wang, Hui-Ching Wang, Shih-Kun Chang, Ke-Hao CPA: Su, Yen-Ta Chief Audit Office: Chen, Han-Ching	1. Morality and Independence. 2. Review opinions, scope and findings. 3. Other communications and updates of important securities regulations.	Discussed and approved by all Independent Directors.	No objections in this meeting.
	2025/11/10	Q3 Communication with Independent Directors Independent Directors: Lin, Chang-Ching Wang, Hui-Ching Wang, Shih-Kun Chang, Ke-Hao CPA: Su, Yen-Ta Chief Audit Office: Chen, Han-Ching	1. Morality and Independence. 2. Review opinions, scope and findings. 3. Other communications. 4. Annual audit planning. 5. Updates of important laws.	Discussed and approved by all Independent Directors.	No objections in this meeting.

(iii).The Difference Situation and Reason between Corporate Governance Operation
Situation and Corporate Governance Best Practice Principles for TWSE/TPEX
Listed Companies

Evaluation items	Operation situation			The Difference Situation and Reason to Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies
	Y	N	Summary	
i. Does this company promulgate and disclose its own Rules for Corporate Governance Practice according to the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” and review the implementation effectiveness?	V		This Company has promulgated “Rules for Corporate Governance Practice” and discloses it on the Market Observation Pose System and the website of this Company.	No significant difference
ii. Company shareholding structure and shareholders' equity				
(i) Does the company have an internal operating procedure to deal with shareholder's suggestions, doubts, disputes and litigation matters, and implement it according to procedures?	V		(i) The Company has a spokesperson and agency spokesperson system to properly handle issues such as shareholder's suggestions, doubts, disputes, etc., it involves in litigation matters, all of them shall be handled by hired legal counsel.	No significant difference
(ii) Does this company retain a register of major shareholders who own a relatively high percentage of shares and have controlling power, and of the persons with ultimate control over those major shareholders?	V		(ii) We have good relationship with major shareholders and may retain a register of major shareholders who own a relatively high percentage of shares and have controlling power, and of the persons with ultimate control over those major shareholders, and report the shared held by directors, supervisors and major shareholders according to the regulation of the Securities and Exchange Act.	No significant difference
(iii) Does the company establish, implement, and manage risk management and firewall mechanisms between affiliated enterprises?	V		(iii) The Company has established the “Regulations on the Management of Group enterprises, Specific Companies and stakeholders” and other internal control and internal audit rules for supervising the subsidiaries.	No significant difference
(iv) Does the company have internal regulations that prohibit insiders from using information not unpublished in the market to buy and sell securities?	V		(iv) The Board of Director approved “the Operational Procedures for Handling Material Information and Preventing Insider Trading”. It states that “directors, supervisors, managers and other employees shall not involve in any transaction of the Company's stock or any other forms of security”.	No significant difference
iii. Composition and duties of the Board of Directors				
(i) Are there policies for diversity of the Board's members, goals and measures for monitoring the implementation of such policies?	V		(i) According to the operation points of corporate governance and the procedure of director election at the Company, the election of Directors at the Company must consider the overall arrangement of the Board of Directors. The members of the Board of Directors must be equipped with knowledge, skills and literacy required by the duty execution. The overall abilities must include abilities of operation judgment, accounting and finance analysis, operation management, crisis handling, industry knowledge, prospective of international market, leadership and decision-making. Please find below the relevant assessment and refer to company website for details.	No significant difference

Evaluation items	Operation situation										The Difference Situation and Reason to Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies		
	Y	N	Summary										
			Title	Name	Gender	Industry Knowledge	Finance and Accounting	Practice of Law	Operation Management & Operation Judgment	Leadership decision	Crisis management & international market outlook		
			Chairman	Lee, Woei-Shyan	M	✓			✓	✓	✓		
			Director	Li, Han-Ming	M	✓			✓	✓	✓		
			Director	Chang, Pei-Jen	M	✓			✓	✓	✓		
			Director	Lu, I-Hsuan	F	✓	✓		✓	✓	✓		
			Director	Sun, Hsing-Kuang	M	✓		✓ (Labor)	✓	✓			
			Director	Li, Yu-Ying	M			✓ (Labor)	✓	✓			
			Director	Wu, Chih-Wei	M	✓			✓	✓	✓		
			Independent Director	Lin, Chang-Ching	M		✓		✓	✓	✓		
			Independent Director	Wang, Hui-Ching	M				✓	✓	✓		
			Independent Director	Wang, Shih-Kun	M		✓		✓	✓	✓		
			Independent Director	Chang, Ke-Hao	M			✓	✓	✓	✓		
			Regarding the age of Directors at the Company, 5 are between 61 and 70, 5 are between 51 and 60, 1 is 50 and under. The nomination and election of the members of the Board of Directors at the Company abide by “Articles of Incorporation”, adopting the system of candidate nomination. Apart from the evaluation of candidate education, experience and qualification, consult stakeholders and comply with “Procedures for Election of Directors” and “The Principles of Corporate Governance” to ensure the diversity and independence of the members of the Board of Directors. The Company has drawn up the guidelines for the diversity of the members of the Board of Directors as per the need of company operation, the type and development of operation, etc. 1.The Company’s "Articles of Incorporation" for 2024 specify that at least one Director must be of a different gender, and more than half of the Board members shall not										

Evaluation items	Operation situation			The Difference Situation and Reason to Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies												
	Y	N	Summary													
(ii) Does the company voluntarily set up other functional committees besides setting up the remuneration committee and the audit committee according to law?	V		hold managerial positions within the Company. 2.All Independent Directors of the Company have a consecutive term of less than 6 years and are aged between 41 and 70 years old, ensuring the independence and transparency of the Board of Directors' operations. 3.The Company has conducted a comprehensive re-election of Directors at the 2024 Shareholders' Meeting, maintain 4 Independent Directors (not less than one-third of the number of Directors), and elected 1 Director of different genders. In order to provide more advices for business management and enhance diversity and independence through the knowledge, personal insight and business judgment of Independent Directors from different fields and backgrounds. <table><tr><td>Diversity Objectives</td><td>Policy</td><td>Management</td><td>Achievement Status</td></tr><tr><td>Non-executive Directors (those not serving as company Managers) constitute more than half of the Board seats</td><td></td><td></td><td>Achieved</td></tr><tr><td>Each gender shall represent at least one-third of the total number of Directors on the Board</td><td></td><td></td><td>Not Achieved</td></tr></table> The diversification of the Board of Directors is also disclosed on the Company's official website.	Diversity Objectives	Policy	Management	Achievement Status	Non-executive Directors (those not serving as company Managers) constitute more than half of the Board seats			Achieved	Each gender shall represent at least one-third of the total number of Directors on the Board			Not Achieved	No significant difference
Diversity Objectives	Policy	Management	Achievement Status													
Non-executive Directors (those not serving as company Managers) constitute more than half of the Board seats			Achieved													
Each gender shall represent at least one-third of the total number of Directors on the Board			Not Achieved													
(iii) Does the company have a board performance assessment method and its assessment method, and conduct performance assessment and report the assessment to Board of Directors with using it as reference for remuneration and nomination of independent directors every year and regularly?	V		(iii) The Company established the "Rules for Board of Directors Performance Assessments" on Aug. 9, 2017. The evaluation is conducted annually via internal self-assessment questionnaires, with the results reported to the Board of Directors. In late Dec. 2025, the Chairman's Office requested Directors to complete the "Board of Directors performance evaluation questionnaire" and the "Board member performance evaluation questionnaire." Additionally, members of functional committees were asked to complete evaluation questionnaires for their respective committees. For the 2025 fiscal year (Jan. 1 to Dec. 31, 2025), the recovery rate for all questionnaires was 100%. The evaluation scores for this year ranged from 78.1 to 100, indicating overall good performance. The results of the 2025 performance evaluation were reported to the Board of Directors on Mar. 4, 2026. Five major dimensions of Board of Directors performance evaluation: 1.Participation in company operations. 2.Improve the quality of Board decision-making.	No significant difference												

Evaluation items	Operation situation			The Difference Situation and Reason to Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies
	Y	N	Summary	
			3.Composition and structure of the Board of Directors. 4.Election of Directors and continuing education. 5.Internal control. Six major dimensions of Board member performance evaluation: 1.Mastering company goals and tasks. 2.Awareness of Directors' responsibilities. 3.Participation in company operations. 4.Internal relationship management and communication. 5.Professional and continuing education for Directors. 6.Internal control. Five major dimensions of Audit Committee performance evaluation: 1.Participation in company operations. 2.Cognition of the responsibilities of Audit Committee. 3.Improve the decision-making quality of Audit Committee. 4.Composition and member selection of Audit Committee. 5.Internal control. Five major dimensions of Remuneration Committee performance evaluation: 1.Participation in company operations. 2.Cognition of the responsibilities of Remuneration Committee. 3.Improve the decision-making quality of Remuneration Committee. 4.Composition and member selection of Remuneration Committee. 5.Internal control. Five major dimensions of Risk Management Committee performance evaluation: 1.Participation in company operations. 2.Cognition of the responsibilities of Risk Management Committee. 3.Improve the decision-making quality of Risk Management Committee. 4.Composition and member selection of Risk Management Committee. 5.Internal control. Five major dimensions of Nomination Committee performance evaluation: 1.Participation in company operations. 2.Cognition of the responsibilities of Nomination Committee. 3.Improve the decision-making quality of Nomination Committee. 4.Composition and member selection of Nomination Committee. 5.Internal control. Five major dimensions of Sustainable Development Committee performance evaluation: 1.Participation in company operations. 2.Cognition of the responsibilities of Sustainable Development Committee.	

Evaluation items	Operation situation			The Difference Situation and Reason to Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies
	Y	N	Summary	
(iv) Does the company regularly assess the independence of CPAs? (Note)	V		3.Improve the decision-making quality of Sustainable Development Committee. 4.Composition and member selection of Sustainable Development Committee. 5.Internal control. (iv) The Company has referred to Audit Quality Indicators (AQI) to evaluate the independence and competence of CPA in 2026, and submits it to the Board of Directors on Mar. 4, 2026 for deliberation and approval. The CPA firm also issued an “Independence Statement” and the 2024 Audit Quality Indicators document (AQI).	No significant difference
iv. Whether the TWSE/TPEX Listed Companies have set up a corporate governance designated (part-time) unit or personnel responsible for corporate governance related matters (including but not limited to providing information required by directors and supervisors to conduct business, handling matters related to the board of directors’ and shareholders’ meeting, handling company registration and change registration, production of meeting minutes of the board of directors’ and shareholders’ meeting, etc.)?	V		On Sep. 9, 2024 through the approval of the Board of Directors, appointed Director Liu, Shu-Chun of the Legal Affairs Office as Corporate Governance Supervisor, strengthen the functions of the Board of Directors and guarantee the interests of shareholders. The Supervisor Liu, Shu-Chun has more than 5 years of experience as the Legal Director of the Company, meeting the qualification of Corporate Governance Supervisor in Article 23 of the rules in the arrangement of listed company Directors and duty exercise. The main duties of Corporate Governance Supervisor at the Company include carrying out affairs related to meetings of the Board of Directors and shareholders, producing minutes of Board Meetings and Shareholder Meetings, assisting Directors in taking office and continuing with further studies, providing Directors with information required by business execution, assisting Directors in complying with decrees, reviewing the eligibility of Independent Directors’ qualifications, assisting in handling matters related to changes of directors, etc. Please find below the situation of business execution regarding corporate governance in 2025: 1.Assist Independent Directors and Directors in executing duties, provide necessary information and arrange to continue with further studies: (1) Provide members of the Board of Directors with information upon taking office, specifically regulations related to corporate governance and essential rules regarding the area of company operation, and irregularly provide updated information regarding latest decree amendment, etc. (2) Provide Directors with company information when required, maintaining the flow of communications between Board members and the department of managers. (3) Assist Directors with arranging relevant individual meetings with internal audit managers or certified public accountants so as to understand the business demand for company finance according to the code of practice concerning corporate governance. In 2025, the functional committees held a total of 14 meetings based on the nature and requirements of the proposed agendas. (4) According to the industry feature of the Company and Director’s needs, assist Directors with annual refresher courses and course arrangement. After the comprehensive	No significant difference

Evaluation items	Operation situation			The Difference Situation and Reason to Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies																			
	Y	N	Summary																				
			re-election of Directors in 2024, the Company will arrange new Directors to visit Tainan Plant and other plants based on the needs of the Directors, so that the Directors have a sufficient understanding of the characteristics and risks of the Company's industry. 2. Assist with the procedures of Board Meetings and Shareholder Meetings along with resolutions in compliance: (1) Report the operation situation of corporate governance at the Company in Board Meetings, ensure Company Shareholder Meetings and Board Meetings meet relevant laws and the code and standard of corporate governance. (2) Assist Directors with complying with duty exercise in Company Act, Securities and Exchange Act and other relevant regulations while executing business or coming to board resolutions, precisely avoid his/her participation in Board Meeting motions related to his/her own interests. In 2026, guidelines that Directors need for agenda of Board meeting will continue to be provided according to their advice so that the Directors can have better understanding of the Company's policies. (3) Take responsibilities of checking the release of important news regarding the essential resolutions of Shareholder Meetings and Board Meetings, ensuring the legitimacy and correctness of the content of important news, in order to guarantee the information equivalence of investor trading. 3. Notify Directors of the scheduled Board Meeting 7 days before, convene meetings and provide meeting materials. Notify the Director(s) before hand in case the motion requires interest avoidance, complete the minutes of Board Meeting within 20 days after the meeting. 4. Carry out preregistration of the date of Shareholder Meetings, create meeting notifications, meeting agendas and minute books and carry out the announcement within the statutory period, carry out change of company registration in case of by-laws amendment or director reassignment or reelection. 5. On August 7, 2025, a report on the qualification of Independent Directors (during their tenure) was submitted to the Board of Directors. Additionally, the Company's change of registration was completed in June 2025. Please find below the situation of refresher training in 2025: <table><tr><th colspan="2">Date of Training</th><th rowspan="2">Organizer</th><th rowspan="2">Course</th><th rowspan="2">Training hours</th><th rowspan="2">Total training hours in the current year</th></tr><tr><th>From</th><th>To</th></tr><tr><td>3/25</td><td>3/25</td><td>Taiwan Project Management Association</td><td>Continuing Education Course for Directors of Listed and OTC Companies - Industry Analysis and Corporate Diagnosis</td><td>3</td><td rowspan="2">12</td></tr><tr><td>4/25</td><td>4/25</td><td>Taiwan Corporate Governance Association</td><td>Senior Managers' Compensation and ESG Performance System Design</td><td>3</td></tr></table>	Date of Training		Organizer	Course	Training hours	Total training hours in the current year	From	To	3/25	3/25	Taiwan Project Management Association	Continuing Education Course for Directors of Listed and OTC Companies - Industry Analysis and Corporate Diagnosis	3	12	4/25	4/25	Taiwan Corporate Governance Association	Senior Managers' Compensation and ESG Performance System Design	3	
Date of Training		Organizer	Course	Training hours	Total training hours in the current year																		
From	To																						
3/25	3/25	Taiwan Project Management Association	Continuing Education Course for Directors of Listed and OTC Companies - Industry Analysis and Corporate Diagnosis	3	12																		
4/25	4/25	Taiwan Corporate Governance Association	Senior Managers' Compensation and ESG Performance System Design	3																			

Evaluation items	Operation situation								The Difference Situation and Reason to Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies
	Y	N	Summary						
			5/8	5/8	Taiwan Corporate Governance Association	Annual Sustainable Governance Strategy Management of The Board of Directors (Sustainability Committee)	3		
			5/23	5/23	Taiwan Corporate Governance Association	【Professional Course for Corporate Governance Officer】 Responsibilities and Roles of Corporate Governance Officer	3		
v. Does the company establish communication channels with stakeholders (including but not limited to shareholders, employees, customers and suppliers), set up stakeholder areas on the company's website, and respond appropriately to important corporate social responsibility issues that stakeholders concern?	V		The Company has a spokesperson and its agent system. It discloses the contact telephone number of the spokesperson at the MOPS. It also has a smooth communication channel for employees and exposes relevant information on the website of the TWSE to ensure that stakeholders have sufficient information for their judgement in protection of their rights and interests.						No significant difference
vi. Does the company appoint a professional stock agency to handle the affairs of the shareholders' meeting?	V		The Company has appointed a professional stock agency to handle the affairs of the Shareholders' Meeting.						No significant difference
vii. Disclosure of information (i) Does the company set up a website to expose financial business and corporate governance information?	V		(i) The website of this Company: http://www.airasia.com.tw ; Further, the other relevant information is uniformly published in the MOPS.						No significant difference
(ii) Does the company adopt other methods of information disclosure (such as setting up an English website, designating a person to be responsible for collecting and exposing company information, implementing a spokesperson system, and placing the process of institutional investor conferences on the company's website)?	V		(ii) The Company has a designated person responsible for exposing the collection of information and implementing the spokesperson system.						No significant difference
(iii) Does the company disclose and declare annual financial report within 2 months after the end of the fiscal year and also disclose and declare financial report of Q1 to Q3 and operation status of every month before regulated deadline?	V		(iii) The Company has disclosed and declared annual financial report within 2 months after the end of the 2025 fiscal year and also disclosed and declared financial reports of Q1 to Q3 and operation status of every month with the regulated deadline.						No significant difference
viii. Does the company have other important information that helps to understand the operation of corporate governance (including but not limited to employee's rights, care for employees, investor relations, supplier relations, stakeholder rights, directors' and supervisors' in-service training, , implementation of risk management policies and risk metrics, implementation of customer policies, company's purchase of liability	V		(i) Employee's rights: The Company attaches great importance to the rights and interests of employees and strives for a harmonious labor-management relationship. In addition to regular labor-management meetings, the Company sends representatives to participate in the Board of Directors' or supervisors' meeting and labor-management meetings convened by the union, and fully communicates with the labor representatives; on major labor issues, the Company will first to listen to union's opinions, in order to reach a consensus, to						No significant difference

Evaluation items	Operation situation			The Difference Situation and Reason to Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies
	Y	N	Summary	
insurance for directors and supervisors, etc.)?			ensure the harmonious relationship between labor and management and to reach the sustainable development of enterprises. (ii) Care for employees For employee welfare measures, please refer to the description of “Labor Relations” of this annual report. (iii) Investor relations The Company will promptly announce relevant information on the website of the MOPS in accordance with relevant regulations. The Company also has a spokesperson, an acting spokesperson and stock affair specialists to answer the questions of the Company at any time to maintain the good relationship with investors. (iv) Supplier relations: For the Company's procurement and contract operations, the main spirit is to create a fair competition field, looking for good manufacturers, in order to purchase at a reasonable price. (v) Stakeholder rights In addition to continually improving our skill and capability, this Company also pursues good business performance and strives to achieve the mission of “care for employees, serve customers, and feedback to shareholders”. Therefore, it has a promise for proper care shareholder, customers, suppliers, employees and society. Report will be sent to Board of Directors to explain execution status of communications with stakeholders. The Company website consists of “Stakeholder Section” and other diversified communication channels so as to respond to every sort of stakeholder appeal and expectation properly and effectively. (vi) Director and supervisor's training situation: The Directors and Independent Directors of the Company have professional background and experience in management practices, and regularly arrange appropriate refresher courses for Directors and make them publicly available at MOPS. (vii) Implementation of risk management policies and risk metrics: The Company laid down “Risk Management Policies and Procedures” in Dec. 2020, and report relevant items of risk management and resolutions to the Board of Directors every quarter. On November 1, 2022, the Risk Management Committee was established. It will be reported to the Risk Management Committee or the Audit Committee according to the category of risk management items, and will be reported to the Board of Directors at least once a year. (viii) Implementation of customer policies: The Company adheres to the principle of good faith operation, maintains a good supply relationship with customers, strengthens contact with customers, and properly arranges the entry schedule and delivery schedule of customers' aircraft, engines and components.	No significant difference No significant difference No significant difference No significant difference No significant difference No significant difference No significant difference

Evaluation items	Operation situation			The Difference Situation and Reason to Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies
	Y	N	Summary	
			(ix) Company's purchase of liability insurance for Directors and supervisors: The Directors of the Company exercise their powers in accordance with the law during their term of office and this Company has purchase liability insurance for all Directors.	No significant difference

ix. Please explain the improvement of the Company's corporate governance assessment results released by the Corporate Governance Center of the Taiwan Stock Exchange Co., Ltd. in the past years, and propose priorities and measures for those who have not yet improved (companies not in the list to be assessed may be exempted from this item): The Company's 2025 "Corporate Governance Evaluation" results have not been announced as of the publication date of the Annual Report, while the 2024 annual evaluation is 6% to 20%.

The 12 th Corporate Governance Evaluation Index has been improved		
No.	Indicator item	Improve the situation
4.13	Has the Company established an Environmental Management System (EMS) and disclosed its implementation status on the Company website, in the Annual Report, or in the Sustainability Report? 【Bonus: An additional point will be awarded if the Company has implemented ISO 14001 or similar environmental management standards and obtained third-party certification】	The Company has disclosed the 2025 Environmental, Energy, and Sustainability Implementation Report on its official website.
4.23	Does the Company disclose its remuneration policy for senior executives and its linkage to ESG-related performance evaluations?	The Company has disclosed its policy linking senior executive remuneration to ESG performance on the corporate website.

For those who do not meet the scoring requirements in the 12th Corporate Governance Evaluation Index, the Company will improve the evaluation to strengthen corporate governance.

The 12 th Corporate Governance Evaluation Index has not yet been improved and prioritized strengthening projects		
No.	Indicator item	Improve the situation
3.20	Has the Company been invited to (or on its own initiative) hold at least two Investor Conferences and disclosed at least two complete conference video links, and is there a gap of more than three months between the first and last Investor Conferences in the year being evaluated?	The Company plans to hold two quarterly Investor Conferences during the upcoming year and will post the video recordings of each session on the corporate website.
4.25	Does the Company disclose its Greenhouse Gas (GHG) Scope 1 and Scope 2 emissions for the past two years? 【Bonus: An additional point will be awarded if the Scope 1 and Scope 2 emissions for the past two years have obtained external verification】	In Mar. 2026, the Company commissioned a third party to conduct limited assurance on its 2025 Greenhouse Gas (GHG) Scope 1 and Scope 2 emissions.

Note: The items in auditor's qualifications and independence assessment form are as follows:

Assessment items	Yes	No
1. As of the latest audit, there have been no circumstances where no replacement had happened for seven years.	V	
2. There is no major conflict of financial interests with the client.	V	
3. To avoid having any inappropriate relationship with the client.	V	
4. The accountants should ensure that their assistants are honest, fair, and independent.	V	
5. The accountant cannot audit the financial statements for organizations they served for within two years before they took the job.	V	
6. The accountant's name cannot be used by others.	V	
7. The accountant does not hold any stocks of the Company or the stocks of its affiliated enterprises.	V	
8. The accountant does not loan money from the Company or its affiliated enterprises.	V	
9. The accountant has no joint investment or profit-sharing relationship with the Company or its affiliated enterprises.	V	
10. The accountant does not concurrently hold a regular position in the Company or its affiliated enterprises and receive monthly salary payments.	V	

Evaluation items	Operation situation			The Difference Situation and Reason to Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies
	Y	N	Summary	
11. The accountant does not involve the managerial decision-making of the Company or its affiliated enterprises.				V
12. The account has not engaged in any other business that could compromise their independence.				V
13. The accountant is not the spouse or a relative within second degree in kinship with the management personnel of the Company.				V
14. The account has not received any commission related to the business.				V
15. As for now, there have been no incidents of the accountant under sanction or losing independence.				V
16. Whether the accountant and the senior audit personnel have sufficient audit experience to conduct the audit work.				V
17. Whether the accountant and managerial personnel receive adequate training every year to accumulate professional knowledge and skills.				V
18. Whether the accounting firm maintains sufficient veteran staff members.				V
19. Whether the accounting firm hires enough professional personnel (evaluators) to support the audit team.				V
20. Whether the workload of accountant is too heavy, including the number of companies and accountant is engaged as lead auditor and the proportion of available working hours of each accountant.				V
21. Whether the members of the audit team have appropriate involvement in each stage of the audit.				V
22. Whether the accountant devotes sufficient hours in reviewing audit cases with the EQCR review method.				V
23. Whether the accounting firm has enough staff for quality inspection to support the audit team.				V
24. Whether the proportion of non-audit service fee has an impact on independence.				V
25. The impact of accumulated years of providing audit services of accounting firm in issuing audit reports on independence.				V
26. Whether the accounting firm's quality control and auditing case, its external inspection errors and penalties are handled in according with legal regulations and guidelines.				V
27. The competent authority issued a letter to improve the quality control of the accounting firm and whether the audit cases are handled in accordance with legal regulations and guidelines.				V
28. The accounting firm's commitment to enhance audit quality, including the firm's innovation capabilities and planning.				V

(iv).Remuneration Committee

1. Members of remuneration committee

April. 20, 2026

Title	Condition	Professional qualifications and experience	Compliance with independence (Note 2)	The number of other public offering companies in which he/she serves as members of remuneration committee
	Name			
Independent Director (Note 1)	Lin, Chang-Ching	1 Functional committee leadership experience: Convenor of the Audit, Remuneration, Risk Management and Nomination Committees 2 Other company Independent Director experience: Independent Director of Mega Financial Holding Co., Ltd. 3 Lecturer or above qualifications in public and private colleges and universities in business, finance and accounting: Professor, Department of Economics, National Cheng Kung University, Independent Director Mr. Lin, has provided his Certificate of Appointment and Letter of Approval for Full-time Teacher to take off-campus positions issued by National Cheng Kung University 4 More than 5 years' experience in business, finance and accounting: Ph.D. in Economics, University of Michigan, Ann Arbor, USA, Master of Economics, National Taiwan University, Bachelor of Economics, National Taiwan University, Member of the 21st Board of Directors of the Central Bank of the Republic of China (Taiwan), Joint Research Fellow, Institute of Economics, Academia Sinica, Associate Dean of College Social Sciences, National Cheng Kung University, Associate Professor, Department of Economics, National Cheng Kung University, Assistant Research Fellow, Institute of Economics, Academia Sinica 5 No case for violating Provision 30 of Company Act in which Lin, Chang-Ching was listed as a defendant was found in the Judgement Archive of the Court of Judgement, Supreme Court, and the local civil and criminal courts in different districts. Mr. Lin, Chang-Ching's "Statement of Independent Director Nominee's Clearance of Cases Violating Provision 30 in Company Act" was obtained; it has been claimed that Mr. Lin was not involved in matters described in Provision 30 of Company Act	Qualifications: (1), (2), (3), (4), (5), (6), (7), (8), (9), (10), (11) Additional remarks: (1), (2), (4): A review of the employee list, list of Directors and supervisors of the Company and its affiliations, the reported data of internal personnels, list of shareholders, report for annual Shareholders' meeting, and other relevant information indicates that the Independent Director Mr. Lin, Chang-Ching, his spouse, and relatives within second degree of kinship have fulfilled criteria (1), (2), (4) (3): The Company has obtained Mr. Lin, Chang-Ching's "Statement for (Nomination of) the Independent Director of Air Asia Co., Ltd." and he has fulfilled all criteria stated here. A review of the recent shareholder list, disclosed information in annual report of Shareholders' meeting, and report of internal personnel has indicated no shares of the Company is in possession of Independent Director Mr. Lin, Chang-Ching, his spouse, and his minor children, so he has fulfilled the criteria here (5), (6), (7), (8): A review on the list of Directors and supervisors who hold over 5 percent of the Company's total amount of issued shares, the top 5 institutional shareholders serving as the Directors or supervisors, the Directors or supervisors as representatives of institutional shareholders who are designated according to Item 1 or 2 in Provision 27 of the Company Act, the Company's financial record, and Mr. Lin's "Statement for (Nomination of) the Independent Director of Air Asia Co., Ltd." indicates that Mr. Lin is not one of the above mentioned shareholders or employed by any of them; he is not involved in any financial or business affairs of National Cheng Kung University which he worked for. He thus fulfilled criteria (5), (6), (7), (8) (9): A review on the expenses in Company's accounting record indicates that Mr. Lin, Chang-Ching has not offered any commercial, legal, financing, or accounting consultation service for the Company or any of its affiliations within the past 2 years and have not received any remuneration, and thus fulfills the criterion	1
Independent Director	Wang, Hui-Ching	1 Functional committee experience: Member of the Audit, Remuneration, Risk Management and Nomination Committees 2 More than 5 years information system integration experience: Master, Institute of Industrial Engineering, National Tsing Hua University, Executive Assistant to GM of Jetwell Computer Co., Ltd., Associate of PricewaterhouseCoopers Business Consulting Services Taiwan Ltd., Executive of Public, Communication, Distribution, IBM Taiwan Corp.	Qualifications: (1), (2), (3), (4), (5), (6), (7), (8), (9), (10), (11) Additional remarks: (1), (2), (4): A review of the employee list, list of Directors and supervisors of the Company and its affiliations, the reported data of internal personnels, list of shareholders, report for annual Shareholders' meeting, and other relevant information indicates that the Independent Director Mr. Wang, Hui-Ching, his spouse,	-

Title	Condition Name	Professional qualifications and experience	Compliance with independence (Note 2)	The number of other public offering companies in which he/she serves as members of remuneration committee
		3 No case for violating Provision 30 of Company Act in which Wang, Hui-Ching was listed as a defendant was found in the Judgement Archive of the Court of Judgement, Supreme Court, and the local civil and criminal courts in different districts. Mr. Wang, Hui-Ching's "Statement of Independent Director Nominee's Clearance of Cases Violating Provision 30 in Company Act" was obtained; it has been claimed that Mr. Wang was not involved in matters described in Provision 30 of Company Act	and relatives within second degree of kinship have fulfilled criteria (1), (2), (4) (3): The Company has obtained Mr. Wang, Hui-Ching's "Statement for (Nomination of) the Independent Director of Air Asia Co., Ltd." and he has fulfilled all criteria stated here. A review of the recent shareholder list, disclosed information in annual report of Shareholders' meeting, and report of internal personnel has indicated no shares of the Company is in possession of Independent Director Mr. Wang, Hui-Ching, his spouse, and his minor children, so he has fulfilled the criteria here (5), (6), (7), (8): A review on the list of Directors and supervisors who hold over 5 percent of the Company's total amount of issued shares, the top 5 institutional shareholders serving as the Directors or supervisors, the Directors or supervisors as representatives of institutional shareholders who are designated according to Item 1 or 2 in Provision 27 of the Company Act, the Company's financial record, and Mr. Wang's "Statement for (Nomination of) the Independent Director of Air Asia Co., Ltd." indicates that Mr. Wang is not one of the above mentioned shareholders or employed by any of them. He thus fulfilled criteria (5), (6), (7), (8) (9): A review on the expenses in Company's accounting record indicates that Mr. Wang, Hui-Ching has not offered any commercial, legal, financing, or accounting consultation service for the Company or any of its affiliations within the past 2 years and have not received any remuneration, and thus fulfills the criterion	
Independent Director	Wang, Shih-Kun	1 Functional committee experience: Member of the Audit, Remuneration, Risk Management and Nomination Committees 2 Other company Independent Director experience: Independent Director of China Steel Corp. 3 Qualification of accountant: Certificate of Accountant of the Republic of China 4 More than 5 years' experience in financial accounting: Master, Institute of Industrial Management, National Cheng Kung University, Director, CPA of Li Yi Accounting Firm, Partnership CPA of Li Yang Accounting Firm, Manager, Accountant of Deloitte & Touche Tohmatsu Ltd. 5 No case for violating Provision 30 of Company Act in which Wang, Shih-Kun was listed as a defendant was found in the Judgement Archive of the Court of Judgement, Supreme Court, and the local civil and criminal courts in different districts. Mr. Wang, Shih-Kun's "Statement of Independent Director Nominee's Clearance of Cases Violating Provision 30 in Company Act" was obtained; it has been claimed that Mr. Wang was not involved in matters described in Provision 30 of Company Act	Qualifications: (1), (2), (3), (4), (5), (6), (7), (8), (9), (10), (11) Additional remarks: (1), (2), (4): A review of the employee list, list of Directors and supervisors of the Company and its affiliations, the reported data of internal personnels, list of shareholders, report for annual Shareholders' meeting, and other relevant information indicates that the Independent Director Mr. Wang, Shih-Kun has fulfilled criteria (1), (2), (4) (3): The Company has obtained Mr. Wang, Shih-Kun's "Statement for (Nomination of) the Independent Director of Air Asia Co., Ltd." and he has fulfilled all criteria stated here. A review of the recent shareholder list, disclosed information in annual report of Shareholders' meeting, and report of internal personnel has indicated no shares of the Company is in possession of Independent Director Mr. Wang, Shih-Kun, so he has fulfilled the criteria here (5), (6), (7), (8): A review on the list of Directors and supervisors who hold over 5 percent of the Company's total amount of issued shares, the top 5 institutional shareholders serving as the Directors or supervisors, the Directors or supervisors as representatives of institutional shareholders who are designated according to Item 1 or 2 in Provision 27 of the Company Act, the Company's	1

Title	Condition	Professional qualifications and experience	Compliance with independence (Note 2)	The number of other public offering companies in which he/she serves as members of remuneration committee
	Name			
			financial record, and Mr. Wang's "Statement for (Nomination of) the Independent Director of Air Asia Co., Ltd." indicates that Mr. Wang is not one of the above mentioned shareholders or employed by any of them; he is not involved in any financial or business affairs of Li Yi Accounting Firm, which he worked for. He thus fulfilled criteria (5), (6), (7), (8) (9): A review on the expenses in Company's accounting record indicates that Mr. Wang, Shih-Kun has not offer any commercial, legal, financing, or accounting consultation service for the Company or any of its affiliations within the past 2 years and have not received any remuneration, and thus fulfills the criterion	
Independent Director	Chang, Ke-Hao	- Functional committee experience: Member of the Audit, Remuneration, Risk Management and Nomination Committees - Other company Independent Director experience: Independent Director of Solytech Enterprise Corp., Independent Director of DIANTHUS Co., Ltd., Independent Director of Sun Ba Power Corp. - Lawyer Qualification: Lawyer certificate of the Republic of China - More than 5 years legal experience: Master of EMBA, National Cheng Kung University, Master of Law, Fu Jen Catholic University, Co-Located of Welead Attorneys-At-Law, Partner of Chen, Tsai & Partners Attorneys-At-Law - No case for violating Provision 30 of Company Act in which Chang, Ke-Hao was listed as a defendant was found in the Judgement Archive of the Court of Judgement, Supreme Court, and the local civil and criminal courts in different districts. Mr. Chang, Ke-Hao's "Statement of Independent Director Nominee's Clearance of Cases Violating Provision 30 in Company Act" was obtained; it has been claimed that Mr. Chang was not involved in matters described in Provision 30 of Company Act	Qualifications: (1), (2), (3), (4), (5), (6), (7), (8), (9), (10), (11) Additional remarks: (1), (2), (4): A review of the employee list, list of Directors and supervisors of the Company and its affiliations, the reported data of internal personnels, list of shareholders, report for annual Shareholders' meeting, and other relevant information indicates that the Independent Director Mr. Chang, Ke-Hao, his spouse, and relatives within second degree of kinship have fulfilled criteria (1), (2), (4) (3): The Company has obtained Mr. Chang, Ke-Hao's "Statement for (Nomination of) the Independent Director of Air Asia Co., Ltd." and he has fulfilled all criteria stated here. A review of the recent shareholder list, disclosed information in annual report of Shareholders' meeting, and report of internal personnel has indicated no shares of the Company is in possession of Independent Director Mr. Chang, Ke-Hao, his spouse, and his minor children, so he has fulfilled the criteria here (5), (6), (7), (8): A review on the list of Directors and supervisors who hold over 5 percent of the Company's total amount of issued shares, the top 5 institutional shareholders serving as the Directors or supervisors, the Directors or supervisors as representatives of institutional shareholders who are designated according to Item 1 or 2 in Provision 27 of the Company Act, the Company's financial record, and Mr. Chang's "Statement for (Nomination of) the Independent Director of Air Asia Co., Ltd." indicates that Mr. Chang is not one of the above mentioned shareholders or employed by any of them; he is not involved in any financial or business affairs of Co-Located of Welead Attorneys-At-Law which he worked for. He thus fulfilled criteria (5), (6), (7), (8) (9): A review on the expenses in Company's accounting record indicates that Mr. Chang, Ke-Hao has not offered any commercial, legal, financing, or accounting consultation service for the Company or any of its affiliations within the past 2 years and have not received any remuneration, and thus fulfills the criterion	1

Title	Condition	Professional qualifications and experience	Compliance with independence (Note 2)	The number of other public offering companies in which he/she serves as members of remuneration committee
	Name			
Note 1: Convener.				
Note 2: All members should fulfill the following requirements within 2 years before being elected and during their terms:				
(1)	Not an employee of the company or any of its affiliates.			
(2)	Not a Director or supervisor of the Company or any of its affiliates. The same does not apply, however, in cases where the person is an Independent Director of the Company, its parent company, or any subsidiary, as appointed in accordance with the Act or with the laws of the country of the parent or subsidiary.			
(3)	Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under any other's name, in an aggregate amount of 1% or more of the total number of issued shares of the Company or ranking in the top 10 in shareholding.			
(4)	Not manager of (1) or not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of any of the persons in the preceding three subparagraphs of (2) and (3).			
(5)	Not a Director, supervisor, or employee of a corporate shareholder that directly holds 5% or more of the total number of issued shares of the Company or ranks in the top 5 in shareholding.			
(6)	Directors, supervisors or employees of other companies who are not controlled by the same person or more than half of the shares of the Company are controlled by the same person (The same does not apply, however, in cases where concurrent Independent Directors of the Company, parent company, subsidiary or subsidiary belonging to same parent company chosen under this act or location laws and regulations).			
(7)	Directors (member of council), supervisors (supervisors) or employees of other companies or organizations who are not the same person or spouse with the Company's Chairman, general manager or equivalent (The same does not apply, however, in cases where concurrent Independent Directors of the Company, parent company, subsidiary or subsidiary belonging to same parent company chosen under this act or location laws and regulations).			
(8)	Not a Director, supervisor, managerial officer, or shareholder holding 5 percent or more of the shares, of a specified company or institution that has a financial or business relationship with the Company. (The same does not apply, however, in cases where a particular company or institution holding more than 20% and less than 50% of the Company's total issued shares and concurrent Independent Directors of the Company, parent company, subsidiary or subsidiary belonging to same parent company chosen under this act or location laws and regulations).			
(9)	Not Professionals, sole proprietorships, partnerships, business owners of companies or institutions, partners, Directors (member of council), supervisors (supervisors), managers and their spouses who did not provide audits for the Company or related company and received no more than NTD 500,000 on business, legal, financial and accounting. The same does not apply, however, in cases where members of Salary and Remuneration Committee, Public Takeover Review Committee or Mergers and Acquisitions Special Committee who perform duties in accordance with Securities and Exchange Act or Business Mergers and Acquisitions Act.			
(10)	Not a spouse of or are related within the second degree of kinship to other managers, the Directors.			
(11)	Not been a person of any conditions defined in Article 30 of the Company Act.			

2. Remuneration Committee Operation Information

(1) The Company's Remuneration Committee consists of 4 members, all of whom are Independent Directors. In accordance with the Regulations Governing the Exercise of Powers by Remuneration Committee Charter, the Committee acts in a professional and objective capacity to establish and periodically review the policies, systems, standards, and structures for the performance evaluation and remuneration of Directors and Managers. The Committee subsequently submits recommendations to the Board of Directors for its decision-making reference.

(2) Term of members in this session: Sep. 9, 2024 to Sep. 3, 2027. There were 4 meetings in the most recent year. The qualifications and attendance of the members are as follows:

Title	Name	Professional qualifications and experience	Actual attendance (sit in) to meeting	Attendance by proxy	Actual attendance to meeting (%)	Remake
Convener	Lin, Chang-Ching	Note	4	0	100%	Shall attend 4 times.
Member	Wang, Hui-Ching	Note	4	0	100%	Shall attend 4 times.
Member	Wang, Shih-Kun	Note	4	0	100%	Shall attend 4 times.
Member	Chang, Ke-Hao	Note	4	0	100%	Shall attend 4 times.

Note: Please refer to pages 47-50 of this Annual Report for professional qualifications and experience.

Other items to be recorded:

- i. The Board of Directors shall state the Board Meeting's date, period, content of the proposal, the resolution of the Board of Director and the Company's treatment of Remuneration Committee's opinion, if the Board of Director refuses or amends the proposal of Remuneration Committee (for example, the wage remuneration determined by Board of Directors is better the proposal of Remuneration Committee the difference and reason shall be clearly stated): None.
- ii. The Remuneration Committee shall state the Remuneration Committee's Meeting date, period, content of the proposal, the resolution of the Board of Director and treatment to all member's opinion and opinions of all members if resolution of Remuneration Committee on which any member has a dissenting or qualified opinion which is on record or stated in a written statement: None.
- iii. The dates, session, contents. resolutions of Remuneration Committee Meetings in the recent year and handling of company's opinions on the Remuneration Committee are as follow:
 - (i) The 4th Remuneration Committee meeting of the 4th Session on Feb. 24, 2025: There are no items for discussion at this meeting. The treatment of this Company to the opinion of Remuneration Committee: None.
 - (ii) The 10th Board of Directors' Meeting of the 10th Session on Aug. 7, 2025, reviewed 2026 working plan of the Remuneration Committee. After review of the 6th Remuneration Committee meeting of the 4th Session on Aug. 6, 2025, the proposal as proposed was unanimously approved by the all attending members. The treatment of this Company to the opinion of Remuneration Committee: Report to Board of Directors. Resolution of Board of Directors: the proposal as proposed was unanimously approved by all attending Directors.
 - (iii) The 10th Board of Directors' Meeting of the 10th Session on Nov. 10, 2025, reviewed discussion proposal on amendments to the "Rules for Board of Directors Performance Assessments". After review of the 6th Remuneration Committee meeting of the 4th Session on Nov. 10, 2025, the proposal as proposed was unanimously approved by the all attending members. The treatment of this Company to the opinion of Remuneration Committee: Report to Board of Directors. Resolution of Board of Directors: the proposal as proposed was unanimously approved by all attending Directors and substitute Director.
 - (iv) The 10th Board of Directors' Meeting of the 10th Session on Nov. 10, 2025, reviewed the case of incentive bonuses for the Managers in the Army Utility Helicopter Inspection and Maintenance Project. After review of the 6th

- Remuneration Committee meeting of the 4th Session on Nov. 10, 2025, the proposal as proposed was unanimously approved by the all attending members. The treatment of this Company to the opinion of Remuneration Committee: Report to Board of Directors. Resolution of Board of Directors: Chairman Lee, Woei-Shyan and Vice President of Finance Kuo, Ssu-Tsen recused due to benefit conflict, and Director Lu, I-Hsuan was designated as the deputy chairperson; the proposal as proposed was unanimously approved by all attending Directors and substitute Director.
- (v) The 10th Board of Directors' Meeting of the 10th Session on Nov. 10, 2025, reviewed discussion proposal on amendments to the "Remuneration Management Measures for Directors and Managers". After review of the 6th Remuneration Committee meeting of the 4th Session on Nov. 10, 2025, the proposal as proposed was unanimously approved by the all attending members. The treatment of this Company to the opinion of Remuneration Committee: Report to Board of Directors. Resolution of Board of Directors: the proposal as proposed was unanimously approved by all attending Directors and substitute Director.
- (vi) The 11th Board of Directors' Meeting of the 10th Session on Dec. 18, 2025, reviewed discussion proposal on amendments to the "Remuneration Management Measures for Directors and Managers". After review of the 7th Remuneration Committee meeting of the 4th Session on Dec. 17, 2025, the proposal as proposed was unanimously approved by the all attending members. The treatment of this Company to the opinion of Remuneration Committee: Report to Board of Directors. Resolution of Board of Directors: the proposal as proposed was unanimously approved by all attending Directors and substitute Directors.
- (vii) The 11th Board of Directors' Meeting of the 10th Session on Dec. 18, 2025, reviewed discussion proposal on salary increase for Chairman and Managers. After review of the 7th Remuneration Committee meeting of the 4th Session on Dec. 17, 2025, Director of Legal Affairs Office Liu, Shu-Chun recused due to benefit conflict; the proposal as proposed was unanimously approved by the all attending members. The treatment of this Company to the opinion of Remuneration Committee: Report to Board of Directors. Resolution of Board of Directors: Chairman Li, Wei-Hsien and Director of Legal Affairs Office Liu, Shu-Chun recused due to benefit conflict, and Director Lu, I-Hsuan was designated as the deputy chairperson; the proposal as proposed was unanimously approved by all attending Directors and substitute Directors.
- (viii) The 11th Board of Directors' Meeting of the 10th Session on Dec. 18, 2025, reviewed the proposal of company's 2025 year-end bonus of Chairman and Managers. After review of the 7th Remuneration Committee meeting of the 4th Session on Dec. 17, 2025, Director of Legal Affairs Office Liu, Shu-Chun recused due to benefit conflict; the proposal as proposed was unanimously approved by the all attending members. The treatment of this Company to the opinion of Remuneration Committee: Report to Board of Directors. Resolution of Board of Directors: Chairman Lee, Woei-Shyan and Director of Legal Affairs Office Liu, Shu-Chun recused due to benefit conflict, and Director Lu, I-Hsuan was designated as the deputy chairperson; the proposal as proposed was unanimously approved by all attending Directors and substitute Directors.
- (ix) The 12th Board of Directors' Meeting of the 10th Session on Mar. 4, 2026, reviewed the case of incentive bonuses for the Managers in the Transport Helicopter Strategic Fleet Maintenance Project. After review of the 8th Remuneration Committee meeting of the 4th Session on Mar. 4, 2026, the proposal as proposed was unanimously approved by the all attending members. The treatment of this Company to the opinion of Remuneration Committee: Report to Board of Directors. Resolution of Board of Directors: Chairman Lee, Woei-Shyan recused due to benefit conflict, and Director Lu, I-Hsuan was designated as the deputy chairperson; the proposal as proposed was unanimously approved by all attending Directors.

(v). Risk Management Committee

1. Qualifications and responsibilities of members of the Risk Management Committee

The Company established the Risk Management Committee on Nov. 1, 2022, which is now composed of 4 Independent Directors. Committee chairperson Lin, Chang-Ching Independent Director has economic and management capabilities, Wang, Hui-Ching Independent Director has experience in information system integration and digital transformation, Wang, Shih-Kun Independent Director has accountant qualification and financial experience, Chang, Ke-Hao Independent Director has lawyer qualification and legal experience, meet the qualifications required by the Committee. According to the Risk Management Committee Charter, it conducts risk reviews of the Company to ensure the effectiveness of risk management, and report to the Board of Directors for its decision-making the reference. The main responsibilities of the Committee are as follows:

- (1) Review risk management policies, procedures and structures, and regularly review their applicability and performance.
- (2) Assess risk appetite (risk tolerance) and guide resource allocation.
- (3) Ensure that the risk management mechanism can adequately handle the risks faced by the Company and integrate it into the daily operation process.
- (4) Approve risk control priorities and risk levels.
- (5) Review the implementation of risk management, make necessary improvement suggestions, and report to the Board of Directors on a regular basis (at least once a year).
- (6) Execute the risk management decisions of the Board of Directors.

Members	Name	Expertise
Independent Director	Lin, Chang-Ching	Applied Econometrics, Law and Economics
Independent Director	Wang, Hui-Ching	Information system integration, Digital transformation
Independent Director	Wang, Shih-Kun	Accountant, Finance
Independent Director	Chang, Ke-Hao	Attorney, Legal

2. Professional qualifications, experience and operation of members of the Risk Management Committee

- (1) There are 4 members in the Risk Management Committee of this Company.
- (2) Term of members in this session: Sep. 9, 2024 to Sep. 3, 2027. There were 2 meetings in the most recent year. The professional qualifications and experience, attendance and discussions of the members are as follows:

Title	Name	Professional qualifications and experience	Actual attendance (sit in) to meeting	Attendance by proxy	Actual attendance to meeting (%)	Remake
Convener	Lin, Chang-Ching	Note	2	0	100%	Shall attend 2 times.
Member	Wang, Hui-Ching	Note	2	0	100%	Shall attend 2 times.
Member	Wang, Shih-Kun	Note	2	0	100%	Shall attend 2 times.
Member	Chang, Ke-Hao	Note	2	0	100%	Shall attend 2 times.

Note: For professional qualifications and experience, please refer to pages 15-18 of this Annual Report.

Other items to be recorded:

- i. The Board of Directors shall state the Board Meeting's date, period, content of the proposal, the resolution of the Board of Director and the Company's treatment of Risk Management Committee's opinion, if the Board of Director refuses or amends the proposal of Risk Management Committee: None.
- ii. The Risk Management Committee shall state the Risk Management Committee's Meeting date, period, content of the proposal, the resolution of the Board of Director and treatment to all member's opinion and opinions of all members if resolution of Risk Management Committee on which any member has a dissenting or qualified opinion which is on record or stated in a written statement: None.
- iii. The dates, session, contents. resolutions of Risk Management Committee Meetings in the recent year and handling of company's opinions on the Risk Management Committee are as follow:
 - (i) The 2nd Risk Management Committee meeting of the 2nd Session on Feb. 24, 2025: There are no items for discussion at this meeting. The treatment of this Company to the opinion of Risk Management Committee: None.
 - (ii) The 3rd Risk Management Committee meeting of the 2nd Session on Aug. 6, 2025: There are no items for discussion at this meeting. The treatment of this Company to the opinion of Risk Management Committee: None.
 - (iii) The 4th Risk Management Committee meeting of the 2nd Session on Mar. 4, 2026: There are no items for discussion at this meeting. The treatment of this Company to the opinion of Risk Management Committee: None.

(vi).Sustainable Development Committee

1. Qualifications and responsibilities of members of the Sustainable Development Committee

The Company established the Sustainable Development Committee on Mar. 27, 2025, which is now composed of Chairman and 2 Vice Presidents. Committee chairperson Lee, Woei-Shyan Chairman has corporate governance, leadership decision-making and risk management capabilities, Kuo, Ssu-Tsen Vice President has experience in finance, accounting and labor management, Chao, Chin-Hsien Vice President has experience in operations management, procurement supply chain, labor management and social feedback, meet the qualifications required by the Committee. In accordance with the authorization of the Board of Directors, this Committee shall faithfully perform the following duties and powers and report to the Board of Directors:

- (1) Formulate and promote the Company's sustainable development policies, annual plans and strategies, etc.
- (2) Review, track and revise the implementation status and effectiveness of sustainable development.
- (3) Supervise the disclosure of sustainable information and review the sustainable report.
- (4) Supervise the implementation of the Company's sustainable development business or other sustainable development related tasks approved by the Board of Directors.

Members	Name	Expertise
Chairman	Lee, Woei-Shyan	Corporate governance, Leadership decision-making, Risk management
Vice President	Kuo, Ssu-Tsen	Finance, Accounting, Labor management
Vice President	Chao, Chin-Hsien	Operations management, Procurement supply chain, Labor management, Social feedback

2. Professional qualifications, experience and operation of members of the Sustainable Development Committee

- (1) There are 3 members in the Sustainable Development Committee of this Company.
- (2) Term of members in this session: Mar. 27, 2025 to Sep. 3, 2027. There was 1 meeting in the most recent year. The professional qualifications and experience, attendance and discussions of the members are as follows:

Title	Name	Professional qualifications and experience	Actual attendance (sit in) to meeting	Attendance by proxy	Actual attendance to meeting (%)	Remake
Convener	Lee, Woei-Shyan	Note 1	1	0	100%	Shall attend 1 time.
Member	Kuo, Ssu-Tsen	Note 2	1	0	100%	Shall attend 1 time.
Member	Chao, Chin-Hsien	Note 2	1	0	100%	Shall attend 1 time.

Note 1: For professional qualifications and experience, please refer to pages 14 and 55 of this Annual Report.

Note 2: For professional qualifications and experience, please refer to pages 22 and 55 of this Annual Report.

Other items to be recorded:

- i. The Board of Directors shall state the Board Meeting's date, period, content of the proposal, the resolution of the Board of Director and the Company's treatment of Sustainable Development Committee's opinion, if the Board of Director refuses or amends the proposal of Sustainable Development Committee: None.
- ii. The Sustainable Development Committee shall state the Sustainable Development Committee's Meeting date, period, content of the proposal, the resolution of the Board of Director and treatment to all member's opinion and opinions of all members if resolution of Sustainable Development Committee on which any member has a dissenting or qualified opinion which is on record or stated in a written statement: None.
- iii. The dates, session, contents. resolutions of Sustainable Development Committee Meetings in the recent year and handling of company's opinions on the Sustainable Development Committee are as follow:
 - (i) The 9th Board of Directors' meeting of the 10th Session on Aug. 7, 2025, reviewed the proposal of this Company's "2024 Sustainability Report". After review of the 1st Sustainable Development Committee meeting of the 1st Session on Aug. 6, 2025, the proposal as proposed was unanimously approved by the all attending members. The treatment of this Company to the opinion of Sustainable Development Committee: Report to Board of Directors. Resolution of Board of Directors: this case was discussed by all the Directors present, and it was unanimously agreed to pass the amendments suggested by Director Mr. Li, Han-Ming.
 - (ii) The 2nd Sustainable Development Committee meeting of the 1st Session on Mar. 4, 2026: There are no items for discussion at this meeting. The treatment of this Company to the opinion of Sustainable Development Committee: None.

(vii). Nomination Committee

1. Qualifications and responsibilities of members of the Nomination Committee

The Company established the Nomination Committee on Mar. 27, 2025, with the appointment of members effective on Apr. 10, 2025, consisting of the Chairman and 4 Independent Directors. Committee chairperson Lin, Chang-Ching Independent Director has economic and management capabilities, Lee, Woei-Shyan Chairman has corporate governance, leadership decision-making and risk management capabilities, Wang, Hui-Ching Independent Director has experience in information system integration and digital transformation, Wang, Shih-Kun Independent Director has accountant qualification and financial experience, Chang, Ke-Hao Independent Director has lawyer qualification and legal experience, meet the qualifications required by the Committee. In accordance with the authorization of the Board of Directors, this Committee shall faithfully perform the following duties and powers and submit its suggestions to the Board of Directors for discussion:

- (1) Develop standards for diverse backgrounds and independence such as professional knowledge, skills, experience, and gender required for Board members and Senior Managers, and use this to identify, review, and nominate candidates for Directors and Senior Managers..
- (2) Construct and develop the organizational structure of the Board and its Committees, conduct performance evaluations of the Board, its Committees, Directors and Senior Managers, and evaluate the independence of Independent Directors.
- (3) Formulate and regularly review Directors' education plans and succession plans for Directors and Senior Managers.
- (4) Formulate the Company's Corporate Governance Best Practice Principles.

Members	Name	Expertise
Chairman	Lee, Woei-Shyan	Corporate governance, Leadership decision-making, Risk management
Independent Director	Lin, Chang-Ching	Applied Econometrics, Law and Economics
Independent Director	Wang, Hui-Ching	Information system integration, Digital transformation
Independent Director	Wang, Shih-Kun	Accountant, Finance
Independent Director	Chang, Ke-Hao	Attorney, Legal

2. Professional qualifications, experience and operation of members of the Nomination Committee

(1) There are 5 members in the Nomination Committee of this Company.

(2) Term of members in this session: Apr. 10, 2025 to Sep. 3, 2027. There was 1 meeting in the most recent year. The professional qualifications and experience, attendance and discussions of the members are as follows:

Title	Name	Professional qualifications and experience	Actual attendance (sit in) to meeting	Attendance by proxy	Actual attendance to meeting (%)	Remake
Convener	Lin, Chang-Ching	Note	1	0	100%	Shall attend 1 time.
Member	Lee, Woei-Shyan	Note	1	0	100%	Shall attend 1 time.
Member	Wang, Hui-Ching	Note	1	0	100%	Shall attend 1 time.
Member	Wang, Shih-Kun	Note	1	0	100%	Shall attend 1 time.
Member	Chang, Ke-Hao	Note	1	0	100%	Shall attend 1 time.

Note: For professional qualifications and experience, please refer to pages 14-18 and 57 of this Annual Report.

Other items to be recorded:

- i. The Board of Directors shall state the Board Meeting's date, period, content of the proposal, the resolution of the Board of Director and the Company's treatment of Nomination Committee's opinion, if the Board of Director refuses or amends the proposal of Nomination Committee: None.
- ii. The Nomination Committee shall state the Nomination Committee's Meeting date, period, content of the proposal, the resolution of the Board of Director and treatment to all member's opinion and opinions of all members if resolution of Nomination Committee on which any member has a dissenting or qualified opinion which is on record or stated in a written statement: None.
- iii. The dates, session, contents. resolutions of Nomination Committee Meetings in the recent year and handling of company's opinions on the Nomination Committee are as follow:
 - (i) The 9th Board of Directors' meeting of the 10th Session on Aug. 7, 2025, reviewed the proposal of this Company's "2026 Board of Directors training plan". After review of the 1st Nomination Committee meeting of the 1st Session on Aug. 6, 2025, the proposal as proposed was unanimously approved by the all attending members. The treatment of this Company to the opinion of Nomination Committee: Report to Board of Directors. Resolution of Board of Directors: the proposal as proposed was unanimously approved by all attending Directors.
 - (ii) The 2nd Nomination Committee meeting of the 1st Session on Mar. 4, 2026: There are no items for discussion at this meeting. The treatment of this Company to the opinion of Nomination Committee: None.

(viii).Promote Sustainable Development and the Difference Situation and Reason to Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies

Evaluation items		Operation situation			The Difference Situation and Reason to Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies						
		Y	N	Summary							
i.	Has the Company established a governance structure and a designated (part time) unit for promoting sustainable development? Is the Board of Directors authorizing the senior management to handle and report the supervising situation to the Board of Directors?	V		This Company has promulgated “Sustainable Development Best Practice Principles”, the designated (part-time) unit to promote corporate social responsibility is the Chairman’s Office in 2018. In 2021, it was repurposed as the designated (part-time) unit for promoting sustainable development, and a Sustainability Implementation Committee has been established in 2023, which is responsible for the presentation and implementation of sustainable development policies, systems or related management policies and specific promotion plans. In 2025, the Sustainable Development Committee was established, chaired by the Chairman, while the original Sustainable Implementation Committee was reorganized into a Sustainable Promotion Task Force. Throughout 2025, the Task Force convened meetings according to its established work plan schedule. The Corporate Governance Officer serves as the chairperson of the Task Force, collaborating with other members to integrate sustainability issues into the Company's operations. The Task Force reports to the Sustainable Development Committee twice a year to ensure the continuous optimization and implementation of the sustainable development strategy. The Sustainable Promotion Task Force held a total of eight meetings in 2025 (including two consultation/guidance meetings). Discussions covered various topics, including ESG management objectives and programs related to company operations and stakeholders, as well as the management of potential risks. The Company’s Sustainable Development Committee reported its performance results and future goals to the Board of Directors on August 6, 2025, and March 4, 2026, respectively. The Board regularly reviews reports from the management team (including ESG reports) each year to monitor management performance and provide timely guidance, ensuring that the Company's sustainable development direction remains aligned with its long-term strategy.	No significant difference						
ii.	Does the Company execute risk assessment of environment, society and company management related to company operation and set up related policies or strategies based on the principle of materiality?	V		1. In 2026, the Company mainly disclosed the performance in terms of sustainability in major plant areas. The risk evaluation was made for Songshang Plant, Taichung Plant, Tainan Plant, Gue-Jen Station, Tainan Maintenance Base, Pingtung Plant, 3 NASC out-stations (Kaohsiung, Hualien, Taitung Airport), Line Maintenance (Songshang, Taoyuan, Taichung, Tainan, Kaohsiung Airport) and Chiayi Asia UAV AI Innovation Application R&D Center. 2. The Company's Sustainable Promotion Task Force investigates internal and external stakeholders in accordance with the materiality principle of the sustainability report, conducts risk assessments on important ESG issues on the information, and formulates relevant risk management based on the assessed risks. The policy or strategy is as follows: <table><tr><th>Major Issue</th><th>Item of Risk Assessment</th><th>Management Strategies</th></tr><tr><td>Environment</td><td>Increased waste and decreased recycling rates</td><td>Promote waste reduction work, allocate qualified waste professionals to perform waste management work, and entrust the Ministry of Environment to approve qualified removal and treatment manufacturers. All business waste can be perfectly managed, removed, processed, and reused, effectively</td></tr></table>	Major Issue	Item of Risk Assessment	Management Strategies	Environment	Increased waste and decreased recycling rates	Promote waste reduction work, allocate qualified waste professionals to perform waste management work, and entrust the Ministry of Environment to approve qualified removal and treatment manufacturers. All business waste can be perfectly managed, removed, processed, and reused, effectively	No significant difference
Major Issue	Item of Risk Assessment	Management Strategies									
Environment	Increased waste and decreased recycling rates	Promote waste reduction work, allocate qualified waste professionals to perform waste management work, and entrust the Ministry of Environment to approve qualified removal and treatment manufacturers. All business waste can be perfectly managed, removed, processed, and reused, effectively									

Evaluation items	Operation situation			The Difference Situation and Reason to Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Y	N	Summary	
			Greenhouse gas emissions continue to increase	preventing negative impacts on the environment. Promote energy conservation and carbon reduction strategies, such as replacing high-energy-consuming equipment with high-efficiency equipment, and setting improvement goals and tracking to effectively reduce greenhouse gas emissions. Specific measures such as replacing energy-saving lamps and replacing old air-conditioners with energy-saving models. When replacing old facilities with new ones, prioritize energy-saving measures. Taking safety into consideration and installing solar green energy power generation equipment and other measures.
			Unable to effectively save energy	1. Promote energy conservation and manage from three aspects: developing new energy sources, saving energy, and strengthening energy use. 2. Year by year, lighting, power, electric heating, air conditioners, refrigerators or other energy-consuming electrical appliances and equipment in the factory are replaced with energy-saving products to save energy at the source and then improve energy efficiency. 3. Equipment that requires maintenance and replacement of filter materials should be maintained regularly and cleaned frequently to maintain its performance and avoid abnormal loads.
			Wastewater discharge continues to increase	Promote domestic water conservation to employees, and reduce wastewater discharge from three aspects: developing new energy, saving energy, and strengthening energy management through facility improvement and operation process optimization.
			Society	Employee turnover rate is too high (faced with shortage of workers) 1. Adopt a localized employment policy and recruit local graduates from Tainan through industry-university cooperation to reduce transportation and rental factors and increase the willingness to stay. In addition, through the Veterans Service, we recruit experienced maintenance personnel from Hualien and Taitung areas to join NASC Hualien and Taitung Outstations have increased their willingness to stay. Due to the emergence of companies competing for manpower at the NASC Taitung Outstation, the Company has specially provided dormitories to increase its competitiveness. 2. The Company continues to organize training courses for maintenance students and cooperates with industry and academia, recruits experienced people, replenishes retiring

Evaluation items	Operation situation			The Difference Situation and Reason to Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
	Y	N	Summary	
			An occupational disaster occurs	positions, and rewards employees who improve their functions according to the original plan. We also offer aircraft model training courses to improve maintenance quality. 1. Implement independent management of occupational safety and health, strengthen preventive measures, establish safe working methods and prepare safety equipment and necessary handling measures to prevent disasters in advance to prevent disasters and effectively reduce the incidence of occupational disasters. A total of 71 operating procedures have been evaluated in 2025. 2. The Company provides influenza vaccines to employees and strengthens various preventive measures such as epidemic prevention publicity.
			Overwork (long working hours)	1. Limit overtime hours to no more than 46 hours per month. 2. Appropriate manpower replenishment will be provided according to the needs of each unit.
			Corporate Governance	The Company has a spokesperson and agent system. The spokesperson's contact number is disclosed on MOPS and the Company website. It also has smooth communication channels for employees. It also discloses relevant information on the stock exchange website in accordance with regulations to provide stakeholders with sufficient information. Make judgments based on the information to safeguard their rights and interests. The Company will promptly announce relevant information on the MOPS website in accordance with relevant regulations; the Company also has spokespersons, acting spokespersons and stock management personnel to answer investors' questions about the company at any time to maintain a good relationship with investors.
			An information security incident occurred	The Company has established the [Information Security Committee], with the Vice President serving as the Director. Regularly formulate/review various information security management measures and indicators, and supervise the implementation of information security. The performance of the previous year will be reported regularly to the Board of Directors at the beginning of each year. The 2025 Information Security Risk Management Report was submitted to the Board of Directors on March 4, 2026. The Company obtained ISO 27001 certification in 2021 and successfully completed the transition to the ISO 27001:2022 standard in October 2024. The certification remains valid until

Evaluation items	Operation situation			The Difference Situation and Reason to Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Y	N	Summary	
			November 2027. We completed the first surveillance audit in October 2025 to continuously strengthen our information security management. Furthermore, the annual re-inspection for the "Periodic Safety Review of Military Products Manufacturers Scheduled by the Ministry of National Defense" was completed in November 2025. The Company performs annual information security risk assessments and security audits, developing risk treatment plans for high-risk items to improve security. We conduct annual business continuity and system recovery drills, as well as execute backup plans in accordance with regulations. Furthermore, we perform annual cybersecurity health checks, vulnerability scans, and host penetration testing to continuously strengthen our information security defenses. We regularly conduct information security briefings and arrange annual training sessions, complemented by social engineering drills, to enhance employees' cybersecurity awareness. For the 2025 implementation details, please refer to the Company website: 	
iii. Developing a sustainable environment (i) Does the Company establish a suitable environmental management system based on its industrial characteristics?	V		(i) In order to ensure that environmental performance can be achieved, meet the requirements of laws and regulations and the Company's environmental policy, and pursue continuous improvement, we refer to the specifications of the ISO14001 environmental management system and establish our company's "Environmental Management Manual" to manage the aircraft sales, maintenance and service operations, and effectively manage any negative impact or non-compliance with regulations on the environment. In order to meet the requirements of environmental management and recognize that environmental management is an indispensable factor for the sustainable operation of enterprises, the Company will be committed to improving education and training, enhancing employees' knowledge and awareness of environmental management, and establishing an environmental management system to provide clarity and comfort, safe working environment. Our environmental stewardship declaration is: 『Fulfilling obligations, High quality and environmental protection, Continuous improvement, and Customer satisfaction』 In order to meet the requirements of environmental management, we are committed to:	No significant difference

Evaluation items	Operation situation			The Difference Situation and Reason to Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Y	N	Summary	
(ii) Is the Company committed to improving the efficiency of the use of energy and using recycled materials that have a low impact on the environmental load?	V		1. Understand the impact of sales and maintenance services on the environment, and formulate environmental goals and plans to continuously improve environmental performance. 2. Comply with the requirements of environmental protection laws and regulations, and formulate independent standards when technically and economically feasible. 3. Implement waste classification and recycling, and improve resource recycling and reuse. 4. Publicly promote our environmental management system, measures and performance to gain the trust of our employees, customers, owners, social groups, government agencies and stakeholders. (ii) In the spirit of “cherishing natural resources”, we combine the core business of environmental protection with the trust of our customers to create the concept of “sustainable operation” and “reward the society”, continue to implement energy reduction measures. We have adopted energy-efficient equipment and renewable energy to optimize the energy efficiency. In 2024, the electricity intensity was 1,339.4493 kWh per million in revenue, which decreased to 1,237.5730 kWh in 2025. This represents a year-on-year reduction of 101.8763 kWh (-7.61%). For 2026, the Company has set a target to reduce electricity intensity by 0.5% compared to 2025 levels. Additionally, a solar energy power generation system has been installed at the Tainan Plant. In 2024, the total power generation was 1,889.93 thousand kWh, resulting in 895,978.07 kg of carbon reduction. In 2025, the power generation reached 2,336.06 thousand kWh, with a carbon reduction of 990,491.07 kg. Compared to 2024, the 2025 figures show an increase of 446.13 thousand kWh in power generation (23.61%) and 94,513 kg in carbon reduction (10.55%). Concerning the project of administration building under the plan of the Company, the design and planning will abide by nine indicators of green building: energy savings, water conservation, water soil content, biodiversity, indoor environmental quality, CO₂ emissions reduction; construction waste reduction, garbage and sewage improvements, all things considered, conduct adaptive design, construct environment-friendly building and put the spirit of sustainable development into practice. To mitigate environmental impact, the Company has replaced all multi-function peripherals (MFPs) with eco-friendly models that utilize plant-based toners and feature a complete recycling loop. Furthermore, in alignment with international trends, we actively practice green procurement by phasedly eliminating cleaning agents containing Nonylphenol (NP/NPEO). These have been replaced with environmentally friendly alternatives to minimize the impact of wastewater discharge on aquatic ecosystems. The statistics for renewable and non-renewable energy consumption cover the following locations: Songshang Plant, Taichung Plant, Tainan Plant, Gue-Jen Station, Tainan Maintenance Base, Pingtung Plant, 3 NASC out-stations (Kaohsiung, Hualien, Taitung Airport), Line Maintenance (Songshang, Taoyuan, Taichung, Tainan, Kaohsiung Airport)	No significant difference

Evaluation items	Operation situation			The Difference Situation and Reason to Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies																																											
	Y	N	Summary																																												
			and Chiayi Asia UAV AI Innovation Application R&D Centerr. The energy consumption statistics are summarized in the table below: <table><tr><th>Category</th><th>Item</th><th>2024 Consumption (GJ)</th><th>2025 Consumption (GJ)</th></tr><tr><td rowspan="4">Direct Energy (A)</td><td>Gasoline</td><td>8,841.95</td><td>8,245.94</td></tr><tr><td>Diesel</td><td>1,416.78</td><td>1,266.55</td></tr><tr><td>Natural Gas (LNG)</td><td>175.81</td><td>251.74</td></tr><tr><td>Aviation Fuel</td><td>468.92</td><td>257.91</td></tr><tr><td>Indirect Energy (B)</td><td>Purchased Electricity (Non-renewable)</td><td>25,074.76</td><td>24,299.49</td></tr><tr><td>Non-renewable Energy (C)</td><td>(A) + (B)</td><td>35,978.23</td><td>34,321.64</td></tr><tr><td rowspan="3">Renewable Energy (F)</td><td>Self-generated & Self-consumed (D)</td><td>0</td><td>0</td></tr><tr><td>Purchased (E)</td><td>0</td><td>0</td></tr><tr><td>(D) + (E)</td><td>0</td><td>0</td></tr><tr><td>Total Energy (G)</td><td>(C) + (F)</td><td>35,978.23</td><td>34,321.64</td></tr><tr><td>Renewable Energy % (H)</td><td>(F) / (G)</td><td>0%</td><td>0%</td></tr></table>	Category	Item	2024 Consumption (GJ)	2025 Consumption (GJ)	Direct Energy (A)	Gasoline	8,841.95	8,245.94	Diesel	1,416.78	1,266.55	Natural Gas (LNG)	175.81	251.74	Aviation Fuel	468.92	257.91	Indirect Energy (B)	Purchased Electricity (Non-renewable)	25,074.76	24,299.49	Non-renewable Energy (C)	(A) + (B)	35,978.23	34,321.64	Renewable Energy (F)	Self-generated & Self-consumed (D)	0	0	Purchased (E)	0	0	(D) + (E)	0	0	Total Energy (G)	(C) + (F)	35,978.23	34,321.64	Renewable Energy % (H)	(F) / (G)	0%	0%	
Category	Item	2024 Consumption (GJ)	2025 Consumption (GJ)																																												
Direct Energy (A)	Gasoline	8,841.95	8,245.94																																												
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Renewable Energy (F)	Self-generated & Self-consumed (D)	0	0																																												
	Purchased (E)	0	0																																												
	(D) + (E)	0	0																																												
Total Energy (G)	(C) + (F)	35,978.23	34,321.64																																												
Renewable Energy % (H)	(F) / (G)	0%	0%																																												
(iii) Does the Company assess the potential risks and opportunities of climate change for companies now and in the future, and take measures to address climate-related issues?	V		(iii)The Company has been evaluating the potential risks and opportunities that climate change could bring to the Company and had considered such factors when making our operation strategies and relevant decisions. We have established climate change risk management procedure and mechanism by incorporating overall risk management policies and actively promoting eco-friendly and energy-conserving measures. We devote to reducing greenhouse gas emission and promoting eco-friendly services to mitigate the impact from climate change on our operation. Our measure are as below: <table><tr><th>Aspect</th><th>TCFD Proposes Disclosure Project</th><th>Climate-related financial disclosure (TCFD) response</th></tr><tr><td>Governance</td><td>Board oversight of climate-related risks and opportunities</td><td> Our company has established a Sustainable Development Committee, which is composed of the Chairman and two Vice Presidents, with the Chairman acting as the Convener. The Committee's primary duties are: 1. To formulate and promote the Company's sustainable development policies, annual plans, and strategies. 2. To review, track, and revise the implementation status and effectiveness of sustainable development initiatives. 3. To supervise the disclosure of sustainability information and review the Sustainability Report. 4. To oversee the Company's sustainable development operations or other sustainability-related tasks resolved by the Board of Directors. Under the Sustainable Development Committee, a Sustainability </td></tr></table>	Aspect	TCFD Proposes Disclosure Project	Climate-related financial disclosure (TCFD) response	Governance	Board oversight of climate-related risks and opportunities	Our company has established a Sustainable Development Committee, which is composed of the Chairman and two Vice Presidents, with the Chairman acting as the Convener. The Committee's primary duties are: 1. To formulate and promote the Company's sustainable development policies, annual plans, and strategies. 2. To review, track, and revise the implementation status and effectiveness of sustainable development initiatives. 3. To supervise the disclosure of sustainability information and review the Sustainability Report. 4. To oversee the Company's sustainable development operations or other sustainability-related tasks resolved by the Board of Directors. Under the Sustainable Development Committee, a Sustainability	No significant difference																																					
Aspect	TCFD Proposes Disclosure Project	Climate-related financial disclosure (TCFD) response																																													
Governance	Board oversight of climate-related risks and opportunities	Our company has established a Sustainable Development Committee, which is composed of the Chairman and two Vice Presidents, with the Chairman acting as the Convener. The Committee's primary duties are: 1. To formulate and promote the Company's sustainable development policies, annual plans, and strategies. 2. To review, track, and revise the implementation status and effectiveness of sustainable development initiatives. 3. To supervise the disclosure of sustainability information and review the Sustainability Report. 4. To oversee the Company's sustainable development operations or other sustainability-related tasks resolved by the Board of Directors. Under the Sustainable Development Committee, a Sustainability																																													

Evaluation items	Operation situation				The Difference Situation and Reason to Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies	
	Y	N	Summary			
					Promotion Task Force (a working group composed of management personnel) has been established. This task force includes the Governance Team, Economic Team, Environmental Team, and Social Team. Each team promotes specific tasks based on actual work requirements, covering areas such as economic performance/customer relations/carbon emissions management/energy management/training and education/labor relations/occupational safety and health/information security protection/business partners/customer health and safety (product safety), etc. The Sustainability Promotion Task Force holds irregular meetings to discuss sustainability issues, goals, and achievements. The results are reported to the Sustainable Development Committee twice a year for decision-making guidance, ensuring that sustainability strategies are continuously optimized and practiced. Subsequently, the Sustainable Development Committee reports the execution results and future goals to the Board of Directors annually, allowing Directors to understand the Company's management actions and provide timely suggestions to ensure that the direction of sustainable development aligns with the Company's long-term strategy.	
				How management assesses and manages climate-related risks and opportunities	Under the supervision of the Sustainable Development Committee and the Risk Management Committee, the Company manages action plans related to climate-related issues. To incentivize the President and senior management to collectively achieve ESG goals, the Remuneration Committee has established short-term (carbon reduction) and medium-to-long-term sustainability indicators (climate change mitigation). These indicators link ESG performance results with executive compensation. The Remuneration Committee reviews these achievements annually and submits them to the Board of Directors for approval.	
				Strategy Short-, medium-, and long-term climate-related risks and opportunities identified by company	Short-term (Under 3 years) Physical Risks: Enhance greenhouse gas (GHG) emissions reporting. Transition Risks: Transition to low-emission technologies (low-carbon services). Risk Mitigation: Improve equipment energy efficiency and implement energy-saving systems across plants. Capital expenditures (CAPEX) will increase due to the procurement or retrofitting of factory equipment. Market Opportunities: Strengthen green procurement of raw materials to meet customer demands and enhance corporate competitiveness. Medium-term (3 to 5 years) Physical Risks: Extreme weather events (e.g., floods, storms). Transition Risks: Rising energy costs and carbon pricing. Risk Mitigation: Plan flood control measures, such as installing floodgates and procuring water pumps at factory sites to prevent asset losses	

Evaluation items	Operation situation					The Difference Situation and Reason to Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Y	N	Summary			
					from flooding. Market Opportunities: Participate in renewable energy projects and adopt energy-saving measures to reduce high-carbon energy consumption and bolster corporate image. Long-term (Over 5 years) Transition Risks: Shifts in customer preferences and market demand. Risk Mitigation: Adopt Sustainable Aviation Fuel (SAF) or eco-friendly materials. Continuously monitor market trends to adjust products and services. Utilize low-carbon energy and optimize maintenance workflows to enhance competitiveness. Strengthen brand sustainability and attract environmentally conscious customers through transparent ESG disclosure and supply chain collaboration. Market Opportunities: Evaluate the adoption of low-carbon energy, recyclable or renewable materials, and optimize supply chain management to ensure stable supply and mitigate operational risks.	
				The impact of climate-related risks and opportunities on business, strategy and financial plannig	Financial Impact of Physical Risks (Extreme Weather Events) Extreme events such as typhoons and floods may delay aircraft delivery schedules and cause property damage. This is estimated to increase annual operating costs by approximately NT\$5.715 million, accounting for 0.10% of annual revenue. Financial Impact of Transition Risks Under a scenario with no mitigation measures and intensified carbon markets/regulatory oversight, the increase in operating costs for Scope 1 and Scope 2 is estimated at NT\$6.89 million (0.12% of annual revenue). Including Scope 3, the potential increase reaches NT\$11.61 million (0.22% of annual revenue).	
				Scenario analysis (including 2°C or more severe scenarios)	Physical Risk Scenario Analysis: Under the influence of climate change, the increasing frequency of extreme weather events may lead to equipment damage and operational shutdowns caused by flooding from heavy rainfall and typhoons. This could result in financial losses and delays in aircraft delivery schedules. The Company evaluates the risk level by considering the probability of future flooding events. Based on historical data analyzing the severity and frequency of typhoons and floods across all plant locations (assuming an extreme rainfall scenario of 650mm/24hr or a one-day operational impact per typhoon), each plant is currently assessed as Moderate Risk. To mitigate asset losses from flooding, the Company continues to implement flood prevention measures, including the installation of floodgates, procurement of water pumps, building repairs, and new drainage projects. Furthermore, we maintain operational continuity by coordinating delivery reschedules with customers and implementing personnel shift rotations to minimize overall impact. Transition Risk Scenario Analysis: The Company faces extensive challenges arising from shifts in policy, regulation, technology, and market dynamics. As various	

Evaluation items	Operation situation				The Difference Situation and Reason to Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Y	N	Summary		
					countries and the International Civil Aviation Organization (ICAO) implement carbon pricing mechanisms to control and reduce aviation emissions, operational costs are expected to increase. To mitigate this, the Company maintains close contact with fuel suppliers to ensure the procurement of Sustainable Aviation Fuel (SAF) at reasonable prices, while aligning with the national regulatory policies of our various maintenance, repair, and overhaul (MRO) clients. Regarding carbon fees, in accordance with the Climate Change Response Act, the Company evaluates future carbon fee collection mechanisms. By referencing current policy trends and carbon pricing fluctuations, we have simulated emission variations and corresponding carbon fee costs under different scenarios. 2030 Carbon Pricing Projection: Based on the Executive Yuan's "General Description of the Draft Carbon Fee Rate," the projected carbon fee rate for 2030 is estimated to range between NT\$1,200 and NT\$1,800 per metric ton of CO₂e. To address these transition risks, the Company will continue to enhance energy efficiency, implement energy-saving and carbon-reduction initiatives, and strengthen green procurement.
			Risk Management	Processes for identifying and assessing climate-related risks	Following the identification of corporate risks by the Environmental Team within the Sustainability Promotion Task Force, the team collaborates with various business units to explore relevant response strategies. Based on the analysis results, the Task Force develops a Risk Management Strategic Plan as the core of the Company's climate action, which serves as the basis for estimating management costs and financial impacts. By collecting the aforementioned data, the Company strengthens its climate change governance and systematically evaluates financial interdependencies, aiming to mitigate risks and seize market opportunities.
				Processes for managing climate-related risks	Incorporate climate-related risks into the existing emerging risk management mechanism, identify and measure the possible losses caused by climate risks, and incorporate control of emerging risk management situations for comprehensive management.
				Explain how the above-mentioned risk identification and management process is integrated into the Company's overall risk management system	The Company's risk management mechanism is based on the "PDCA" framework, effectively exerting risk management and promoting the diversification of aircraft maintenance.
			Metrics and Targets	Assess whether the indicators are consistent with the Company's strategy and risk management	Using greenhouse gas emissions, water consumption and waste generation as management indicators, set various reduction targets and increase the amount of green purchases. In addition, in order to achieve the goal of a sustainable environment, through various energy-saving and carbon-reduction actions, regular review of environmental protection issues, and continuous promotion of improvement measures to achieve the goal of greenhouse gas reduction.

Evaluation items	Operation situation				The Difference Situation and Reason to Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies																																												
	Y	N	Summary																																														
(iv)Does the Company make statistics on the greenhouse gas emission, water usage and total weight of waste in the past 2 years and set up policies for energy saving and carbon reduction, decreasing of greenhouse gas emission and usage of water and other waste management?	V		<table><tr><td></td><td>Disclose Scope 1, Scope 2 and Scope 3 (if applicable) GHG emissions and associated risks</td><td>The Company has carried out greenhouse gas inventory for many years, through the changes in greenhouse gas emissions over the years, to confirm the effectiveness of energy saving and carbon reduction, and actively seek opportunities for reduction.</td></tr><tr><td></td><td>Management objectives and related performance</td><td>2025 Annual Performance: Electricity intensity: 1,237.5730 kWh/million turnover Water intensity 9.9054 metric tons/million turnover Waste intensity 0.0588metric tons/million turnover Greenhouse gas emission intensity: 1.1831 metric tons CO₂e/million turnover 2026 Goals: The above items will be reduced by 0.5% each year</td></tr></table>		Disclose Scope 1, Scope 2 and Scope 3 (if applicable) GHG emissions and associated risks	The Company has carried out greenhouse gas inventory for many years, through the changes in greenhouse gas emissions over the years, to confirm the effectiveness of energy saving and carbon reduction, and actively seek opportunities for reduction.		Management objectives and related performance	2025 Annual Performance: Electricity intensity: 1,237.5730 kWh/million turnover Water intensity 9.9054 metric tons/million turnover Waste intensity 0.0588metric tons/million turnover Greenhouse gas emission intensity: 1.1831 metric tons CO ₂ e/million turnover 2026 Goals: The above items will be reduced by 0.5% each year	No significant difference																																							
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			(iv) The Company has introduced a greenhouse gas inventory system in accordance with the "ISO14064-1:2018" standard guidelines. The "Operational Control Approach" is used to check the boundaries including "Operational Control Law" including Songshang Plant, Taichung Plant, Tainan Plant, Gue-Jen Station, Tainan Maintenance Base, Pingtung Plant, 3 NASC out-stations (Kaohsiung, Hualien, Taitung Airport), Line Maintenance (Songshang, Taoyuan, Taichung, Tainan, Kaohsiung Airport) and Chiayi Asia UAV AI Innovation Application R&D Center. In 2024, the greenhouse gas (GHG) emissions intensity was 1.2297 metric tons of CO₂e per million in revenue. This was based on a total emission volume of 6,394.390 metric tons of CO₂e, which included Scope 1 (708.029 tCO₂e), Scope 2 (3,440.730 tCO₂e), and Scope 3 (2,245.631 tCO₂e). In 2025, the GHG emissions intensity was 1.1831 metric tons of CO₂e per million in revenue. The total emission volume reached 6,452.518 metric tons of CO₂e, comprising Scope 1 (590.856 tCO₂e), Scope 2 (3,235.166 tCO₂e), and Scope 3 (2,626.496 tCO₂e). The breakdown of emissions is as follows: <table><tr><th colspan="4">Greenhouse Gas (GHG) Emissions Summary</th></tr><tr><th>Cate gory</th><th>Category Description</th><th>Emissions in 2024 (tCO₂e)</th><th>Emissions in 2025 (tCO₂e)</th></tr><tr><td>1</td><td>Category 1: Direct GHG emissions and removals</td><td>708.029</td><td>590.856</td></tr><tr><td>1.1</td><td>Direct emissions from stationary combustion</td><td>44.956</td><td>34.479</td></tr><tr><td>1.2</td><td>Direct emissions from mobile combustion</td><td>173.873</td><td>156.778</td></tr><tr><td>1.3</td><td>Direct emissions and removals from industrial processes</td><td>0.073</td><td>0.016</td></tr><tr><td>1.4</td><td>Direct fugitive emissions of GHG from the release from anthropogenic systems</td><td>489.127</td><td>399.583</td></tr><tr><td>1.5</td><td>Direct emissions and removals from land use, land use change and forestry</td><td>Immaterial</td><td>Immaterial</td></tr><tr><td>2</td><td>Category 2: Indirect GHG emissions from imported energy</td><td>3,440.730</td><td>3,235.166</td></tr><tr><td>2.1</td><td>Indirect emissions from imported electricity</td><td>3,440.730</td><td>3,235.166</td></tr><tr><td>2.2</td><td>Indirect emissions from imported energy</td><td>Immaterial</td><td>Immaterial</td></tr></table>			Greenhouse Gas (GHG) Emissions Summary				Cate gory	Category Description	Emissions in 2024 (tCO ₂ e)	Emissions in 2025 (tCO ₂ e)	1	Category 1: Direct GHG emissions and removals	708.029	590.856	1.1	Direct emissions from stationary combustion	44.956	34.479	1.2	Direct emissions from mobile combustion	173.873	156.778	1.3	Direct emissions and removals from industrial processes	0.073	0.016	1.4	Direct fugitive emissions of GHG from the release from anthropogenic systems	489.127	399.583	1.5	Direct emissions and removals from land use, land use change and forestry	Immaterial	Immaterial	2	Category 2: Indirect GHG emissions from imported energy	3,440.730	3,235.166	2.1	Indirect emissions from imported electricity	3,440.730	3,235.166	2.2	Indirect emissions from imported energy	Immaterial	Immaterial
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Evaluation items	Operation situation						The Difference Situation and Reason to Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
	Y	N	Summary				
			3	Category 3: Indirect GHG emissions from transportation	2,245.631	1,830.485	
			3.1	Emissions from upstream transportation and distribution of goods	1,892.164	1,034.595	
			3.2	Emissions from downstream transportation and distribution of goods	0.413	0.041	
			3.3	Emissions from employee commuting	255.476	637.760	
			3.4	Emissions from the transport of clients and visitors	Immaterial	Immaterial	
			3.5	Emissions from business travel	97.578	158.089	
			4	Category 4: Indirect GHG emissions from products used by organization	Immaterial	796.011	
			4.1	Emissions from purchased goods	Immaterial	Immaterial	
			4.1	Fuel- and energy-related activities	Immaterial	689.709	
			4.2	Emissions from capital goods	Immaterial	Immaterial	
			4.3	Emissions from solid and liquid waste disposal	Immaterial	106.302	
			4.4	Emissions from leased assets	Immaterial	Immaterial	
			4.5	Emissions from services not described in the above subcategories	Immaterial	Immaterial	
			5	Category 5: Indirect GHG emissions from the use of products from the organization	Immaterial	Immaterial	
			5.1	Emissions from the use stage of products	Immaterial	Immaterial	
			5.2	Emissions from downstream leased assets	Immaterial	Immaterial	
			5.3	Emissions from the end-of-life treatment of sold products	Immaterial	Immaterial	
			5.4	Emissions from investments	Immaterial	Immaterial	
			6	Category 6: Indirect GHG emissions from other sources	Immaterial	Immaterial	
			Total		6,394.390	6,452.518	
			The greenhouse gas (GHG) emissions intensity in 2025 decreased by 0.0466 metric tons of CO₂e per million in revenue (-3.79%) compared to 2024. The increase was primarily due to the inclusion of Scope 3 emissions from purchased energy, as well as solid and liquid waste disposal. Excluding this expanded scope, the greenhouse gas (GHG) emissions intensity decreased by 15.66% compared to 2024. With 2025 serving as the base year, the Company has set a target to reduce GHG intensity by 0.5% in 2026. In the long term, we will continue to implement various reduction projects in alignment with government policies to achieve maximum energy efficiency, aiming for a total reduction of 2.5% by 2030. As a listed company with a paid-in capital of less than NT\$5 billion, the Company is preparing for the adoption of IFRS S1 and S2. We plan to disclose all Scope 3 information by 2031. To ensure compliance, we will progressively expand our GHG inventory categories.				

Evaluation items	Operation situation			The Difference Situation and Reason to Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies																																																								
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			Target: 0.5% annual reduction in electricity, water, waste, and GHG emissions. Implementation results are as follows:																																																									
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			The scope of data coverage for the Company's electricity consumption, water consumption, and waste volume across plant sites is as follows:																																																									
			<table><tr><th> Item Site </th><th>Electricity consumption</th><th>Water consumption</th><th>Waste volume</th></tr><tr><td>Songshang Plant</td><td>V</td><td>V</td><td>V</td></tr><tr><td>Taichung Plant</td><td>V</td><td>V</td><td>V</td></tr><tr><td>Tainan Plant</td><td>V</td><td>V</td><td>V</td></tr><tr><td>Gue-Jen Station</td><td>V</td><td>V</td><td>V</td></tr><tr><td>Tainan Maintenance Base</td><td>V</td><td>V</td><td>V</td></tr><tr><td>Pingtung Plant</td><td>V</td><td>V</td><td>V</td></tr><tr><td rowspan="3">NASC out-station</td><td>Kaohsiung Airport</td><td></td><td></td><td>V</td></tr><tr><td>Hualien Airport</td><td></td><td></td><td>V</td></tr><tr><td>Taitung Airport</td><td></td><td>V (Company Dormitories)</td><td>V</td></tr><tr><td rowspan="3">Line Maintenance</td><td>Songshang Airport</td><td>V</td><td></td><td>V</td></tr><tr><td>Taoyuan Airport</td><td>V</td><td></td><td>V</td></tr><tr><td>Taichung Airport</td><td>V</td><td></td><td>V</td></tr></table>				Item Site	Electricity consumption	Water consumption	Waste volume	Songshang Plant	V	V	V	Taichung Plant	V	V	V	Tainan Plant	V	V	V	Gue-Jen Station	V	V	V	Tainan Maintenance Base	V	V	V	Pingtung Plant	V	V	V	NASC out-station	Kaohsiung Airport			V	Hualien Airport			V	Taitung Airport		V (Company Dormitories)	V	Line Maintenance	Songshang Airport	V		V	Taoyuan Airport	V		V	Taichung Airport	V		V
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Evaluation items	Operation situation					The Difference Situation and Reason to Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies	
	Y	N	Summary				
				Tainan Airport	V		V
				Kaohsiung Airport	V		V
				Chiayi Asia UAV AI Innovation Application R&D Center	V		V
			In 2024, the water intensity was 9.3180 metric tons per million in revenue, which increased to 9.9054 metric tons in 2025. This represents an increase of 0.5874 metric tons (6.30%) compared to 2024. The growth was primarily driven by an increase in aircraft maintenance cycles, cleaning operations for the plant and hangar floors, and water usage supported for solar energy contractors. Moving forward, priority will be given to using harvested rainwater. We will also continue to promote environmental awareness and require employees to practice water conservation. For 2026, our target is to reduce water intensity by 0.5% relative to 2025 levels. In 2024, the waste intensity was 0.0683 metric tons per million in revenue, with a total waste volume of 354.998 metric tons (comprising 315.580 tons of general industrial waste and 39.418 tons of hazardous industrial waste). In 2025, the waste intensity decreased to 0.0588 metric tons per million in revenue, with a total waste volume of 320.804 metric tons (comprising 277.372 tons of general industrial waste and 43.432 tons of hazardous industrial waste). This represents a reduction in waste intensity of 0.0094 metric tons (-13.84%) in 2025 compared to 2024. For 2026, our target is to reduce waste intensity by 0.5% relative to 2025 levels. As for the ratio of emission contribution, the purchased electricity is primary with 50.14%. In order to mitigate the environmental impact caused by greenhouse gas emissions from the Company’s operations, the Company continues to promote energy conservation and carbon reduction strategies, such as replacing high-energy-consuming equipment with high-efficiency equipment, and setting improvement goals and tracking to effectively reduce greenhouse gas emissions. Actual measures such as install energy-saving lighting, replace old air-conditioners with energy-saving types, install solar power generator devices. To enhance power supply stability and energy efficiency, the Company has completed a comprehensive upgrade of its main substations and switchstations. The project involved replacing critical equipment, including distribution transformers, potential transformers (PT), current transformers (CT), fuses, gas-insulated switchgear (GIS), circuit breakers, and high-voltage switchgear. Key milestones include the installation of three large-capacity transformers (1500kVA, 1250kVA, and 1000kVA) and the replacement of over 14,030 meters of power cables (ranging from 38mm² to 250mm²), with a total				

Evaluation items	Operation situation			The Difference Situation and Reason to Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Y	N	Summary	
			investment exceeding NT\$41 million. By deploying high-efficiency, low-loss electrical equipment, this project significantly reduces transformer core and copper losses, as well as voltage drops and power distribution losses inherent in aging infrastructure. These upgrades not only improve overall power quality and operational reliability but also mitigate equipment failure risks and associated carbon emissions. Through systematic infrastructure optimization, the Company continues to fulfill its commitment to energy conservation, carbon reduction, and environmental sustainability, building a solid foundation for low-carbon operations. In 2025, the Company invested NT\$2,745,154 and applied for subsidies for 37 air conditioners, 3 refrigerators, and 1 dehumidifier. Additionally, the factory's central HVAC chiller system was upgraded and replaced with 4 split-unit air conditioners. These measures resulted in a 5.49% reduction in annual electricity consumption, saving a total of 139,856 kWh. In 2023, the Company invested NT\$1,327,740 to replace an old boiler with a new BB-1000APG high-efficiency and energy-saving boiler system (equipped with a standard inverter device). Compared to the old model, the new boiler reduces hourly natural gas consumption by 55%. Replace industrial water pumps with higher-performance models, which can save 67.7% of electricity under the same usage conditions. Replace fire water pumps with higher performance models, which can save 6.4% of electricity under the same usage conditions. Replacing emergency fire generators with lower-power models can save 57.4% of diesel fuel for the same number of hours of use. The Company continues to promote waste reduction initiatives, including meticulous waste sorting and recycling, reuse of packaging materials, adoption of electronic signatures to reduce paper consumption, and plastic reduction activities. We have assigned qualified professionals to manage waste operations and commissioned contractors certified by the Ministry of Environment for the collection, treatment, and recycling of industrial waste. These measures ensure comprehensive waste management and effectively mitigate negative environmental impacts. In addition, we have encouraging our employees to conserve water in daily life, and we require manufacturing units to recycle and reuse chilled water. In terms of managing quality of emitted water, we reduce the water consumed during maintenance practices and reduce daily life water consumption of employees. We've hired qualified personnel to operate and maintain sewage water treatment equipment in the waste water treatment station in each of our factories. We entrusted water inspection institute that are recognized by EPA to examine the waste water in the factory and the emitted water to monitor our emitted water quality and keep normal functioning of our treatment equipment. Each of our factories has obtained the permission of water emission to fulfill	

Evaluation items	Operation situation			The Difference Situation and Reason to Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies						
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			the requirement of laws. In order to improve the efficiency of wastewater pollution prevention and control equipment, an investment of NT\$48,000 was made to replace the activated carbon filter materials in the wastewater treatment plant, improve the filtration efficiency of wastewater treatment, and effectively reduce the amount of wastewater pollution discharged. In 2025, the suspended solids have been reduced by 7.0 mg/L compared to 2024.							
iv. Maintain social welfare (i) Does the Company formulate relevant management policies and procedures in accordance with relevant regulations and international human rights conventions?	V		(i)The Company follows “The United Nation Global Compact, UNGC,” “Universal Declaration of Human Right,” “ILO Declaration on Fundamental Principles and Rights at Work,” and relevant international human right principles to realize fair treatment and respect for all employees. We care for human right policies and guidelines for practice and has established working rules and related personnel management regulations in accordance with the labor law regulations as the basis for company management. Relevant human right policies and practices have been disclosed on the Company’s official website. This policy applies to all managers and employees, with the Board of Directors serving as the highest level of the human rights governance framework. The cross-departmental members of the Company’s Sustainable Promotion Task Force are responsible for managing working conditions, employee relations, grievance mechanisms, and human rights training. Relevant performance results are included in the Sustainability Report and submitted to the Sustainable Development Committee for review. The Company’s human rights policy and specific action plans are summarized as follows: <table><tr><th>Policy</th><th>Practical Measures</th></tr><tr><td>Provide equal employment opportunities</td><td> 1. In 2025, the Company recruited 155 new employees and conducted an aircraft maintenance technician training program with 15 participants. During the year, youth and middle-aged/senior hires accounted for 79% of the total, reflecting our commitment to providing equal employment opportunities. 2. As of the end of 2025, the Company employed 27 indigenous people and 17 persons with disabilities, a figure that exceeds statutory requirements. </td></tr><tr><td>Implement human rights in the workplace</td><td> 1. In 2025, the Company conducted training courses including "Legal Education Awareness," "Sexual Harassment Prevention," and "Workplace Bullying Prevention," with a total of 1,148 participants. 2. In 2025, the "Privacy and Personal Data Protection Awareness" sessions were held, with a total of 1,166 participants. </td></tr></table>	Policy	Practical Measures	Provide equal employment opportunities	1. In 2025, the Company recruited 155 new employees and conducted an aircraft maintenance technician training program with 15 participants. During the year, youth and middle-aged/senior hires accounted for 79% of the total, reflecting our commitment to providing equal employment opportunities. 2. As of the end of 2025, the Company employed 27 indigenous people and 17 persons with disabilities, a figure that exceeds statutory requirements.	Implement human rights in the workplace	1. In 2025, the Company conducted training courses including "Legal Education Awareness," "Sexual Harassment Prevention," and "Workplace Bullying Prevention," with a total of 1,148 participants. 2. In 2025, the "Privacy and Personal Data Protection Awareness" sessions were held, with a total of 1,166 participants.	No significant difference
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	Y	N	Summary	
(ii) Does the Company regulate or implement reasonable employee welfare policy (including remuneration, leaves and other welfares) and properly reflect managerial performance or results on employee's remuneration?			3. In accordance with the "Measures for Preventing, Complaining, and Punishing Sexual Harassment in the Workplace" and the "Plan for Preventing Unlawful Infringement during the Performance of Duties" outlined in the Work Rules, the Company handles all grievance procedures with fairness and integrity.	
			Prioritize a safe and healthy work environment 1. In 2025, the Occupational Safety and Health (OSH) Committee held four meetings and conducted various safety and health training courses, with a total of 1,022 trainees (man-times). 2. In 2025, the Company conducted employee health examinations with items exceeding regulatory requirements. A total of 1,043 employees were examined, and 79 high-risk cases were identified. For these individuals, the Company arranged physician interviews and collaborated with department managers to implement workplace accommodations (fitness-for-work adjustments).	
			Respect employees' freedom of association 1. The Company first signed a collective bargaining agreement (CBA) with the labor union in November 2016. To date, the agreement content has been revised and optimized seven times. 2. In 2025, four labor-management meetings were held, demonstrating smooth and harmonious communication between labor and management.	
			In order to establish a gender equality workplace, the Company implements a system of parental leave without payment, and also provide family care leave, menstrual leave, maternity leave, pregnancy checkup accompaniment and paternity leave. The Company complies with all national regulations and international labor human rights norms, including international labor conventions, the UN Universal Declaration of Human Rights and other norms. In 2025, the Company was elected as a good institution for labor-management harmony in Tainan City.	
	V		(ii) Employee Compensation: The Company's year-end bonus policy is designed with the goal of "creating win-win outcomes and profit sharing." In accordance with the collective bargaining agreement signed with the labor union, the Company has established a mechanism to increase year-end bonus amounts and the quota for "excellent" performance ratings once profit targets exceed specific thresholds. This approach serves to significantly boost employee morale. Welfare Measures: The Company has provided several welfare policies for employees, besides labor insurance, health insurance, retirement pension contribution and parental leave, which	No significant difference

Evaluation items	Operation situation			The Difference Situation and Reason to Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Y	N	Summary	
			are regulated by law, yearly health examination, bonus and coupons for 3 national holidays, wedding subsidy and condolence and group insurance are also included. Friendly Leave System: To safeguard the physical and mental health of our employees, the Company has established a friendly leave system. Employees are allowed to take leave in flexible increments as small as 0.5 hours, encouraging them to manage their time based on individual needs. Retirement System: In order to truly take care of the living guarantee of employees after they leave the workplace, the Company has established a Labor Retirement Reserve Supervision Committee in accordance with the relevant provisions of the Labor Standards Act to coordinate and manage related businesses. The employees' pension seniority has been settled. From Dec. 18, 2018 to Jan. 31, 2020, a total of 259 people were fully settled in three stages, and the total settlement amount was NT\$330,424,742 (Taiwan Bank special account paid NT\$208,048,781; the Company paid NT\$122,375,961). The Tainan City Government issued a letter on Mar. 8, 2023 (Letter No. 1120285446 of Nanshi Labor Reeducation Code) to our Company, allowing the Labor Retirement Reserve Supervisory Committee to close its accounts. All employees of the Company are subject to the Labor Pension Act. 6% of the total salary of workers will be allocated to the employees' personal pension accounts; for those who voluntarily contribute to their pensions, additional voluntary contributions will be deducted from the employees' monthly wages to the Bureau of Labor Insurance's personal pension account. For employees who choose to make voluntary pension contributions, the Company deducts the specified amount from their monthly salary based on their voluntary contribution rate and remits it to their individual pension accounts at the Bureau of Labor Insurance. In 2025, the Company contributed a total of NT\$41,563 thousand in pension expenses to the Bureau of Labor Insurance. The number of employees for whom the Company's average monthly Labor Pension contribution rate exceeds the statutory 6% is 272, accounting for more than 23% of the total contributing participants. Employee Stock Ownership Trust: The "Employee Stock Ownership Trust Committee" was established in 2024. Full-time employees with at least one year of seniority are eligible to apply for membership. The Company provides matching contributions at a specific ratio, allowing employees to accumulate retirement funds through regular savings. This initiative enables staff to secure their future livelihood and share in the Company's growth, while also strengthening organizational cohesion and employee loyalty.	

Evaluation items	Operation situation			The Difference Situation and Reason to Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Y	N	Summary	
			Workplace Diversity and Equality: The Company implements a multi-dimensional hiring policy to ensure that employees are not subjected to discrimination, harassment, or unequal treatment based on race, gender, sexual orientation, religion, age, political affiliation, place of birth, disability, or any other status protected by applicable laws. We attract and retain top talent through transparent public recruitment channels and by providing equal employment opportunities. Furthermore, we have introduced various employment promotion measures to assist specific social groups, such as providing re-employment pathways for the unemployed. Our current workforce includes persons with disabilities, military veterans, previously unemployed individuals, indigenous people, and interns. Notably, the employment of indigenous people and persons with disabilities has exceeded the statutory targets by more than 100%. Regarding gender distribution, due to the specialized nature of the industry, as of the end of 2025, men accounted for 84.58% and women for 15.42% of the total workforce. In terms of management, there were 241 male managers and 21 female managers, with women representing approximately 8.02% of all management positions. Additionally, looking at the internal promotion ratios, 11.8% of the total female staff hold management roles, compared to 25.0% of the total male staff. The Company follows labor laws and has established intact occupational safety and health management measures. We provide secure and hygiene workplace and we care for employees' health at workplace. We build great working environment and take care of physical and mental health for workers with different backgrounds. Business performance is reflected in employee compensation and merit-based salary adjustments: According to the Company's "Articles of Incorporation" regulations, if there is a profit in the year, 1% to 3% should be allocated as employee compensation and 1% as compensation for non-executive employees. In 2025, the Board of Directors approved a resolution to allocate 3% of profits as employee compensation, with an additional 1% specifically designated for non-executive employee compensation. In 2025, we have offered an overall pay rise to a total of 1,331 employees, and we have signed a group contract with the labor union for better labor relation. It is also stipulates that if the profit target for the year is achieved by more than 120%, non-executive employees below a certain grade will enjoy special performance-based salary increases in the following year, achieving the goal of creating a win-win situation and sharing profits.	

Evaluation items	Operation situation			The Difference Situation and Reason to Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
	Y	N	Summary	
(iii) Does the Company provide a safe and healthy working environment for employees and regularly implement safety and health education for employees?	V		Employee Opinion Survey: The Company's Personnel Department first conducted an Employee Opinion Survey in June 2025 (covering the period from July 2024 to June 2025, surveying 1,129 employees). The survey focused on five key areas: Leadership and Management, Working Conditions, Peer Relationships, Work Incentives, and Training and Development. The employee coverage rate was 63%, and the overall satisfaction score was 69 points. The Company has already initiated improvements based on the survey results, including raising professional certification allowances and revising the incentive bonus distribution system. The Employee Opinion Survey will be conducted annually every June moving forward. (iii) The Company's occupational safety and health policy: In order to implement safety, prevent occupational disasters, protect the safety and health of employees, reduce the damage caused by accidents and human negligence, and improve the productivity of the Company, we will be committed to protecting employees and property from disaster losses. The Company will provide and maintain a safety and health management system and working environment in line with the aviation industry practice and legal requirements, and try to reduce any danger from foreseeable fire, safety loss, property loss, personal injury or disease, etc. Our safety and hygiene policy is: 「Respect the value of life, Fulfill social responsibilities, Continuously improve the environment, and Pursue zero disasters」 Worker participation, consultation, and communication: A Safety and Health Committee has been established in accordance with the "Occupational Safety and Health Act". The Committee has 20 members in 2025. In order to expand labor participation, the Labor Union elected 7 (35%) labor representatives to participate in the meeting. Meetings are held every March, June, September and December. Its power and responsibility are to discuss and make decisions. The Company's safety and health strategies and proposals, including safety and health-related regulations, education implementation plans, prevention of hazards of machinery, equipment or raw materials, measures to be taken based on work environment measurement results, health management and other matters, and regular review of safety and health business performance; The Safety and Health Committee also reviews abnormal safety and environmental accidents or occupational accidents of employees and contractors, analyzes the causes, and finds improvement measures to prevent similar accidents from happening again. Safety and health performance: The Company gives priority to "Staff Safety", aiming at zero disaster in the workplace,	No significant difference

Evaluation items	Operation situation			The Difference Situation and Reason to Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies						
	Y	N	Summary							
			arrange security team members to perform a variety of safety and health inspection regularly, e.g. inspection and maintenance of fire-fighting equipment, factory visit, control of special operation areas, qualification review of special operation personnel, control of smoking areas, security check on buildings, in order to ensure staff safety on work. Regarding the 2025 Safety and Health Indicators, there were two workplace accidents involving a total of two employees. A thorough investigation and analysis were conducted for each incident, and "An Warning of Occupational Safety" was issued for internal awareness to prevent similar occurrences. According to the target set by the Company's "Sustainable Promotion Task Force," the goal for the 2025 Disabling Injury Frequency Rate (FR) was to remain below 1.50. The actual FR for 2025 was 0.88, indicating that the target was successfully achieved. Furthermore, there were no fines or penalties related to safety violations in 2025. Health promotion and employee care: The Company has set up a medical office with 4 part-time doctors and 2 full-time nurses to provide on-site medical services. Annual health examinations are carried out. Periodic examination items are superior to regulations. A total of 1,043 people have been examined. Analyze health examination results and evaluate employee health examination records, provide care based on risk attributes, provide necessary on-site services, arrange interviews with doctors and employees, and provide health guidance and care. It includes general health examinations and special job health examinations. The types are divided into new employees, employees who remain on the job without pay, personnel who transfer to departments, and current employees. We also investigated those at high risk of diseases caused by abnormal workloads, identified 79 high-risk cases and arranged interviews with doctors, and worked with the human resources department and unit supervisors to select workers and make appropriate job adjustments. Assist employees to solve possible difficulties in work, workplace adaptation, work pressure adjustment, etc., establish a warm and caring work environment, and create an organizational culture with good interaction to improve work efficiency, and has been recognized by the Ministry of Health and Welfare with the “Health Promotion” badge. In order to ensure the safety of epidemic prevention personnel performing epidemic prevention and control work, N95 masks, surgical masks, isolation gowns, gloves, shoe covers, face shields and other epidemic prevention materials are provided, and the required quantity of related epidemic prevention equipment is maintained. <table><tr><th colspan="2">Employee Health Examination Statistics</th><th>Number of Employees in 2025</th></tr><tr><td>General Health</td><td>Basic Screening ∙ Physical Examination ∙ Chest X-ray (CXR) Examination ∙ Vision Test ∙ Audiometry Test ∙</td><td>1,043</td></tr></table>	Employee Health Examination Statistics		Number of Employees in 2025	General Health	Basic Screening ∙ Physical Examination ∙ Chest X-ray (CXR) Examination ∙ Vision Test ∙ Audiometry Test ∙	1,043	
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Evaluation items	Operation situation			The Difference Situation and Reason to Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies						
	Y	N	Summary							
			<table><tr><td>Examination</td><td>Body Fat Analysis 、Complete Blood Count (CBC) 、White Blood Cell (WBC) Differential Count 、Urinalysis (UA) 、Blood Glucose Test 、Liver Function Test (LFT) 、Blood Lipid Test 、Kidney Function Test (KFT) 、Thyroid Function Test (TFT) 、Cancer Markers Screening (AFP, CEA, CA19-9) 、Electrocardiogram (ECG/EKG) 、Abdominal Ultrasound</td><td></td></tr><tr><td>Special Health Examination</td><td>Ionizing Radiation Work 、Lead Work 、n-Hexane Work 、Dust Work 、Chromic Acid and Chromates Work 、Cadmium and its Compounds Work 、Nickel and its Compounds Work 、Formaldehyde Work</td><td>113</td></tr></table> Furthermore, the Company promotes health management and health promotion activities to actively mitigate health-related risk factors. Each year, we employ the PDCA (Plan-Do-Check-Act) cycle, utilizing physical examination data within the FRS (Framingham Risk Score) analysis to evaluate implementation effectiveness. Across the Company from 2023 to 2025, the 10-year cardiovascular risk profiles showed significant improvement: the proportion of low-risk cases increased by 7.2%, while medium-risk decreased by 6.8% and high-risk decreased by 0.4%. Additionally, the prevalence of metabolic syndrome within the Company dropped from approximately 32.2% in 2023 to 26.7% in 2025, a reduction of 5.4% (reflecting a positive trend of improvement). These results demonstrate AACL commitment to a people-oriented approach. By integrating scientific health risk assessments, implementing stratified management, and providing health care, we prioritize employee well-being to create a sustainable and happy workplace. Safety and health education training and advocacy: The Company’s computer system sets up a safety and health education and training system for employees or supervisors to inquire about personal training records, and conducts publicity through the Company’s bulletin board, intranet safety and health column and e-Learning system, in active and passive ways, including environmental safety and health regulations, various safety and health course materials and specifications. In 2025, the Company followed the “Occupational Safety and Health Education and Training Rules” training including stationary crane, organic solvent line manager, hypoxia line manager, specified chemical substances line manager, dust line manager, first-aid personnel training, in-service staff education training, regarding dangerous and harmful materials, confined space, and other trainings, a total 1,022 person. As well as production of poster, warning of occupational safety, worksite safety and health announcement, in total 9 times the entire year.	Examination	Body Fat Analysis 、Complete Blood Count (CBC) 、White Blood Cell (WBC) Differential Count 、Urinalysis (UA) 、Blood Glucose Test 、Liver Function Test (LFT) 、Blood Lipid Test 、Kidney Function Test (KFT) 、Thyroid Function Test (TFT) 、Cancer Markers Screening (AFP, CEA, CA19-9) 、Electrocardiogram (ECG/EKG) 、Abdominal Ultrasound		Special Health Examination	Ionizing Radiation Work 、Lead Work 、n-Hexane Work 、Dust Work 、Chromic Acid and Chromates Work 、Cadmium and its Compounds Work 、Nickel and its Compounds Work 、Formaldehyde Work	113	
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Evaluation items	Operation situation			The Difference Situation and Reason to Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Y	N	Summary	
(iv) Does the Company establish efficient training program of career competency for employees?	V		Working environment monitoring: In order to grasp the actual conditions of the labor working environment and assess the labor exposure status, we worked out a monitoring plan together with the Labor Union and on-site operators, and conducted monitoring of the working environment every six months. The monitoring results were announced to employees and reported to the Occupational Safety and Health Committee. A total of 234 monitoring points were monitored in the year, and the results were in compliance with regulations. Fire management: In 2025, there were no major industrial safety accidents, fire incidents, or casualties. To prevent fires, the Company has established a "Fire Protection Plan" and organized a "Self-Defense Firefighting Team" to conduct regular drills. Through disaster prevention education and training, we aim to enhance the disaster prevention knowledge and emergency response capabilities of all employees. To ensure the maintenance and management of fire safety equipment, the Company commissions a professional fire inspection agency annually to perform equipment inspections. The results are reported to the fire department for official filing and review. Safety and health audit: Safety and health audits are carried out from time to time, and the audit results are provided to the deficient units for improvement, and the implementation results of the audit deficiencies are reviewed at the Occupational Safety and Health Committee meeting. The internal audit ratio reaches 100%. Addressing Psychosocial Hazards such as Unlawful Infringement in the Workplace: In addition to establishing the "Plan for Preventing Unlawful Infringement during the Performance of Duties," the Company held three expert lectures on preventing workplace infringement in 2025, with a total of 136 participants. Furthermore, training courses on "Sexual Harassment Prevention" and "Workplace Bullying Prevention" were conducted, reaching a total of 1,148 attendees. The Company also utilizes risk assessment tools to provide care for individuals at high psychosocial risk and offers referrals for psychological counseling. In 2025, a total of seven such referrals were completed to support employee well-being. (iv) To cultivate high-quality human resources, the Company has established a training system and competency models for talent development. In 2020, we implemented the "Talent Quality-management System (TTQS)" as our guiding framework for talent management. Our most recent assessment granted us a TTQS certificate valid until May 1, 2026. AACL regards competency development as the cornerstone of our training and education infrastructure. By aligning talent cultivation with corporate growth, we closely monitor industry and social trends and adjust our training strategies accordingly. This approach broadens the application of our human resource functions—recruitment, deployment,	No significant difference

Evaluation items	Operation situation			The Difference Situation and Reason to Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies												
	Y	N	Summary													
			development, and retention—while enhancing maintenance standards and increasing the number of aircraft maintenance certifications held by our staff. We have established comprehensive employee training programs, including planned on-the-job training both domestically and abroad to strengthen professional skills. In line with business expansion needs, we prioritize developing the expertise of current employees in maintaining different aircraft models, thereby enhancing the Company’s competitiveness and long-term development. Furthermore, the Company has established industry-academic cooperation and internship programs with multiple colleges and universities. These programs help students adapt quickly to the professional environment and ensure the effective transmission of the Company’s corporate culture. Outstanding interns are offered employment and sign retention agreements to secure their long-term growth with the Company. The Company also plans relevant professional courses such as laws and regulations, information, finance, and quality assurance according to the operational needs of each unit's professional field to ensure that relevant employees have sufficient professional knowledge and technical capabilities to perform their jobs. The total number of education and training hours and number of participants in 2025 were 67,435.8 hours and 1,161 people respectively. In order to enhance the aircraft maintenance skills of our employees and encourage them to obtain certification in professional fields, The Company has established a certificate bonus system. In 2025, a total of NT\$1.81 million in certificate bonuses have been issued. <table><tr><th>Item</th><th>Description</th><th>Participants</th></tr><tr><td>New Employee Training</td><td>1. Internship Training Program 2. New Employee General Orientation</td><td>New Employees New Employees</td></tr><tr><td>Professional Training</td><td>1. Aircraft Maintenance Related 2. Cybersecurity and IT 3. Finance and Audit 4. Quality Assurance</td><td>Staff and Managers Staff and Managers Staff and Managers Staff and Managers</td></tr><tr><td>General Orientation Courses</td><td>1. Occupational Safety and Health (OSH) Related 2. Sustainability 3. Ethical Management and Regulatory Compliance</td><td>All Employees All Employees All Employees</td></tr></table>	Item	Description	Participants	New Employee Training	1. Internship Training Program 2. New Employee General Orientation	New Employees New Employees	Professional Training	1. Aircraft Maintenance Related 2. Cybersecurity and IT 3. Finance and Audit 4. Quality Assurance	Staff and Managers Staff and Managers Staff and Managers Staff and Managers	General Orientation Courses	1. Occupational Safety and Health (OSH) Related 2. Sustainability 3. Ethical Management and Regulatory Compliance	All Employees All Employees All Employees	
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General Orientation Courses	1. Occupational Safety and Health (OSH) Related 2. Sustainability 3. Ethical Management and Regulatory Compliance	All Employees All Employees All Employees														
(v) Does the Company follow related rules and international principles on products, health, safety, and privacy of the served customers and marketing and labeling and set up related policies and complaint process for protecting consumers or customers’ right?	V		(v) The Company has established a "Marketing Manual" which regulates customer service, market and satisfaction surveys, warranty operations and other items. Because the business involves national defense secrets, all personnel must comply with confidentiality requirements. In addition to satisfying quality and lead time, the Company also implements satisfaction survey of customers regularly following the ISO	No significant difference												

Evaluation items	Operation situation			The Difference Situation and Reason to Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies		
	Y	N	Summary			
(vi)Does the Company regulate supplier management policy to demand suppliers to obey related standard on environment, job safety and sanitation or labor rights and tracking execution status?	V		qualification manual to maintain good relationships with customers. Aircraft repaired at the Company go through customs inspection, license inspection, quarantine of personnel, animal and plant, safety check and aviation security in accordance with aviation policy. The Company also provides health care for overseas technical representatives. The Company's maintenance services are subject to the relevant domestic civil aviation regulations and regulations and the provisions of the International Civil Aviation Administration. The Company was awarded the “AS9110” and “AS9100” certification representing a certain quality management system standard to ensure flight safety and reliability. And to contract with customers with a warranty and insurance terms to ensure consumer rights. The Company has established a Privacy and Personal Data Protection Policy. In 2025, we completed awareness training courses for this policy, each lasting 0.167 hours. A total of 1,166 participants attended, amounting to 194.722 training hours. No violations of the Personal Data Protection Act occurred during that year. In 2026, we will continue to conduct privacy and personal data protection training for new hires while regularly educating all employees on relevant regulations to strengthen compliance awareness. Furthermore, we will strictly implement the Company's "Privacy and Personal Data Protection Policy," remaining committed to safeguarding the data security and privacy rights of customers, contractors’ employees, visitors, website users, investors, shareholders, and job seekers. The Company provides multiple communication channels for various stakeholders (including customer communication channels). In 2025, it accepted more than 120 customer performance supervision, audits and quality communication meetings. The customer satisfaction survey was 82% to 98%. After customers raised warranty complaints, they were identified by the Company's Quality Assurance Department. To ensure flight safety, the warranty response rate was 100%. (vi) The Company has “Regulations for Supplier Management” and “Supplier Evaluation Procedure” to ensure the stability of material. Supplier evaluation takes place annually as well as random training for environment protection and job safety and sanitation to assist suppliers to obey regulations and company rules and improve public safety and sanitation performance. If the supplier involves violating CSR, environmental protection policies and integrity business activities have not improved, and the Company will terminate or stop the contract at any time. Furthermore, the "Supplier Evaluation Procedure" introduced in 2025 require suppliers to sign and commit to environmental protection, energy consumption, and other related issues through the "ESG Supplier Self-Assessment Questionnaire" and the "Supplier Code of Conduct." In 2025, the Company requests its suppliers to fulfill the following requirements: <table><tr><td>Evaluation of Suppliers</td><td>All suppliers should pass the censorship of the Company, fill in required checklist tables, and provide relevant inspection certificates</td></tr></table>	Evaluation of Suppliers	All suppliers should pass the censorship of the Company, fill in required checklist tables, and provide relevant inspection certificates	No significant difference
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Evaluation items	Operation situation			The Difference Situation and Reason to Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Y	N	Summary	
			recognized in the industry. In 2025, a total of 360 supplier audits have been performed. The aviation materials and service suppliers should obtain third party quality certification, including international standards ISO9001, AS9100, ASA-100, FAA AC 00-56, or ISO/SAE, or they should obtain manufacturing permits from Civil Aeronautics Administrations, including TC, PC, PMA or TSOA. They should obtain the maintenance service provider certificate of Part 145, including FAA, EASA, or TCCA. For suppliers outside the aviation business field, they should obtain valid registration certificate for their factory / plant issued by the government. To pursue sustainable corporate development and ensure supplier compliance with regulations and corporate standards, the Company requires its top 15 production material suppliers by annual purchase volume to sign a "Supplier Code of Conduct", in addition to routine evaluations. Furthermore, an ESG sustainability assessment is conducted for these suppliers every two years, covering areas such as: ● Whether an information security organization has been established to promote security activities; whether information security policies and regulations have been formulated; whether international certifications (such as ISO 27001) have been obtained; and whether disaster recovery drills for information systems are performed regularly to safeguard customer privacy. ● Whether the Company's workforce is diversified, encompassing persons with disabilities, indigenous people, and foreign nationals; whether mechanisms have been established for gender or ethnic equality, freedom of association, prevention of forced labor, sexual harassment prevention, and fair grievance procedures; and whether regulations are in place to prohibit child labor (under 15 years of age). ● Whether policies and systems are managed through an Occupational Safety and Health (OSH) committee, including measures such as environmental hazard assessments and risk hazard identification. ● Whether appropriate work arrangements and regular employee training courses have been established to prevent physical and mental exhaustion (overwork). The results of these assessments are incorporated into the "Vendor	

Evaluation items	Operation situation				The Difference Situation and Reason to Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Y	N	Summary		
				Annual Evaluation Report" and published in the Company's Sustainability Report. In 2025, the Company expanded its assessment scope for the first year of execution. A total of 23 suppliers were evaluated, with 17 suppliers completing the questionnaires, achieving a participation rate of 74%. Audit of Suppliers The Company follows the procedures for evaluating and managing suppliers to censor documents of aviation material and service providers and those of secondary contractors, or arrange on-site audit with audit team from department of quality assurance according to relevant laws. We request suppliers to improve quality of their components and service to fulfill requirements on the components and services. This year, 427 suppliers were audited. Training of suppliers The Company emphasizes laborers’ rights and workplace safety and hygiene. We devoted to building a partnership with stakeholders to realize mutually beneficial collaboration, to pursue profit and value for all parties, and to ensure sustainable operation. We have established “Air Asia Safety and Hygiene Association” to offer our contracted suppliers assistance and guidance in improving our workplace environment. We follow “Labor Safety and Health Act” to establish the Safety and Hygiene Committee. Its duty is to review accidents related to abnormal functioning of employees and contractors or occupational accidents to find out causes and figure out measures to improve the conditions to keep similar accidents from happening again. This year, we provided guidance to a total of 20 domestic suppliers, issuing six recommendations for improvement. The contractors achieved a 100% completion rate for these improvements, and no occupational accidents involving contractors occurred during the 2025 reporting period. We will continue to build a safe and healthy work environment for our employees and partners, working together towards sustainable development.	
v. Does the Company use international common criterion or indication as reference to compose sustainable development report or reports that disclose non-financial related info of the Company? Does the report acquire assure or confirmed opinions from a third-party certification unit?		V	AACL has prepared the "2024 Sustainability Report" in accordance with the Universal Standards, Sector Standards, and Topic Standards released by the Global Reporting Initiative (GRI). The report discloses identified material topics and impacts related to the economy, environment, and people (including human rights), as well as specific disclosure items and reporting requirements. Furthermore, we have referenced the Sustainability Accounting		The Company published the "2024 Air Asia Sustainability Report" in August 2025.

Evaluation items	Operation situation			The Difference Situation and Reason to Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Y	N	Summary	
			Standards Board (SASB) standards to disclose industry-specific indicators, with an index provided for SASB indicator alignment. In the future, we aim to obtain the AA1000 Type 1 Moderate Assurance level. All implementation of sustainable development initiatives is carried out in compliance with the regulations of the competent authorities and relevant laws. The Company has established a "Corporate Social Responsibility" (CSR) section on its website, where relevant information will be disclosed on the official website and the Market Observation Post System (MOPS) based on actual operations.	
vi. If this company promulgate its own rules for corporate governance practice according to "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies", please describe the difference between its operation and these rules: To fulfill our corporate social responsibility, the Company has established the "Sustainable Development Practice Principles" In response to the latest amendments to the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies," a revision to our own principles was approved by the Board of Directors in November 2025. We will continue to implement these regulations and their spirit alongside all employees.				
vii. Other important information that helps to understand the operation of sustainable development: The Company has set up a corporate social responsibility zone on the website, and will disclose relevant information to the Company's website and MOPS in the future according to the actual operation situation.				

(ix). The Company's climate-related information

1. Implementation status of climate-related information

Item	Execution situation								
1. Describe the Board's oversight of climate-related risks and opportunities, and management's role in assessing and managing these issues.	Climate change is a critical global issue, and the aviation maintenance industry must integrate it into operational decision-making and risk assessment when promoting sustainable development. As a key player in maintaining global aircraft, the Company profoundly understands the challenges and impacts that extreme weather may bring to energy costs, facility and personnel safety, and regulatory requirements. Accordingly, following the four core pillars of the Task Force on Climate-related Financial Disclosures (TCFD) framework, the Company comprehensively identifies operational risks and opportunities. We implement responsive measures—such as improving energy efficiency, installing flood control facilities, and strengthening supply chain resilience—to ensure robust business operations and sustainable development. The Company has established a Sustainable Development Committee (SDC), consisting of the Chairman and two Vice Presidents, with the Chairman serving as the Convener. The primary responsibilities of the committee include: 1. Formulating and promoting sustainable development policies, annual plans, and strategies. 2. Reviewing, tracking, and revising the implementation and effectiveness of sustainability initiatives. 3. Supervising sustainability information disclosure and reviewing the Sustainability Report. 4. Overseeing the execution of sustainability operations or other related tasks resolved by the Board of Directors. Under the SDC, a Sustainable Promotion Task Force has been established as a management-level working group. It comprises four specialized teams: Governance, Economy, Environment, and Social. These teams advance operations based on specific topics, including economic performance, customer relations, carbon emission management, energy management, training and education, labor-management relations, occupational safety and health, cybersecurity, business partners, and customer health and safety (product safety). The Task Force convenes meetings irregularly to discuss sustainability issues, goals, and achievement status. It reports to the SDC twice a year to receive strategic guidance, ensuring the continuous optimization and practice of sustainability strategies. Subsequently, the SDC reports performance results and future goals to the Board of Directors annually, keeping directors informed of management actions and allowing for timely advice to ensure the Company's sustainable direction remains aligned with its long-term strategy. The Company has established a Risk Management Committee and formulated the "Risk Management Best Practice Principles" and "Risk Management Policies and Procedures," which have been approved by the Board of Directors and serve as the Company's highest guiding principles for risk management. The Company conducts regular risk assessments annually (with quarterly reports submitted to the Board) and formulates specific risk management policies for various risks. These policies encompass mechanisms such as management objectives, organizational structure, allocation of roles and responsibilities, and risk management procedures. These are strictly implemented to effectively identify, measure, and control the Company's various risks, ensuring they are maintained within acceptable levels. Under the supervision of the Company's Sustainable Development Committee and Risk Management Committee, we continuously manage action plans related to climate-related issues. Furthermore, the Remuneration Committee, aiming to incentivize the President and other Managers to collectively realize ESG sustainability goals, has established both short-term (carbon reduction) and medium-to-long-term sustainable development indicators (climate change mitigation). The execution results and performance of these ESG initiatives are linked to compensation, subject to annual review by the Remuneration Committee and subsequent approval by the Board of Directors.								
2. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning (short, medium, and long term).	The Company actively develops mitigation plans to reduce the operational and financial impacts of climate change and enhance the organization's climate resilience. We define the short term as within three years, the medium term as three to five years, and the long term as more than five years. These time horizons are used to assess the potential operational and financial impacts of climate-related risks and opportunities and plan corresponding actions. <table><tr><th></th><th>Short-term (Within 3 years)</th><th>Medium-term (3 to 5 years)</th><th>Long-term (More than 5 years)</th></tr><tr><td>Risk Classification</td><td> ■ 【Physical Risk】 Enhancing emissions reporting ■ 【Transition Risk】 Transitioning to low-emission </td><td> ■ 【Physical Risk】 Extreme weather events ■ 【Transition Risk】 Increase in energy costs </td><td> ■ 【Transition Risk】 Shifts in customer preferences </td></tr></table>		Short-term (Within 3 years)	Medium-term (3 to 5 years)	Long-term (More than 5 years)	Risk Classification	■ 【Physical Risk】 Enhancing emissions reporting ■ 【Transition Risk】 Transitioning to low-emission	■ 【Physical Risk】 Extreme weather events ■ 【Transition Risk】 Increase in energy costs	■ 【Transition Risk】 Shifts in customer preferences
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Item	Execution situation			
		technologies (low-carbon services)		
	Opportunity Categories	■ 【Market Opportunity】 Developing low-carbon services	■ 【Market Opportunity】 Utilizing low-carbon renewable energy	■ 【Market Opportunity】 Use of Sustainable Aviation Fuel (SAF) or Eco-friendly Materials
	Risk Management Strategies	■ Establishing carbon fee pricing and the increase in costs due to payment of carbon fees. ■ The requirement for the plant to improve energy efficiency and introduce energy-saving equipment, which will increase the Company's capital expenditures for purchasing or repairing factory equipment.	■ Planning various flood control measures, such as installing flood barriers throughout the plant and purchasing water pumps, to prevent asset losses caused by flooding.	■ Transition to more efficient, energy-saving products; introduce energy-saving equipment; retire high-energy consumption equipment; enhance energy efficiency; and reduce carbon emissions. ■ Continuously monitor market trends and customer demands to adjust products and services. Utilize low-carbon energy and optimize maintenance workflows to enhance competitiveness. Strengthen the brand's sustainable image by providing transparent ESG information and collaborating with the supply chain to attract environmentally conscious customers.
	Strategic Actions for Opportunities	■ Strengthen green procurement of raw materials to meet customer requirements and enhance the Company's competitive advantage.	■ Participating in renewable energy projects and adopting energy-saving measures will facilitate the reduction of high-carbon energy consumption, enhance energy efficiency, and improve the corporate brand image.	■ The Company will evaluate the adoption of low-carbon energy along with recyclable or renewable materials, while simultaneously optimizing supply chain management to ensure stable supply and mitigate operational risks and costs.
Financial Impact				
Category	Climate-Related Risks and Opportunities	Revenue	Costs and Expenses	Cash Flow
Risk	Enhancing emissions disclosure	-	▲	▽
Risk	Transitioning to low-emission technologies (low-carbon services)	-	▲	▽
Risk	Extreme weather events	-	▲	▽
Risk	Increase in energy costs	-	▲	▽
Risk	Shifts in customer preferences	-	▲	▽
Opportunities	Utilizing low-carbon and renewable energy	▲	▲	▲

Item	Execution situation				
	Opportunities	Renewable Energy Projects	▲	▲	▲
	Opportunities	Use of Sustainable Aviation Fuel (SAF) and Eco-friendly Materials	▲	▲	▲
	▲ : Increase ▼ : Decrease				
3. Describe the financial impacts of extreme weather events and transition actions.	Financial Impact of Extreme Weather Events The Company has identified that extreme weather events (such as torrential rain and typhoons) may lead to operational disruptions, compromise workplace safety, or result in supply chain interruptions. Flooding caused by heavy rainfall and typhoons can lead to facility shutdowns and equipment damage, temporarily hindering our ability to provide maintenance services or conduct production. Such events negatively affect aircraft delivery schedules and cause property losses, ultimately increasing the Company's operating costs. Regarding the risks associated with flooding, changes in precipitation patterns, and extreme climate variations, the Company has analyzed the operational and financial impacts on our facilities. This analysis is based on data from the Taiwan Climate Change Projection Information and Adaptation Knowledge Platform (TCCIP) and references the SSP5-8.5 (very high greenhouse gas emissions) scenario from the IPCC Sixth Assessment Report (AR6). Under this scenario, it is projected that by the mid-21st century, the number of typhoons affecting Taiwan will decrease by 15%, but the proportion of strong typhoons will increase by 100%, with typhoon-related rainfall intensity rising by approximately 20%. The analysis results indicate that the risks faced by the Company are expected to rise. https://tccip.ncdr.nat.gov.tw/km_abstract_one.aspx?kid=20210810134743 Financial Impact of Transition Actions Under transition risks, the shift toward a low-carbon economy may involve extensive changes in policies and regulations, technology, and markets. Depending on the nature, speed, and focus of these shifts, factors such as carbon fees, greenhouse gas (GHG) cap-and-trade systems, renewable energy regulations, and evolving customer preferences could increase operating costs or reduce business volume within the analyzed timeframe. Given that the Company primarily provides aircraft maintenance services and is not classified as a high-energy-intensive industry, our analysis focuses on the impact on operating costs. In a low-carbon transition scenario, the shift toward low-carbon services is expected to increase the Company's overall operating expenses. Furthermore, the Company is enhancing the energy efficiency of its facilities by introducing energy-saving equipment and purchasing or retrofitting plant machinery. These actions aim to reduce the climate impact of our energy consumption, water usage, and waste generation. However, these initiatives will lead to an increase in the Company's capital expenditure (CapEx) and ongoing operating costs.				
4. Describe how the processes for identifying, assessing, and managing climate-related risks are integrated into the overall risk management system.	The Board of Directors serves as the highest decision-making body for the Company's risk control and directly oversees the risk governance framework. To strengthen risk assessment and management functions, the Board established the Risk Management Committee in 2022. Under this committee, a Risk Management Task Force—comprising the President, Vice President, the SRB meetings, and the Audit Office—is responsible for operational execution, including the monitoring, measurement, and assessment of risks through various regular meetings. The scope of risk management covers various hazards that may impact operations and profitability, including natural disaster risks arising from climate change, as well as potential operational, financial, strategic, information security, compliance, and integrity risks. By evaluating the frequency of risk events and the severity of their impact on operations (with the highest severity level defined as losses exceeding NT\$5 million), the Company defines risk priorities and levels. Corresponding management strategies are implemented based on these levels, with systematic financial correlation assessments conducted to mitigate risks. The Task Force compiles and submits a risk management execution report to the Risk Management Committee at least once a year. The Committee reviews the implementation, provides necessary improvement recommendations, and reports to the Board of Directors on a regular basis (at least annually). The Company has assessed the potential risks and opportunities presented by climate change and has integrated climate-related factors into its operational strategic planning and decision-making processes, as well as the overall risk management policy. We are actively promoting various environmental protection, energy conservation, and carbon reduction measures, reducing greenhouse gas (GHG) emissions, and advancing green services to mitigate and adapt to the operational impacts caused by climate change. To align with international climate change frameworks, we are continuously refining our climate change management and disclosing climate-related information. We use the results of our analyses to establish a risk management strategic plan that serves as the core of our climate action, enabling us to estimate both management costs and financial impacts. The collection of the aforementioned data strengthens the Company's climate governance and allows for the systematic assessment of financial implications to mitigate				

Item	Execution situation						
5. If scenario analysis is used to assess resilience against climate-related risks, describe the scenarios, parameters, assumptions, analytical factors, and the primary financial impacts identified.	risks and seize business opportunities. Parameters, Assumptions, and Analytical Factors: 1. Use of Historical Data: The analysis is based on historical data and does not account for the potential impact of the Company’s recent improvement initiatives. 2. Model Integration: The model integrates both the Company’s physical and commercial data. 3. Scenario Construction: Scenario analysis is constructed using publicly available data, including assessments and reports on Net Zero energy from the Intergovernmental Panel on Climate Change (IPCC). 4. Independence of Risk Factors: Given the complexity and uncertainty of how risks interact, each risk factor is treated as independent; interdependencies and cascading effects are not considered. 5. Assessment Period: The evaluation covers the period from 2026 to 2050. Physical Risk Scenario Analysis: Under the influence of climate change, the increasing frequency of extreme weather events may lead to equipment damage and operational shutdowns caused by flooding from heavy rainfall and typhoons. This could result in financial losses and delays in aircraft delivery schedules. The Company evaluates the risk level by considering the probability of future flooding events. Based on historical data analyzing the severity and frequency of typhoons and floods across all plant locations (assuming an extreme rainfall scenario of 650mm/24hr or a one-day operational impact per typhoon), each plant is currently assessed as Moderate Risk. To mitigate asset losses from flooding, the Company continues to implement flood prevention measures, including the installation of floodgates, procurement of water pumps, building repairs, and new drainage projects. Furthermore, we maintain operational continuity by coordinating delivery reschedules with customers and implementing personnel shift rotations to minimize overall impact. Transition Risk Scenario Analysis: The Company faces extensive challenges arising from shifts in policy, regulation, technology, and market dynamics. As various countries and the International Civil Aviation Organization (ICAO) implement carbon pricing mechanisms to control and reduce aviation emissions, operational costs are expected to increase. To mitigate this, the Company maintains close contact with fuel suppliers to ensure the procurement of Sustainable Aviation Fuel (SAF) at reasonable prices, while aligning with the national regulatory policies of our various maintenance, repair, and overhaul (MRO) clients. Regarding carbon fees, in accordance with the Climate Change Response Act, the Company evaluates future carbon fee collection mechanisms. By referencing current policy trends and carbon pricing fluctuations, we have simulated emission variations and corresponding carbon fee costs under different scenarios. 2030 Carbon Pricing Projection: Based on the Executive Yuan's "General Description of the Draft Carbon Fee Rate," the projected carbon fee rate for 2030 is estimated to range between NT\$1,200 and NT\$1,800 per metric ton of CO₂e. To address these transition risks, the Company will continue to enhance energy efficiency, implement energy-saving and carbon-reduction initiatives, and strengthen green procurement. <table><tr><th>Scenario</th><th>Estimated Financial Impact of Physical Risks</th><th>Estimated Financial Impact of Transition Risks</th></tr><tr><td>IPCC RCP8.5 High-Emissions Scenario</td><td>Extreme events such as typhoons and floods may delay aircraft delivery schedules and cause property damage. This is estimated to increase annual operating costs by approximately NT\$5.715 million, accounting for 0.10% of annual revenue</td><td>Under a scenario with no mitigation measures and intensified carbon markets/regulatory oversight, the increase in operating costs for Scope 1 and Scope 2 is estimated at NT\$6.89 million (0.12% of annual revenue). Including Scope 3, the potential increase reaches NT\$11.61 million (0.22% of annual revenue)</td></tr></table>	Scenario	Estimated Financial Impact of Physical Risks	Estimated Financial Impact of Transition Risks	IPCC RCP8.5 High-Emissions Scenario	Extreme events such as typhoons and floods may delay aircraft delivery schedules and cause property damage. This is estimated to increase annual operating costs by approximately NT\$5.715 million, accounting for 0.10% of annual revenue	Under a scenario with no mitigation measures and intensified carbon markets/regulatory oversight, the increase in operating costs for Scope 1 and Scope 2 is estimated at NT\$6.89 million (0.12% of annual revenue). Including Scope 3, the potential increase reaches NT\$11.61 million (0.22% of annual revenue)
Scenario	Estimated Financial Impact of Physical Risks	Estimated Financial Impact of Transition Risks					
IPCC RCP8.5 High-Emissions Scenario	Extreme events such as typhoons and floods may delay aircraft delivery schedules and cause property damage. This is estimated to increase annual operating costs by approximately NT\$5.715 million, accounting for 0.10% of annual revenue	Under a scenario with no mitigation measures and intensified carbon markets/regulatory oversight, the increase in operating costs for Scope 1 and Scope 2 is estimated at NT\$6.89 million (0.12% of annual revenue). Including Scope 3, the potential increase reaches NT\$11.61 million (0.22% of annual revenue)					
6. If there are transition plans in place to manage climate-related risks, describe the content of such plans, as well as the metrics and targets used to identify and manage physical and transition risks.	The Company has established reduction targets using greenhouse gas (GHG) emissions, water consumption, and waste generation as key management metrics, while actively increasing the amount of green procurement. To achieve the goal of environmental sustainability, we implement various energy-saving and carbon-reduction initiatives, regularly review environmental protection issues, and continuously promote improvement measures to reach our GHG emission reduction targets.						
7. If internal carbon pricing is used as a planning tool, describe the basis on which the price was determined.	The Company currently has no plans to implement an internal carbon pricing mechanism. However, we have already conducted self-inventories and implemented emission reduction measures.						

Item	Execution situation
8. If climate-related targets are set, describe the activities covered, greenhouse gas (GHG) emission scopes, planned timeframes, and annual progress. If carbon offsets or Renewable Energy Certificates (RECs) are used to achieve these targets, specify the sources and quantities of the carbon credits offset or the number of RECs utilized. 9. GHG Inventory and Assurance Status, along with Reduction Targets, Strategies, and Concrete Action Plans (Please refer to Tables 1-1 and 1-2 for details)	Short- to Medium-Term Target: To reduce electricity intensity by 0.5% compared to the 2025 baseline. Long-Term Target: In alignment with government policies, the Company will continuously advance various reduction initiatives to achieve maximum energy efficiency. With 2025 as the base year, our goal is to achieve a 2.5% reduction by 2030. 2025 GHG Inventory Results: 2025 Inventory: 6,452.518 metric tons of CO₂e. Verification: Completed third-party assurance for Scope 1 and Scope 2 GHG emissions in 2025. Please refer to the detailed descriptions below.

1-1 Greenhouse gas inventory and verification status for the past two years

1-1-1 Information about greenhouse gas inventory

Describe the greenhouse gas (GHG) emissions for the most recent two years (metric tons of CO ₂ e), emission intensity (metric tons of CO ₂ e per NT\$ million), and the scope of the data covered.			
As a listed company with a paid-in capital of less than NT\$5 billion, the Company will disclose the 2025 GHG inventory data for the parent company starting in 2026. Furthermore, starting in 2027, we will disclose the consolidated GHG inventory data for the parent company and its subsidiaries for the 2026 fiscal year.			
Item \ Year		2024	2025
Emissions (metric tons of CO ₂ e)	Scope 1 / Category 1	708.029	590.856
	Scope 2 / Category 2	3,440.730	3,235.166
	Scope 3 / Categories 3–6	2,245.631	2,626.496
	Total	6,394.390	6,452.518
Emission Intensity (metric tons of CO ₂ e / NT\$ million)		1.2297	1.1831
The data coverage encompasses the Company's Songshang Plant, Taichung Plant, Tainan Plant, Gue-Jen Station, Tainan Maintenance Base, Pingtung Plant, 3 NASC out-stations (Kaohsiung, Hualien, Taitung Airport), Line Maintenance (Songshang, Taoyuan, Taichung, Tainan, Kaohsiung Airport) and Chiayi Asia UAV AI Innovation Application R&D Center. Please refer to pages 68–69 for detailed data on each category.			

1-1-2 Information about Greenhouse Gas Verification

Description of Assurance Status for the Most Recent Two Years Up to the Annual Report Publication Date, including the Assurance Scope, Assurance Provider, Assurance Criteria, and Assurance Opinion.
As a listed company with paid-in capital under NT\$5 billion, the Company is required by regulation to complete assurance for the parent company's 2027 data starting in 2028, and assurance for consolidated 2028 data starting in 2029. The Company adopted the assurance procedures two years ahead of the regulatory schedule.
The scope of the Company's 2025 assurance is consistent with the data coverage specified in Section 1-1-1, "Greenhouse Gas Inventory Information." KPMG Taiwan was engaged to plan and perform a limited assurance engagement on Category 1 and Category 2 emissions, in accordance with Assurance Standard No. 3410, "Assurance Engagements on Greenhouse Gas Statements," issued by the Accounting Research and Development Foundation (ARDF). Based on the procedures performed, nothing has come to their attention that causes them to believe that the Company's Category 1 and Category 2 GHG statements are not prepared, in all material respects, in accordance with ISO 14064-1:2018. The conclusion reached was an unmodified limited assurance conclusion. The conclusion reached was an unmodified limited assurance conclusion.

1-2 Objectives, strategies, and specific action plans for greenhouse gas reduction

Describe the greenhouse gas (GHG) reduction base year and its associated data, reduction targets, strategies, and concrete action plans, as well as the status of achievement toward these reduction targets.
GHG Reduction Base Year and Targets: The Company is a listed company with a paid-in capital of less than NT\$5 billion. According to the "Sustainable Development Roadmap for TWSE/TPEx Listed Companies," we are required to set a base year no later than 2026 and disclose our reduction targets, strategies, and concrete action plans starting from 2027. The Company has proactively designated 2025 as the base year, with a target to reduce emissions by 0.5% in 2026. In the long term, we will continuously advance various reduction initiatives in alignment with government policies to achieve maximum energy efficiency, aiming for a total reduction of 2.5% by 2030. GHG Reduction Strategies and Concrete Action Plans: The Company's greenhouse gas emissions are primarily derived from purchased electricity, which accounts for 50.14% of total emissions. To effectively reduce emissions, we will continue to advance our energy-saving and carbon-reduction strategies and establish improvement targets for regular tracking. Concrete measures include replacing conventional lighting with energy-efficient LED fixtures, upgrading older air conditioning units to energy-saving models, and prioritizing energy efficiency during the procurement and replacement of various facilities. Furthermore, we are implementing solar energy and green power generation systems to further decarbonize our energy mix. In 2025, the Company's GHG emission intensity decreased by 0.0466 metric tons of CO₂e per NT\$ million in revenue (-3.79%) compared to 2024. The increase was primarily due to the inclusion of Scope 3 emissions from purchased energy, as well as solid and liquid waste disposal. Excluding this expanded scope, the greenhouse gas (GHG) emissions intensity decreased by 15.66% compared to 2024. For 2026, the Company has set a target to reduce GHG intensity by 0.5% compared to 2025.

The Company has installed a solar power generation system at the Tainan Plant. The performance is summarized below:

2024: Generated 1,889.93 MWh of electricity, resulting in a carbon reduction of 895,978.07 kg.

2025: Generated 2,336.06 MWh of electricity, resulting in a carbon reduction of 990,491.07 kg.

Compared to 2024, the power generation in 2025 increased by 446.13 MWh (23.61%), and the carbon reduction increased by 94,513 kg (10.55%).

(x). The Company's fulfillment of the integrity management situation and adopted measures and The Difference Situation and Reason to Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies

Evaluation items	Operation situation			The Difference Situation and Reason to Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies
	Y	N	Summary	
i. Establishing integrity management policies and programs				
(i) Does the Company express its commitment to integrity management policies and practices in its regulations and external documents, as well as the commitment of the Board of Directors and management to actively implement business policies?	V		(i) In order to implement the integrity management policy and actively guard against dishonesty, the Company has established the "Ethical Corporate Management Best Practice Principles", "Integrity Operation Procedures and Conduct Guidelines" and "Ethical Code of Conducts" to specifically regulate the Board of Directors, management and all employees on matters to be aware of when performing business. On Oct. 13, 2025, publicity on ethical management has been conducted to all Directors, and all Directors have also completed signing a statement on ethical management. We have also carried out courses for promoting corporate governance and ethical management with a total of 1,148 people participated. We have also included the ethical management principles in labor contracts and statement of ethical management so that all managerial personnel and all employees shall follow the ethical management principles.	No significant difference
(ii) Does the Company adopt preventive measures for the situations in respective Subparagraphs in Paragraph 2, Article 7 of Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies or dishonest business operation with higher risk within the other business scope?	V		(ii) The Company's Ethical Corporate Management Best Practice Principle has adopt preventive measures for the situations in respective Subparagraphs in Paragraph 2, Article 7 of Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies or dishonest business operation with higher risk within the other business scope. And establish an effective accounting system and internal control system, review from time to time, and ensure that the implementation of the system continues to be effective.	No significant difference
(iii) Does the Company have a plan to prevent dishonesty, and specify operating procedures, behavioral guidelines, disciplinary and grievance systems for violations in each program?	V		(iii) The Company has established the "Ethical Corporate Management Best Practice Principles", "Integrity Operation Procedures and Conduct Guidelines" and "Ethical Code of Conducts", as well as operation procedures for precautions of dishonest behavior, which will be regularly reviewed and revised. The Company also does random training and makes announcements to employees.	No significant difference
ii. Implementation of integrity operation				
(i) Does the Company assess the integrity record of the person to whom it deals with, and specify the terms of good faith in its contract with the transaction partner?	V		(i) In accordance with the "Ethical Corporate Management Best Practice Principle", of this Company, the legality and credibility of business counterpart shall be taken into consideration, in order to avoid transactions with person with disciplinary records. And the in the relevant contract, the doctrine of integrity behaviors shall be specified. If the counterpart involves an act of dishonesty, the contract may be terminated or	No significant difference

Evaluation items	Operation situation			The Difference Situation and Reason to Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies
	Y	N	Summary	
			cancelled at any time.	
(ii) Does the Company set up a designated (part-time) unit that promotes corporate integrity management under the Board of Directors, and make it regularly (at least 1 time per year) report its implementation to the Board of Directors on ethical management policy and precaution plan on dishonest behavior and supervision of execution status?	V		(ii) In order to improve the management of integrity operation, Chairman's Office of this Company is responsible for the formulation of the integrity operation policy and prevention plan, and is supervised and implemented by the auditing unit and regularly reports to the Board of Directors. This time reported the situation of execution to the Board of Directors on Dec. 18, 2025. In the year of 2025, we carried out courses for the ethical management of corporate governance to promote ethical management principles. Each session lasted 0.167 hours (10 minutes), in total 1,148 people and 191.716 hours. To strengthen a corporate culture of integrity, the Company conducts "Anti-Corruption Advocacy" sessions every quarter to reinforce employees' concepts of ethical management.	No significant difference
(iii) Does the Company have a policy to prevent conflicts of interest, provide a proper presentation channel, and implement it?	V		(iii) This Company has already promulgated the "Ethical Corporate Management Best Practice Principle", "Integrity Operation Procedures and Conduct Guidelines" and "Ethical Code of Conducts" to prevent conflicts of interest. The Company will set up an investor zone, a corporate governance zone, a corporate social responsibility zone and a stakeholder zone on the company's website to facilitate the reference of shareholders and stakeholders, and will set up a stakeholder contact platform as a solution for stakeholders' communication channels for suggestions doubts and disputes to ensure the interests of stakeholders.	No significant difference
(iv) Has the Company established an effective accounting system and internal control system for the implementation of integrity management, and plan to establish related audit plan based on risk assessment of dishonest behavior checked by internal audit unit? And does the Company check the obedience of precaution plan on dishonest behavior or entrusted with CPAs to perform checks?	V		(iv) The Company has established an "Accounting System" and an "Internal Control System", and the Audit Department has established and implemented an annual audit plan in accordance with relevant regulations, and continues to track improvements to implement integrity management.	No significant difference
(v) Does the Company regularly hold internal or external education training of integrity management?	V		(v) Through the departmental meeting, the Company promotes to employees and make them understands the Company's integrity management philosophy and norms.	No significant difference
iii. The operation status of company's whistle-blowing system				
(i) Does the Company have a specific whistle-blowing and reward system, and establish a convenient reporting channel, and assign appropriate personnel to the person being accused?	V		(i) The Company has a proper reporting channel for employees and related personnel to report any improper business practices, which are handled by the company management directly in person. Any violation of the company's ethical standards of employment will be severely punished according to the company's rules for rewards and punishments.	No significant difference

Evaluation items	Operation situation			The Difference Situation and Reason to Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies
	Y	N	Summary	
(ii) Does the Company set the investigation standard operating procedures and related confidentiality mechanisms for accepting the report?	V		(ii) The Company has a chairman's mailbox, a union's opinion mailbox and a designated personnel unit to handle employee's complaints. A reporter may report it by letters, emails and etc., and the designated person will handle it. The Company's website has set up a stakeholder liaison platform as a communication channel for handling stakeholder's suggestions, doubts and disputes. In addition, the Company has also established the "Whistle-blowing System" in Personnel Handbook Chapter 9, the internal control system- personal management system in Section 9 and Ethical Code of Conducts to protect the reporter and regulate the confidentiality mechanisms and reward/punishment mechanisms, in order to ensure the stakeholders' right and interest. A rigorous reporting mechanism allows stakeholders to communicate messages in a safe and confidential manner.	No significant difference
(iii) Does the Company take measures to protect the reporter from improper disposal due to the report?	V		(iii) The Company provides reporting channels and takes appropriate protective measures in accordance with the laws to maintain the personal data and privacy of the reporter in confidential.	No significant difference
iv. Strengthen information disclosure Does the Company disclose its content of integrity management practices and promotion of effectiveness on its website and MOPS?	V		This Company has disclosed relevant information on the MOPS. The Company also set up website and the address is http://www.airasia.com.tw ; it includes corporate governance operation and discloses corporate governance operation status and company's important regulations, such as "Rules for Corporate Governance Practice", "Ethical Corporate Management Best Practice Principle" and "Integrity Operation Procedures and Conduct Guidelines".	No significant difference
v. If the Company has established its own Ethical Corporate Management Best Practice Principle according to "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies", please state difference between its operation and the Principles: This Company has established "Ethical Corporate Management Best Practice Principle", all company's operation complies with those Principles. No significant difference.				
vi. Other important information that helps to understand the company's integrity management operations (such as the Company's review and revision of its established Ethical Corporate Management Best Practice Principle): The Company will pay attention to the development of the relevant norms of domestic or foreign integrity management at all times, and encourage the directors, managers and employees to make suggestions to review and improve the Company's integrity management policies and measures in to enhance the implementation of the Company's integrity management. The Company's ethical management policy was revised and approved by Board of Directors on Feb. 20, 2021. The Company has also set up a corporate governance zone on the website; this Company will disclose the actual operation situation and relevant information to the Company's website and MOPS.				

(xi). Other important information that is sufficient to enhance the understanding of the operation of corporate governance:

1. Succession planning for Directors and important managerial personnel

The successor's cultivation plan is related to the Company's sustainable management. The purpose of the plan is to deal with organizational management and achieve business goals. In addition, the Company can avoid expected or unpredictable supervisory changes, such as the departure or retirement of Managers, and the operation problems caused the Company to suffer losses.

The Director election of the Company is based on the system of candidate nomination. Shareholders are authorized to nominate candidates and select Directors (including Independent Directors) nominated by shareholders from the candidate list by means of voting in shareholder stated meetings. The term of Director lasts for three years.

Most of the shareholders of the Company are juridical people utilizing government fund transferred to investment. Regarding the planning of successors to Directors, overall the successors to Director representatives should have the capabilities mentioned in the chapter regarding the reinforcement of the competency of the Board of Directors in "The Principles of Corporate Governance"; to comply with the law, Independent Directors must obtain professional qualification and work experience, etc, its successor plan comes from professionals familiar with industry, official and university as the main guidelines of the election, and according to the law, ensure the independence of all the members of the Board of Directors, the result of his/her annual performance evaluation of the Board of Directors are essential reference to decide whether he or she will be appointed further. In order to improve the duty exercise of Directors and keep up with the times, regularly schedule refresher courses every year, assist in elevating the professional competencies of Directors, with the range encompassing subjects related to corporate governance, such as finance, accounting, business development, commerce, law, information, risk management, internal control system, corporate social responsibility, etc. The content is in compliance with regulations or the update on internal and external environmental condition along with relevant applications and projects regarding the demand for future development, so as to perfect the successor plan.

Regarding succession planning for key management levels. In 2025, the Company has 4 Vice Presidents and Factory Directors around 10 in charge of supervising company business. 4 Vice Presidents of the Company were excellent Factory Directors elected internally, who became company Managers reviewed and approved by the Board of Directors. The five-year successor plan aims to

deepen the awareness of operational concepts and cultivate every sort of skills regarding operations management by means of job rotation, being expatriates, agency system, experience sharing and consulting, and through the meetings of Department of Business, the projects and strategic meetings, etc, in order to comprehensively cultivate the diversified operation management abilities of the essential management level, so as to avoid the talent gap as a result of retirement or resignation. In addition, for the long-term development of the Company, aim to deepen every level of company talents, strengthen the depth of management level by reinforcing individual consulting and work interaction along with duty experience gaining and job rotation.

2. Intellectual Property Management Plan and Implementation

Intellectual Property Management Policy

To drive industry progress and safeguard advanced technological achievements, the Company has integrated an Intellectual Property (IP) strategy with our business objectives. By establishing an operational model that creates value through IP, we aim to protect our R&D outcomes, strengthen competitive advantages, and enhance overall corporate value and profitability.

The Company has established the 'Management of Acquisition, Maintenance, and Utilization of Intellectual Property' within its Internal Control System. This system is designed to govern the management and preservation of intellectual property, including patents, trademarks, and trade secrets. The Company's Intellectual Property Management Plan is as follows:

- (1) Patent Management: No patent applications have been filed by the Company.
- (2) Trademark Management: The Legal Affairs Office centralizes and oversees the periodic maintenance of trademark management. As of now, the Company has registered 5 trademarks in Taiwan.
- (3) Copyright Management: The Company has no copyright registrations.
- (4) Trade Secret Management:
 - A. According to Article 8, Paragraph 3 of the Company's Labor Contract, employees are obligated to maintain the confidentiality of their assigned tasks and corporate business secrets. Furthermore, all employees are required to sign an Employee Confidentiality Agreement.
 - B. Employees are prohibited from disclosing any business secrets during

or after their employment. In the event of a breach, the Company reserves the right to terminate employment, pursue legal action, and seek compensation for damages.

- C. Outsourced or Commissioned IP Management: When the Company commissions, is commissioned by, or collaborates with others on technical R&D, the ownership of intellectual property shall be governed by the terms of the respective contracts.
- D. Management of Third-Party Technical Documents and Software: For technical documents and software purchased from or provided by Original Equipment Manufacturers (OEMs), the intellectual property rights remain with the OEMs, while the ownership of data and usage rights belong to Air Asia Company Limited (AACL). These assets are registered and controlled by the Technical Publications Department under the Administrative Division in accordance with relevant operating procedures.

IP Risk and Mitigation Measures

The Company is commissioned by the military for defense procurement projects and is strictly obligated to comply with confidentiality regulations regarding military secrets, equipment, and technical documents. The risk assessment index for this area is categorized as Low Risk.

Confidentiality Management for Defense Projects: Regarding classified documents approved under the National Security Information Protection Act and its Enforcement Rules, the Company strictly supervises its personnel to ensure compliance with government regulations. All personnel involved in Strategic Commercial Maintenance (SCM) projects have signed Confidentiality Undertakings. Furthermore, the access to 'Classified Information' for military projects (including media containing critical programs) must strictly adhere to the principles of 'Designated Personnel Management' and 'Designated Cabinet Storage.' Access control for relevant areas has been strengthened, and a tracking log has been established for any authorized use of classified data. Classified documents are strictly prohibited from being removed from designated office areas without the prior approval of authorized supervisors.

The Company reports intellectual property-related matters to the Board of Directors at the end of each year. The most recent report was presented to the Board on December 18, 2025.

Implementation Status of Intellectual Property Management

(1) Raising Awareness of IP Management:

On an annual basis, the Company promotes its IP management mechanisms, confidentiality obligations, and trade secret guidelines through the corporate intranet to strengthen employees' awareness and understanding of IP protection. Furthermore, the Company conducted training sessions on the 'Acquisition, Maintenance, and Utilization of IP Rights,' reaching 1,200 participants with a cumulative total of 200 hours.

(2) Document Classification:

General Information Security Training: Conducted for 1,172 participants, totaling 3,516 hours. The Company's document confidentiality levels are categorized into four tiers: 'General,' 'Internal,' 'Sensitive,' and 'Confidential.' Except for the 'General' level, all hard-copy folders or documents must be stamped with their respective classification for clear identification. Furthermore, all files classified as confidential must be encrypted before transmission.

(3) Review of Employee Confidentiality Undertakings:

Based on our latest inventory, all employees of the Company have completed the signing of the Employee Confidentiality Agreement and the Information & Communication Security Confidentiality Agreement. This includes 146 new hires for the current year, ensuring 100% compliance in personnel confidentiality management.

(4) Legal Education and Training (including Trade Secrets):

Collaborating with the Personnel Department, the Legal Affairs Office provided routine online legal education courses (covering Trade Secrets, Business Integrity, and Intellectual Property Rights) for employees across all stations. A total of 1,148 participants completed the training, totaling 1,339 hours of promotion.

In alignment with military and government contracts, the Legal Affairs Office conducted Fleet Commercial Maintenance Legal Education (covering Confidentiality Obligations, Intellectual Property Rights, and Trade Secrets) for relevant operational personnel. This specialized training reached 225 participants, totaling 879 hours of legal promotion.

(5) Trademark Management:

The Company currently holds 5 registered trademarks in Taiwan. Based on our periodic review, all trademarks are valid and none have expired; the Legal Affairs Office continues to monitor and maintain these assets to ensure ongoing protection.

- (6) Trade Secret Management: To ensure the proper management of trade secrets, the Legal Affairs Office maintains a comprehensive register to control Non-Disclosure Agreements (NDAs) signed with vendors or clients. This system monitors effective dates, expiration dates, and the duration of post-termination confidentiality obligations.

(xii). Implementation status of internal control system

1. Internal Control System Statement

Public Company internal control system statement

Indicates that both design and execution are effective

(This statement applies in compliance with laws and regulations when all laws and regulations are complied with)

Air Asia Co., Ltd

Internal control system statement

Date: March 04, 2026

For the Internal control system of this Company in 2025, based on the results of self-assessment, hereby we declare as follows:

- i. The Company is aware that the establishment, implementation and maintenance of the internal control system is the responsibility of the Board of Directors and managers of the Company. The Company has established this system. The purpose is to reach the goals as providing reasonable results in terms of operational effectiveness and efficiency (including profitability, performance and asset security, etc.), report with reliability, timeliness and transparency and compliance with relevant laws and regulations, in order to provide reasonable assurance.
- ii. The internal control system has its inherent limitations. Regardless of how well the design is perfected, an effective internal control system can only provide reasonable assurance of the achievement of the above three objectives. Moreover, due to changes in the environment and conditions, the effectiveness of the internal control system may change. Once any error is identified, the Company will take correction action immediately.
- iii. The Company judges whether the design and implementation of the internal control system is effective based on the judgment items of the effectiveness of the internal control system as stipulated in the "Regulations Governing Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as "RGECSPC"). The internal control system judgment items used in the "RGECSPC" is based on the process of management control, and the internal control system is divided into five components: 1. Control environment, 2. Risk assessment, 3. Control activities, 4. Information and communication, and 5. Monitoring activities. Each component also includes several items. Please refer to the "RGECSPC" for the above items.
- iv. The Company has adopted the judgment items in the above internal control system to judge and evaluate the effectiveness of the design and implementation of the internal control system.
- v. Based on the results of the previous assessment, the Company believes that the Company's internal control system (including supervision and management of subsidiaries) on December 31, 2025, including the understanding of the effectiveness and efficiency objectives of the operation, and reporting are reliable, timely and transparent. The design and implementation of the internal control system related to the compliance with relevant laws and regulations are effective and may reasonably ensure the achievement of the above objectives.
- vi. This statement will become the main content of the Company's annual report and public statement, and will be made public. If the content of the above disclosure is illegal or concealed, it will involve in legal liabilities such as Articles 20, 32, 171 and 174 of the Securities and Exchange Act.
- vii. This statement was approved by the Board of Directors of the Company on March 04, 2026. Among the 11 directors, 0 dissented, and the rest agreed to the contents of this statement. Here we shall also express such situation.

Air Asia Co., Ltd

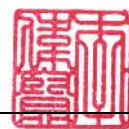


Chairmen:



Signature or stamp

General Manager:



Signature or stamp

2. If the Company entrusted CPA to review the internal control system, it should disclose the CPA review report: None.

(xiii). In the most recent year and up to the print date of annual report, important resolutions of the Shareholders' Meeting and the Board of Directors

1. Important resolutions of the Shareholders' Meeting and implementation of them

Date	Important resolutions of the shareholders' meeting	Implementation
June 17, 2025 General Shareholders' Meeting	Recognition	
	(1) Recognition of 2024 Business Report and Financial Statements	Executed as resolved
	(2) Recognition of 2024 surplus distribution proposal	Cash dividends NTD 129,968,972 was allotted to shareholders on Apr. 15, 2025 (NTD 0.62056 per share)
	Discussion	
	Approval of proposal of amendment of “Article of Incorporation” of the Company	Executed as resolved, the Company has announced on MOPS on June 17, 2025.

2. Important resolutions of Board of Directors

Date	Important resolutions of Board of Directors	Independent director holds dissenting or qualified opinion	Implementation
Feb. 26, 2025	(1) Approval of application of recognition of credit line of financial institutions	None	Executed as resolved
	(2) Approval of amendment of “Articles of Incorporation” of the Company	None	Make corrections in accordance with the recommendations of Director Chang, Ke-Hao
	(3) Approval of the grassroots staff range	None	Executed in accordance with the recommendations of Director Li, Han-Ming
	(4) Approval of Employee Remuneration Allotment of 2024	None	Executed as resolved
	(5) Approval of proposal of 2024 Business Report and Financial Statements	None	Executed as resolved
	(6) Approval of 2024 surplus distribution and formulate the plan for the ex-dividend base date	None	Executed as resolved
Mar. 27, 2025	(1) Approval of amendment of “Internal Control System”	None	Make corrections in accordance with the recommendations of Director Li, Yu-Ying
	(2) Approval of the formulation of “Nomination Committee Charter”	None	Executed as resolved
	(3) Approval of appointment of members of the “Nomination Committee”	None	Executed as resolved and announced on Mar. 27, 2025
	(4) Approval of the formulation of “Sustainable Development Committee Charter”	None	Executed as resolved
	(5) Approval of appointment of members of the “Sustainable Development Committee”	None	Executed as resolved and announced on Mar. 27, 2025
	(6) Approval of amendment of “Organization Chart”	None	Executed as resolved
	(7) Approval of proposal of “Internal Control Statement” of 2024	None	Reviewed and announced on Mar. 28, 2025
	(8) Approval of proposal of discussion of related agenda of 2025 regular Shareholders’ Meeting	None	Executed as resolved and announced on Mar. 27, 2025
May 06, 2025	(1) Approval of ratification of recognition of credit line of financial institutions	None	Executed as resolved
	(2) Approval of application of recognition of credit line of financial institutions	None	Executed as resolved
	(3) Approval of amendment of “Internal Control System”	None	Executed as resolved
	(4) Approval of this Company’s Consolidated Financial Statements for the First Quarter of 2025	None	Executed as resolved
	(5) Approved the change of the construction bid of the Company's " General Administrative Building New Construction Project" due to circumstances, and proposed to open the second phase of the construction price adjustment mechanism	None	Executed as resolved

Date	Important resolutions of Board of Directors	Independent director holds dissenting or qualified opinion	Implementation
May 06, 2025	(6) Approved the partial changes and additional budget discussion of the "Air Asia Story Hall and General Administration Building Project" of the Company	None	Executed as resolved
Aug. 07, 2025	(1) Approved the Company's 2024 charitable donation and sponsorship proposals	None	Executed as resolved
	(2) Approval of application of recognition of credit line of financial institutions	None	Executed as resolved
	(3) Approval of amendment of "Internal Control System"	None	Make corrections in accordance with the recommendations of the Audit Committee
	(4) Approval of amendment of "Organization chart"	None	Executed as resolved
	(5) Approved the "Procedure for Reporting Occasional Major Incidents"	None	Make corrections in accordance with the recommendations of Director Li, Han-Ming
	(6) Approval of proposal for the 2024 Sustainability Report	None	Make corrections in accordance with the recommendations of Director Li, Han-Ming and announced on Aug. 11, 2025
	(7) Approval of this Company's Consolidated Financial Statements for the Second Quarter of 2025	None	Executed as resolved and announced on Aug. 7, 2025
	(8) Approval of proposal of 2026 work plan of Remuneration Committee	None	Executed as resolved
	(9) Approved the 2026 Board of Directors training plan	None	Executed as resolved
Nov. 10, 2025	(1) Approval of ratification of recognition of credit line of financial institutions	None	Executed as resolved
	(2) Approval of application of recognition of credit line of financial institutions	None	Executed as resolved
	(3) Approval of amendment of "Internal Control System"	None	Executed as resolved
	(4) Approval of this Company's Consolidated Financial Statements for the Third Quarter of 2025	None	Executed as resolved and announced on Nov. 10, 2025
	(5) Approval of amendment of "Rules for Board of Directors Performance Assessments"	None	Executed as resolved
	(6) Approval of amendment of "Sustainable Development Best Practice Principles"	None	Make corrections in accordance with the recommendations of Director Wang, Shih-Kun
	(7) Approval of amendment of "Corporate Governance Best Practice Principles"	None	Executed as resolved
	(8) Approval of the case of incentive bonuses for the Managers in the Army Utility Helicopter Inspection and Maintenance Project	None	Executed as resolved
	(9) Approval of amendment of "Remuneration Management Measures for Directors and Managers"	None	Executed as resolved

Date	Important resolutions of Board of Directors	Independent director holds dissenting or qualified opinion	Implementation
Dec. 18, 2025	(1) Approval of annual budget of 2026	None	Executed as resolved
	(2) Approval of application of recognition of credit line of financial institutions	None	Executed as resolved
	(3) Approval of 2026 annual audit plan	None	Make corrections in accordance with the recommendations of the Audit Committee
	(4) Approval of the Appointment and Remuneration of the Auditors	None	Executed as resolved
	(5) Approval of this Company's Pre-approved non-assured service items	None	Executed as resolved
	(6) Approval of discussion proposal on salary increase for all employees	None	Executed as resolved
	(7) Approval of amendment of "Remuneration Management Measures for Directors and Managers"	None	Executed as resolved
	(8) Approval of proposal on salary increase for Chairman and Managers	None	Executed as resolved
	(9) Approval of 2025 Year-End Bonus of Chairman and Managerial personnel	None	Executed as resolved
Mar. 04, 2026	(1) Approval of application of recognition of credit line of financial institutions	None	Executed as resolved
	(2) Approval of the 2025 employee compensation allocation and non-executive employee remuneration plan	None	Executed as resolved
	(3) Approval of proposal of 2025 Business Report and Financial Statements	None	Executed as resolved
	(4) Approval of 2025 surplus distribution and formulate the plan for the ex-dividend base date	None	Executed as resolved
	(5) Approval of proposal of "Internal Control Statement" of 2025	None	Reviewed and announced on Mar. 09, 2026
	(6) Approval of the case of incentive bonuses for the Managers in the Transport Helicopter Strategic Fleet Maintenance Project	None	Executed as resolved
	(7) Approval of proposal of discussion of related agenda of 2026 regular Shareholders' Meeting	None	Executed as resolved and announced on Mar. 04, 2026

(xiv). In the most recent year and up to the print date of annual report, resolution of Board of Directors on which the Chairman or supervisor has a dissenting opinion which is on record or stated in a written statement: None.

iv. Information on CPA professional fees

- (i). When non-audit fees paid to the certified public accountant, to the accounting firm of the certified public accountant, and/or to any affiliated enterprise of such accounting firm are one quarter or more of the audit fees paid thereto, the amounts of both audit and non-audit fees as well as details of non-audit services shall be disclosed

Unit NT\$ (K)

Name of CPA firm	Name of CPA	CPA verification duration	Audit fees	Non-audit fees	Total	Remark
KPMG	Su, Yen-Ta	Jan. 2025~ Dec. 2025	1,340	460	1,800	Other public expense for services including the consent procedure report, audit certificate of salary payment for non-managerial full-time employees, audit of corporate income tax settlement and declaration, verification of direct offset method for business tax
	Chen, Yung-Hsiang	Jan. 2025~ Dec. 2025				

Please provide specific information about the fee for non-audit service: Please refer to the remark.

- (ii). When the Company changes its accounting firm and the audit fees paid for the fiscal year in which such change took place are lower than those for the previous fiscal year, the amounts of the audit fees before and after the change and the reasons shall be disclosed: Not applicable.
- (iii). When the audit fees paid for the current fiscal year are lower than those for the previous fiscal year by 10 percent or more, the reduction in the amount of audit fees, reduction percentage, and reason(s) therefor shall be disclosed: Not applicable

v. Information on replacement of CPA: Not applicable.

- vi. Where the Company's Chairman, general manager, or any managerial officer in charge of finance or accounting matters has in the most recent year held a position at the accounting firm of its certified public accountant or at an affiliated enterprise of such accounting firm: None.

vii. In the most recent year and up to the print date of annual report, any transfer of equity interests and/or pledge of or change in equity interests by a Director, supervisor, managerial officer, or shareholder with a stake of more than 10 percent

(i). Changes in the shareholding of Directors, supervisors, managers and major shareholders

Title	Name	2025		Up to Apr. 19, 2026	
		Increase (decrease) number of shares held	Increase (decrease) number of shares pledged	Increase (decrease) number of shares held	Increase (decrease) number of shares pledged
Juristic Person Director and Major shareholder	Taiwan Aerospace Corp.	-	-	-	-
Representative of Juristic Person Director	Taiwan Aerospace Corp. Representative: Lee, Woei-Shyan	-	-	-	-
Representative of Juristic Person Director	Taiwan Aerospace Corp. Representative: Li, Han-Ming	-	-	-	-
Representative of Juristic Person Director	Taiwan Aerospace Corp. Representative: Chang, Pei-Jen	-	-	-	-
Representative of Juristic Person Director	Taiwan Aerospace Corp. Representative: Lu, I-Hsuan	-	-	-	-
Representative of Juristic Person Director	Taiwan Aerospace Corp. Representative: Kuang, Chien-Wei (Note 1)	-	-	-	-
Representative of Juristic Person Director	Taiwan Aerospace Corp. Representative: Sun, Hsing-Kuang (Note 2)	-	-	-	-
Juristic Person Director and Major shareholder	Taiwan Sugar Corp.	-	-	-	-
Representative of Juristic Person Director	Taiwan Sugar Corp. Representative: Wu, Chih-Wei	-	-	-	-
Representative of Juristic Person Director	Taiwan Sugar Corp. Representative: Li, Yu-Ying	-	-	-	-
Independent Director	Lin, Chang-Ching	-	-	-	-
Independent Director	Wang, Hui-Ching	-	-	-	-
Independent Director	Wang, Shih-Kun	-	-	-	-
Independent Director	Chang, Ke-Hao	-	-	-	-
Vice President of Commercial Aircraft Business Unit	Chao, Jin-Xian (Note 3)	-	-	-	-
Vice President of Military Aircraft Business Unit	Tsui, Ren-Jun	(16,874)	-	-	-
Vice President of Helicopter Business Unit	Tsai, Song-Ling	-	-	-	-

Title	Name	2025		Up to Apr. 19, 2026	
		Increase (decrease) number of shares held	Increase (decrease) number of shares pledged	Increase (decrease) number of shares held	Increase (decrease) number of shares pledged
Vice President	Kuo, Ssu-Tsen (Note 4)	-	-	-	-
Vice President	Li, Zhong-Lin (Note 5)	-	-	-	-
Corporate Governance Officer	Liu, Shu-Chun	-	-	-	-

Note 1: Dismissed on Apr. 11, 2025. Note 3: Took office on Feb. 26, 2025.

Note 2: Took office on Apr. 11, 2025. Note 4: Appointed as Financial Supervisor on Feb. 22, 2023, and concurrently as Accounting Supervisor on Nov. 8, 2023.

Note 5: Retirement on Feb. 25, 2025.

(ii). The counterpart of transfer of equity interest is a stakeholder: None.

(iii). The counterpart of pledge of equity interest is a stakeholder: None.

viii. Relationship information, if among the Company's 10 largest shareholders any one is a related party or a relative within the second degree of kinship of another

April 19, 2026
Unit: share; %

Name	Shares held by him/herself		Shares held by spouse and minor children		Shares held under other's name		If among the Company's 10 largest shareholders any one is a related party or a relative within the second degree of kinship of another, the title/name and the relationship		Remark
	Shares	Ratio	Shares	Ratio	Shares	Ratio	Title (or name)	Relationship	
Taiwan Aerospace Corp.	104,029,402	49.67%	-	-	-	-	None	None	-
Taiwan Aerospace Corp. Representative: Wang, Ting-An	-	-	-	-	-	-	None	None	-
Taiwan Sugar Corp.	19,898,469	9.50%	-	-	-	-	None	None	-
Taiwan Sugar Corp. Representative: Wu, Ming-Chang	-	-	-	-	-	-	None	None	-
Lux Multimanager Sicav - Finserve Global Security Fund I	5,884,001	2.81%	-	-	-	-	None	None	-
Liu, Shih-Cheng	1,052,000	0.50%	-	-	-	-	None	None	-
Yu, Pen-Hung	1,031,000	0.49%	-	-	-	-	None	None	-
Barclays Capital SBL/PB investment account under the custody of Citi Bank	981,317	0.47%	-	-	-	-	None	None	-
Lai, Hsiu-Shu	840,000	0.40%	-	-	-	-	None	None	-
Kuo, Ting-Chang	750,000	0.36%	-	-	-	-	None	None	-
Chen, Yao-Fang	445,000	0.21%	-	-	-	-	None	None	-
Li, Yu-Jen	444,788	0.21%	-	-	-	-	None	None	-

ix. The number of shares held by the Company, the number of shares held by the Company's Directors, supervisors, the personnel whose positions are managerial or higher, and the number of shares of the same investee enterprise which are held by the entities directly or indirectly controlled by the Company. Calculate the consolidated shareholding percentage of the above categories

Unit: share; %

Re-invested businesses	Investment by this company		Investment by Director, Supervisor, manager and he entities directly or indirectly controlled by the Company		Consolidated investment	
	shares	Ratio	shares	Ratio	shares	Ratio
Air Asia Company Ltd. (USA)	10,000	100.00%	-	-	10,000	100.00%

III. Fund-raising situation

i. Capital and shares

(i). Capital source

1. Process of capital formation

April 20, 2026

Unit: NT\$ (K);(K) shares

Year/ Month	Par Value (NT\$)	Approved Capital		Paid-in Capital		Remark		
		Shares	Amount	Shares	Amount	Capital source	Offset the capital with property other than case	Number of approving document
55, Jan	100	800	80,000	608	60,800	Incorporating capital	None	-
87, Sep	10	28,280	282,800	28,280	282,800	Capital reserve to capital increase	None	-
95, Jun	25	80,000	800,000	48,280	482,800	Capital increase	None	Jin(84)Shang106850
96, May	25	80,000	800,000	68,280	682,800	Capital increase	None	Jin(85)Shang107987
99, Jun	20	160,000	1,600,000	103,000	1,030,000	Capital increase	None	Jin(88)Shang123263
05, Aug	10	130,000	1,300,000	33,000	330,000	Capital decrease	None	Jin Shou Zhong Zi No.09432745400
06, Mar	11	130,000	1,300,000	69,364	693,636	Capital increase by private placement	Creditor's rights to capital increase 312,000(K)	Jin Shou Zhong Zi No.09501048250
08, Oct	10	130,000	1,300,000	83,241	832,408	Earning to Capital increase	None	Jin Shou Zhong Zi No.09701271970
09, Oct	10	130,000	1,300,000	90,023	900,230	Earning to Capital increase	None	Jin Shou Zhong Zi No.09801227430
10, Sep	10	130,000	1,300,000	95,587	955,874	Earning to Capital increase	None	Jin Shou Zhong Zi No.09901213330
12, Sep	10	130,000	1,300,000	105,830	1,058,296	Earning to Capital increase	None	Jin Shou Zhong Zi No.10101196960
17, Jan	17.5	130,000	1,300,000	107,830	1,078,296	Capital increase	None	Jin Shou Zhong Zi No.10601008030
18, Feb	22	130,000	1,300,000	122,208	1,222,080	Capital increase	None	Jin Shou Zhong Zi No.10701023290
19, Mar	10	130,000	1,300,000	120,120	1,201,200	Cancel treasury shares: 2,088,000 shares	None	Jin Shou Shang Zi No.10801017950
20, Dec.	10	180,000	1,800,000	131,171	1,311,710	Capital surplus to Capital increase	None	Jin Shou Shang Zi No.1091226690

April 20, 2026

Unit: NT\$ (K);(K) shares

Year/ Month	Par Value (NT\$)	Approved Capital		Paid-in Capital		Remark		
		Shares	Amount	Shares	Amount	Capital source	Offset the capital with property other than case	Number of approving document
21, Aug.	10	180,000	1,800,000	144,466	1,444,657	Convertible bonds	None	Jin Shou Shang Zi No.11001146880
21, Nov.	10	210,000	2,100,000	144,529	1,445,289	Convertible bonds	None	Jin Shou Shang Zi No.11001212310
21, Dec.	10	210,000	2,100,000	150,300	1,503,004	Additional paid in capital and surplus converted to capital increase	None	Jin Shou Shang Zi No.11001230040
22, Mar.	10	210,000	2,100,000	150,564	1,505,641	Convertible bonds	None	Jin Shou Shang Zi No.11101042480
22, May	10	210,000	2,100,000	150,575	1,505,751	Convertible bonds	None	Jin Shou Shang Zi No.11101084050
22, Sep.	10	210,000	2,100,000	150,636	1,506,362	Convertible bonds	None	Jin Shou Shang Zi No.11101160540
22, Sep.	10	210,000	2,100,000	161,929	1,619,285	Additional paid in capital and surplus converted to capital increase	None	Jin Shou Shang Zi No.11101177160
22, Nov.	10	210,000	2,100,000	162,048	1,620,478	Convertible bonds	None	Jin Shou Shang Zi No.11101218490
23, Aug.	10	210,000	2,100,000	208,359	2,083,587	Capital increase and confertable bonds	None	Jin Shou Shang Zi No.11230161480
23, Dec.	10	210,000	2,100,000	209,438	2,094,382	Confertable bonds	None	Jin Shou Shang Zi No.11230225810
24, Jun	10	240,000	2,400,000	209,438	2,094,382	Revise the approved capital amount in accordance with the Articles of Incorporation	None	Jin Shou Shang Zi No.11330115100

2. Type of shares

April 20, 2026

Unit: share

Type of shares	Approved capital			Remark
Normal (No physical issuance)	Circulating shares	Unissued shares	Total	The Company's shares are listed shares
	209,438,204	30,561,796	240,000,000	

3. Information on the general declaration system: Not applicable.

(ii). List of major shareholders

April 19, 2026

Shares Name of major shareholder	Shares held(share)	Shares held (%)
Taiwan Aerospace Corp.	104,029,402	49.67%
Taiwan Sugar Cop.	19,898,469	9.50%
Lux Multimanager Sicav - Finserve Global Security Fund I	588,4001	2.81%
Liu, Shih-Cheng	1,052,000	0.50%
Yu, Pen-Hung	1,031,000	0.49%
Barclays Capital SBL/PB investment account under the custody of Citi Bank	981,317	0.47%
Lai, Hsiu-Shu	840,000	0.40%
Kuo, Ting-Chang	750,000	0.36%
Chen, Yao-Fang	445,000	0.21%
Li, Yu-Jen	444,788	0.21%

(iii). Company dividend policy and implementation status

1. Dividend policy as set out in the Company's articles of association

The Company's dividend policy is distributed according to the principle of stability and balance. In addition to taking into account the profit of the shareholders, it should also take into account the impact of the Company's operations. The Company may distribute the entire annual distributable surplus in consideration of factors such as finance, business and operation aspects, and revised the dividend policy in 2020 Company' regulations to "contribute 50% at least of available surplus of the current year as dividends to shareholders." The distribution of surplus is prioritized by cash dividends and may be also distributed by stock dividends. However, the proportion of stock dividends is not more than 50% of the total dividends. In the current year, if the Company has no surplus to be distributed, or although there is surplus, but the surplus amount is much lower than the actual distribution amount of the Company's previous year's surplus, or depending on the Company's financial, business and operation aspects, etc., it may distribute all or part of the reserve according to the laws or regulations of competent authority.

2. The situation of the proposed dividend distribution in this shareholders' meeting

It has been resolved on the Board meeting on Mar. 04, 2026, that cash dividend of the surplus distribution case was NT\$188,494 (K) (NT\$0.9 per share).

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

(iv).The impact of the proposed bonus shares at the Shareholders' Meeting on the Company's operating performance and earnings per share: Not applicable.

(v). Remuneration of employees, directors and supervisors

1. The percentage or scope of remuneration for employees, Directors and supervisors contained in the Company's articles of incorporation

The remuneration of all Directors of the Company is authorized to Board of Directors to be paid according to the industry's usual level of agreement. If a director is a company official, the remuneration is determined by reference to the industry's usual level. The remuneration of independent directors authorizes the Board of Directors to be determined based on the level of participation, contribution to the Company and reference of the usual level of other public offering companies.

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

In addition to the provisions of the preceding paragraph, an additional 1% of profits shall be set aside as compensation distributions for non-executive employees.

If the Company's annual final accounts have surpluses, the Company should first pay taxes in accordance with the law and make up for past losses, then 10% of the balance may be set aside as the statutory surplus reserve; however, this shall not apply if the statutory surplus reserve has reached the total paid-in capital of the Company; and special reserve shall be set aside or rotated according to laws and regulations. If there is still a balance, accompanying the undistributed surplus at the beginning of the period, distributed according to resolution of Shareholders' Meeting drafted and proposed by the Board of Directors.

2. The basis for estimating the amount of employee bonus and remuneration to Directors/supervisors, the basis for calculating the number of shares to be distributed as stock bonuses, and the accounting treatment of discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period.

The employee's remuneration is based on the estimated amount of the management's estimated disbursement. If, subsequently, there is a significant

difference between the actual allotment amount and the estimated amount as determined by the Shareholders' Meeting, it will be included in the profit and loss of the following year.

3. The distribution of remuneration resolved by the Board of Directors

(1) Distribution of cash bonuses or stock bonuses to employees, and remuneration to Directors and supervisors. If there is any discrepancy between such an amount and the estimated figure for the fiscal year these expenses are recognized, the discrepancy, reasons therefor, and how it is treated shall be disclosed:

A. Employee cash remuneration: On Mar. 04, 2026, the Board of Directors resolved to distribute the 2025 employee compensation totaling NT\$8,180,653, as well as compensation for non-executive employees totaling NT\$2,726,884.

B. Employee stock remuneration: None.

C. Director's or supervisors' remuneration: No allotment of remuneration in accordance with Company's Articles of Incorporation.

(2) Proposed allotment amount of employee stock remuneration and its the proportion in the total post-tax net profit and total employee numeration in the parent company only financial report or individual financial report in the current period: Not applicable.

4. Actual distribution of remuneration for employees, directors and supervisors in the previous year:

The 2024 annual employee remuneration is NT\$5,564,335, which is paid in cash; there is no remuneration for the Directors and supervisors are paid.

(vi).The situation in which the Company bought back the shares of the Company (action completed): None.

ii. Bonds implementation status: None.

iii. Preferred shares: None.

iv. Overseas Depository Receipts: None.

v. Employee Stock Options: None.

vi. Restricted Stock Awards: None.

vii. Issuance of New Shares for Acquisition or Exchange of Other Companies' Shares:

None.

- viii. Financing Plans and Implementation: As of the first quarter of 2026, the Company's previous funding plans for the issuance or private placement of securities have been completed.

IV. Operations Profile

i. Business Content

(i). Business Scope

1. Main content of the business

- (1) Repair, leasing and trading of aircraft and related equipment, manufacture and assembly of aerospace parts and equipment, repair of precision industrial equipment, and agents and consultants for the above-mentioned businesses.
- (2) The overall logistics support and entrusted operation management of the fleet.

2. The proportion of business

Unit: NT\$(K)

Products	Year	2025	
		Amount	%
Aircraft maintenance		1,400,602	25.68
Fleet maintenance and pricing of repair, supply and assembly of aircraft		546,763	10.03
Outsourcing repair and sale of aviation materials		1,182,105	21.67
Spare parts and accessory repair (self-repair)		2,324,640	42.62
Total		5,454,110	100.00

3. Current commodity (service) item

- (1) Aircraft and helicopter maintenance, repair, overhaul and testing.
- (2) Processing and repair of parts and components for aircraft and helicopters.
- (3) Aircraft and helicopter engine overhaul and test.
- (4) Aircraft and helicopter airframe system and structural modification.
- (5) Aircraft and helicopter avionics overhaul and test.
- (6) Aircraft propeller renovation.
- (7) Helicopter rotor blade overhaul.
- (8) Aircraft and helicopter original spare parts for sale.
- (9) High-precision alloy steel, aluminum alloy and titanium alloy mechanical parts such as aero-engines and parts, aerospace components, aircraft structures and engines, aircraft structural sub-assemblies, parts manufacturing tools and

trusses.

(10)Fleet management and factory entrusted operation.

(11)The Training of Civil Aviation Personnel

(12)Contract manufacturing of Fiber Optic Gyroscope.

4. New product (service) for project development

(1) Research and development of fiber optic gyroscope.

(2) OEM production of optical fiber rings.

(3) UAV assembly capability.

(4) UAV maintenance and repair.

(ii). Industry overview

1. Industry status, development and relevance of upstream, midstream and downstream

For aircraft maintenance service industry, based on industrial characteristics and flight safety considerations, its upstream is mainly for foreign aerospace-class original equipment manufacturer of aircraft and engine manufacturing or qualified repairers authorized by the original equipment manufacturer; downstream is the government unit governed by the governmental procurement procedure regulations or the domestic and international air transport industry. The Company is required to obtain the upstream original authorized certification and be selected as a qualified aircraft maintenance center by the downstream government or the domestic and international air transport industry after field assessment in order to perform related maintenance business.

(1) Domestic market

A. Government military strategic commercial maintenance

a. The Company has been awarded the new contract for the strategic fleet management and comprehensive commercial maintenance of the Army's TH-67, OH-58D, and CH-47SD helicopters. This contract is projected to contribute approximately NT\$630 million to the annual revenue.

b. The management right of new contract from Air Force Second Logistics Commands' state-owned private-operating projects has been obtained by this Company. The business scope includes Taichung accessories factory and Pingtong aircraft maintenance factory. The

contract period is from Jan. 1, 2018 to Dec. 31, 2022, for 5 years (the contract amount is NT\$13.36 billion), and the new contract has renewed for 5 years, the period is from Jan. 1, 2023 to Dec. 31, 2027. In addition, the Company is performing the replacement of Rainbow Fittings on the center wing sections of C-130 aircraft for the Air Force, following the scheduled Program Depot Maintenance (PDM) timeline.

- c. The contract of Air Force Songshan Base Command Rehabilitation and Supply Team Delegating Private Operation Project has been obtained by this Company. The contract period is from Jan. 1, 2022 to Dec. 31, 2026, for five years (the contract amount is NT\$1.76 billion), and it may be extended for three years. The Company submitted a contract renewal application in Jul. 2024. Following approval by the Renewal Evaluation Committee, the renewal was successfully completed. The Ministry of National Defense (MND) released the award notice on Feb. 26, 2026. The contract period spans two years, from Jan. 1, 2027, to Dec. 31, 2028, with a total contract value of NT\$1.08 billion.
- d. The Company has successfully executed the "NASC UH-60M Black Hawk Fleet Management and Maintenance Contract" for the period 2021–2025, with a total contract value of NT\$1.05 billion. Furthermore, the Company has secured a 2-year contract extension for 2026–2027, valued at NT\$415 million, ensuring continued operational stability and revenue growth.
- e. The procurement project for preventive maintenance and commercial maintenance services for the National Airborne Service Corps (NASC) BEECH fixed-wing aircraft fleet was awarded in Oct. 2024 (contract value: NT\$126 million), with a performance period spanning from 2025 to 2029.

B. Aircraft and engine component repair

The total contract value is estimated to be approximately NT\$30~60 million per year (the business is subject to customer demand, and the fluctuations are huge and it is not easy to estimate the occupancy rate).

UAV Assembly: One unit was delivered in 2024, and the entire project was completed in Aug. 2025. Having established robust UAV assembly and maintenance capabilities, the Company will continue to pursue UAV-related tenders to drive revenue growth.

C. Aviation materials trading

The total contract value is estimated to be NT\$10~100 million per year (the business is subject to customer demand, and the fluctuations are huge and it is not easy to estimate the occupancy rate).

(2) Foreign market

A. Aircraft maintenance

As comprehensively seen in the transportation and maintenance market in the area, affected by the economic growth of various regions, the increase in transportation demand has also led to, including, transportation and maintenance growth in aviation industry. Among them, the narrow-body passengers (cargo) aircraft in the Asia-Pacific region are the most popular, and low-cost airlines have sprung up like mushrooms and threaten traditional air transport operators.

Our core business focuses on the maintenance of single-aisle narrow-body and regional aircraft, primarily serving the Boeing B737, Airbus A320 series, DHC-8-Q400, and ATR 42/72. Our extensive client base spans across Northeast Asia, including Japan (Peach Aviation, Jetstar Japan, Japan Air Commuter, Japan Transocean Air, Toki Air) and South Korea (t'way, Jeju Air, Hanseo University); Southeast Asia, including Indonesia (Airfast), Vietnam (VietJet Air), and the Philippines (Philippines AirAsia); as well as the United States, covering Hawaii (Aloha Air Cargo, Transair) and Alaska (Northern Air Cargo).

Despite intense international competition, we have recently made significant strides in securing commercial maintenance contracts for LCC (Low-Cost Carrier) fleets. We have successfully onboarded aircraft from Thailand's Nok Air, South Korea's Eastar Jet, Aero K, and Air Incheon, the Philippines' PAL Express, and Vietnam's VietJet Air. Furthermore, we have coordinated aircraft inductions with major leasing companies SMBC Aviation Capital and ACG, while actively pursuing expansion opportunities in other regions.

In 2025, the Company served a total of 17 customers with 54 aircraft inducted for maintenance. For 2026, while maintaining our existing client base, we will designate the Australian market as a key development priority. By deepening these collaborative relationships, we aim to generate stable revenue streams and enhance overall profitability.

Line Maintenance services are provided at major domestic airports, including Songshan, Taoyuan, Taichung, Tainan, and Kaohsiung, to meet customers' real-time maintenance requirements on the line. Benefiting from its geographical advantage and the synergy of economic and tourism effects, Taiwan has become a critical aviation hub in the Asia-Pacific region. Airlines have significantly increased flight frequencies; the average monthly flights in 2025 exceeded 3,000 movements. The Tigerair Taiwan routes from Tainan to Kumamoto and Okinawa, launched in December 2025. Looking ahead to 2026, we remain committed to acquiring new clients and securing additional service routes to sustain business growth. Furthermore, the commercial maintenance contract for the National Airborne Service Corps King Air 200 (NA-301) was officially launched in July 2025. This project will secure future revenue and profit, ensuring stable growth for the Commercial Aircraft Business Unit.

B. Rescue hoist/cargo hooks repair

For the rescue hoist/cargo hooks repair from South Korean military and government agencies, etc, the annual contract amount is about NT\$10-20 million.

2. Various development trends and competition situations of products

(1) In aspect of aircraft maintenance

According to the latest industry forecasts, the global aviation market has entered a high-growth, high-demand "Supercycle." Global MRO total output is projected to reach US\$193 billion by 2036, nearly doubling from 2019 levels. Looking ahead to 2026, despite the continuous delivery of next-generation aircraft, airlines are forced to extend the service life of aging fleets due to supply chain constraints and engine durability issues. This "fleet aging" trend is expected to trigger a surge in maintenance demand, driving the global MRO market value to approximately US\$140 billion in 2026.

The Asia-Pacific region, particularly India, has emerged as the fastest-growing aviation market worldwide. Driven by the massive expansion of Low-Cost Carriers (LCCs) and significant new aircraft orders in India and Southeast Asia, MRO demand in the Asia-Pacific is expected to grow at a Compound Annual Growth Rate (CAGR) that outpaces the global average.

In response to global supply chain bottlenecks and prolonged Turn-Around Times (TAT), MRO facilities in the Asia-Pacific region—leveraging their geographical advantages and technical stability—are poised to capture

increasing order overflows from other regions, further solidifying the region's position as a premier global maintenance hub.

Facing persistent labor shortages and material supply chain instability beyond 2026, the industry's competitive landscape will focus on three key pillars:

Digitalization and AI Integration: Implementing advanced technologies to optimize maintenance workflows and significantly reduce aircraft Turn-Around Time (TAT).

Integration of Reserve and Alternative Parts: Enhancing the management of spare parts and Used Serviceable Materials (USM) to mitigate the ongoing shortage of new components.

ESG and Sustainable Development: Achieving carbon reduction goals and securing more business opportunities through energy-efficient maintenance processes and the application of Sustainable Aviation Fuel (SAF).

(2) Analysis of competitiveness

Main products	This Company	China Airlines (including Mandarin Airlines and Taiwan Aircraft Maintenance and Engineering Co., Ltd.)	Evergreen Aviation Technologies Corp.	Aerospace Industrial Development Corp.
Aircraft airframe maintenance	FAA/CAA/EASA/Japan/Korea/Vietnam/Thailand/Philippines/Indonesia/Australia/San Marino/Cayman/Bermuda/Guernsey/client's aircraft maintenance A318/319/320/321 series, B727/737 series, BN-2 series, Cessna 208 series, Dash-8-400 series, KingAir 200/300 series, B1900 series, MD-80 series, ATR42-400/500/72-212A, Tecnam P2012, Bell 206, Government and Military C-130, T-34, E-2K, T-34, 500MD, FK-50, AH-1W, UH-1H, TH-67, CH-47SD, OH-58D, BV234, S-70C, UH-60M, P-3C	FAA/CAA/EASA/Japan/Korea/Vietnam/Philippines/Malaysia/Hong Kong/Kingdom of Eswatini/Guernsey, self-owned fleet and client's aircraft maintenance A306/310/318/319/320/321/330/340/350, B737/747/777/787	FAA/CAA/EASA/Japan/Bureau Veritas Self-owned fleet and client's aircraft maintenance A318/319/320/321/330 series, B737NG/744/747-8/767 series/777 series/787 series/MD-11, ATR72, B747-400 and B767-300 freighter modified from passenger aircraft	AJT, F-CK-1 C/D, IDF, F-16, AH-1W, UH-60M, UH-1H, repair and civil aircraft A220/320, B737/787, CL3500/7500, S-92/H92, C-27J, LJ70/75 etc. Manufacturing of part of aircraft body and structural parts
Engine and component repair	CFM56, LEAP-1A/1B, IAE V2500/PW1100G, Lycoming IO-540-K1B5/O-540-E4C5/TEO-540-C1A, JT8D, PT6, PW120, PW150, A250, Rolls-Royce Trent 700, engine accessories maintenance capacity	Engine repair capabilities for CFM56-5C/56-7B, PW1100G-JM, CF6-80C2/E1, GE90-115B, Genx-1B, XWB-84K, PWC-901A, GTCP-331-350C and 131-9B	Component maintenance scope: aviation electrical appliances, aviation machinery, tinplate, cabin, brake	HTF7000, CT7, TFE-1042, TFE731, T53-L-701A, T53-L13B, F124 Series etc., Engine repair and component manufacturing of listed above aircraft
Aviation materials trading	Aviation materials of military services and National Airborne Service Corps	-	-	Aviation materials of military services and National Airborne Service Corps

(3) Competitive advantage analysis

The domestic aerospace industry is in a situation of imperfect competition, such as China Airlines and EVA Air, each with different aircraft fleets; Aerospace Industrial Development Corp. is actively engaged in the production of civil aviation equipment after privatization; this Company is a maintenance center. The capital and operation size of each company is quite different, the business type and content are also various.

In the competition of domestic business, companies have no consistency in market competition policy and decision-making. In particular, aviation maintenance industry is essentially different from manufacturing industry. Therefore, several domestic aerospace companies may focus on their own oligopolistic occupations, sometimes may collaborate for common goals, or competing for their own interests. This makes the market and business indiscriminate. In the pursuit of maximum profits, they compete with each others, even they reduce each other's profits and space after failure of cooperation. Therefore, regardless of the form of competition, this Company must maintain a high degree of competitive advantage if it wishes to survive and sustain development.

(iii). Overview of technology and R&D

1. The Company's research and development expenditure in 2025: NT\$ 26,164 (K).
2. Significant R&D results are as follows:
 - (1) Completed the Phase I flight testing and Special Physical Inspection for a medium-sized fixed-wing UAV. Extensive data validation databases were established for structural design, composite materials, braking, and propulsion systems. Furthermore, standard operating procedures (SOPs) for airframe maintenance and pre/in/post-flight inspections were finalized, alongside the completion of the 'High-Speed Taxi Test Analysis Report.
 - (2) In alignment with the Industrial Development Administration (IDA) thematic R&D project, the Company developed 'Key Technologies for Local/Remote Control Handover' for UAV Ground Control Stations (GCS). This initiative effectively extends the operational range of UAV missions by overcoming previous limitations on GCS location and communication distance. By establishing automated server management and authentication mechanisms, we ensure stable and continuous connectivity during long-distance control handovers. This technology will be integrated into future UAV projects to enhance operational reliability.
 - (3) Successfully developed an in-house designed fixed-wing UAV for licensing examinations. Following rigorous flight testing, the aircraft met all development specifications and is slated for use in UAV pilot certification and training. The design blueprint will also serve as a foundational platform for the subsequent development of VTOL (Vertical Take-Off and Landing) UAVs.
 - (4) Successfully established fiber-optic coil winding capabilities and completed the first-phase development of a single-axis Fiber Optic Gyroscope (FOG).

(iv). Long-term and short-term business development plans

1. Short-term business development plans

In the aircraft maintenance business, in addition to consolidating the existing business, this Company will actively accelerate the development of foreign commercial (such as: foreign commercial client fleet and aircraft leasing companies) and government agencies (such as: helicopter repair project) aircraft maintenance business. In response to the economic growth of Northeast Asia and Southeast Asia, this Company will drive the demand for air transportation; at the same time, taking advantage of Taiwan's geographical location and advantages, we will strive to include single-aisle commercial aircraft of other low-cost

airlines and air transport operators from Japan, South Korea, Vietnam, the Philippines, Thailand, Indonesia, Australia to enter the factory for maintenance services. In alignment with government policies, the Company continues to execute Strategic Commercialized Maintenance (SCM) for military aircraft. Furthermore, we are actively pursuing opportunities in UAV systems, military aircraft systems, and performance upgrade projects.

Referring to the mainstream market and the aircraft selected by aircraft transport operators, we shall conduct profit analysis, review investment returns, establish testing and maintenance capability for new aircraft and auxiliary equipment and focus on personnel training, quality improvement. At the same time, it will strengthen the acquisition of licenses, data collection, and analysis of working hours to increase utilization rate and production efficiency.

The global airline fleet continues to expand. However, due to raw material constraints and production capacity limitations faced by Original Equipment Manufacturers, the delivery schedules for new aircraft have failed to meet market demand. Consequently, airlines are extending the service life of aging aircraft or delaying lease returns to meet operational needs. This has led to a surge in maintenance demand, resulting in a supply-demand imbalance within the MRO industry. The Company has built a strong reputation for professional maintenance in the Asia-Pacific market, holding certifications from the US FAA, EU EASA, and Australian CASA.

AS9110 is the quality management system standard unanimously recognized by the international aviation maintenance industry. AS9100 is the aerospace industry quality management system, and the current aviation industry MRO generally adopts EASA certification. The Company has obtained AS9110, AS9100 and EASA certification in 2018, 2019 and 2024 respectively. This will have long-term and positive benefits on both business promotion and customer sources.

2. Long-term business development plans

The Company has been awarded a total of 71 Industrial Cooperation Program (ICP) capability certificates for F-16 and P-3C aircraft and has undertaken maintenance tasks commissioned by the Air Force. Moving forward, the Company will continue to invest in the development of ICP capabilities to strengthen national defense autonomy.

Improving the quality of production, maintenance processes and value of accessories, we shall gradually promote the increase in quantity into increase in quality, expand the unstable sporadic case-by-case maintenance business into a

long-term fleet service. This Company will increase its capability development into a comprehensive narrow-body passenger aircraft and helicopter repair center in the Asia-Pacific region. In addition, by expanding chrome plating capability in Taichung for civil aircraft to enter supply chain of International aviation and expand the Company's market in this industry.

The Company has established capabilities for UAV assembly and maintenance. Through commercial licensing and technology transfer for the manufacturing of medium-sized UAV composite airframes, the Company continues to enhance its UAV maintenance and manufacturing capacities. These efforts aim to secure upcoming contracts for UAV assembly and commercial maintenance (MRO) projects for unmanned vehicle systems.

ii. Overview of market and production/sales situation

(i). Market analysis

1. Sales (providing) area of major commodities (services)

The Company's main business is the repair of aircraft and related equipment. The scope of business marketing depends on the actual maintenance business. Currently, in addition to the domestic armed forces, airlines and government agencies, the marketing channels of foreign countries have been extended to Europe, United States, Africa, Central and South American markets, and Asia-Pacific countries such as Thailand, Vietnam, Cambodia, Philippines, South Korea, Indonesia, Malaysia, Singapore and Australia etc. In terms of business passenger aircraft, the Company will slowly move to project management services, aircraft maintenance, modification, rescue hoists maintenance and other project areas. The main customers include domestic and other customers in the Asia Pacific region.

2. Market share

With years of experience in aircraft maintenance and aviation materials trading, the Company strives for stable development in the field of aircraft and derivative services; and is actively pursuing business opportunities in the field of business passenger aircraft and large civil aircraft logistics maintenance services, and strives for certain possession in the relevant market.

3. The future supply and demand situation and growth of the market

Please refer to the descriptions in the current status and development of the industry, relevance of the upstream, midstream and downstream, as well as the development trend and competition of the products

4. Advantages, disadvantages and countermeasures of competitive niche and development prospects

(1) Competitive niche and advantages

A. Hub location

Taiwan is located in the hub location of the Asia-Pacific region with the highest growth rate of global air transportation.

B. Rich maintenance experience

The Company has accumulated more than 75 years of maintenance capability, experienced staff and maintenance licenses issued by the civil aviation administration of various countries and the maintenance licenses authorized by each aerospace original equipment manufacturer.

C. A number of international professional certifications

Over the years, the Company has successively signed strategic alliances with international aircraft manufacturing companies such as Lockheed Martin and Sikorsky Aircraft Corporation, and introduced the advanced technology, including the establishment of technical database, reception of aircraft blueprint, personnel and technical training, and equipment tools and authorized manufacturing of equipment tools and verification for special equipment reception, etc. Under the transfer of the original technology, the Company has become the repair center certified by 12 international aerospace original equipment manufacturers and obtained the authorization certificates of 14 national civil aviation bureaus. It has become one of the few domestic professional manufacturers with both military and civil aircraft maintenance capability.

D. Favorable national defense policy

The government has stepped up to expand the defense industry into a huge domestic demand-type military aircraft maintenance market, and the Company has undertaken a number of strategic military and civil aircraft commercial maintenance projects from the Ministry of National Defense and the Ministry of the Interior, which will facilitate the development of international aircraft maintenance business based on the Taiwan market.

E. Complete aviation material authorization

This Company has obtained the exclusive agency right for the sales of aviation materials related to the internationally renowned aerospace

manufacturers and is a professional repair factory certified by them.

F. Qualifications to enter the logistics maintenance service industry of high-precision manufacturing equipment

The Company has aeronautical logistics support system with aerospace level, and has a complete manufacturing logistics processing facilities and sufficient manufacturing space to enter the high-precision logistics service industry.

G. Best quality and fast delivery schedule

The Company has more than 75 years of extensive maintenance experience, and insists on quality and fast and accurate delivery schedule in maintenance work, and has established an excellent reputation in the aircraft maintenance market.

(2) Disadvantages

A. Labor costs

The labor cost is higher than that of some Southeast Asian countries such as China, Philippines, Indonesia, etc., and some Southeast Asian countries have plans to expand and maintain factories. The competition is fierce.

B. Technology licensing costs

The technology and aviation materials are controlled by the original manufacturer, resulting in increase of maintenance costs, and because the original manufacturer has a two-handed strategy for domestic aerospace maintenance, and the military has no professional and fair qualifications assessing ideology for military aircraft maintenance and bidding operations, the Company's advantages of continuing exclusive licensing will face challenges.

C. Complicated models for maintenance

The aircraft models in the domestic civil and military aircraft maintenance market are numerous, mixed and the number is small. The maintenance capability is not integrated or re-invested.

(3) Countermeasures

A. Strengthen production scheduling with clients

Strengthen the communication with customers, and properly arrange the entry schedule and delivery schedule of customers' aircraft, engines and components.

B. Employee production shift

In line with the schedule and quantity of customer's demand, the shift system will be implemented to improve the use and productivity of the factory and shorten the delivery schedule.

C. Global strategic alliance

Establish a global network of aircraft maintenance relationships by participating in large-scale cooperation programs and working with internationally renowned aerospace manufacturers.

D. Strengthening education and professional knowledge

Strengthen the education and training of aircraft engine and component maintenance expertise and management capabilities, and strive to improve quality and efficiency, in order to reduce operating costs.

(ii). Important use and production process of the main products

The Company's main business items are to provide repair, modification, leasing and trading of aircraft and related equipment, including various types of aircraft inspection and maintenance services, passenger aircraft modification, age check and life extension, military aircraft maintenance inspection, fleet management and maintenance and whole aircraft commercial maintenance projects. The main purpose is to maintain and ensure the safety of the aircraft.

(iii). Supply status of main raw materials

The Company's main business is military and commercial aircraft (fixed-wings and helicopter) airframe maintenance, military engine overhaul, various types of hydraulic, transmission, aircraft and other components repair and sales of various aviation materials and accessories. The Company carries out various maintenance works according to the FAA regulations of the United States Federal Aviation Administration, national civil aviation regulations of various countries and OEM regulations. Aviation materials procurement and supply are subject to aviation safety airworthiness inspection standards, and the aviation materials shall be purchased from respectively original aircraft manufacturers and original engine manufacturers such as Airbus, Boeing, Bell Textron, Beechcraft, Honeywell, P&WC, Breeze-Eastern, Collins Aerospace and Rolls- Royce and other original

manufacturers and Aviation Suppliers Association qualified manufacturers. The source and supply of major maintenance materials are relatively stable.

- (iv).A list of any suppliers and clients accounting for 10 percent or more of the Company's total procurement (sales) amount in either of the 2 most recent fiscal years, the amounts and percentage bought from (sold to)

1. Major suppliers' information for the last two years

Unit: NT\$(K); %

2024				2025				As of the first quarter of 2026			
Name	Amount	Ratio in net annual purchase (%)	Relation with issuer	Name	Amount	Ratio in net annual purchase (%)	Relation with issuer	Name	Amount	Ratio in net annual purchase (%)	Relation with issuer
Company A	620,541	15.93	None	None	-	-	-	Note	Note	Note	Note

Note: As of the date of publication of the Annual Report, the financial information for the first quarter of 2026 has not been reviewed by the accountants and is therefore not disclosed.

The Company's main business items are the repair, leasing and trading of aircraft and related equipment, the manufacture and assembly of aviation parts and equipment, the repair of precision industrial equipment and the sale of aviation materials. The inspection business needed by the customer has different stage requirements depending on the age of the aircraft. Therefore, the maintenance demand is not fixed every year. Thus, the purchase situation of the Company depends on the customer's maintenance requirements, resulting in the annual order of the suppliers may change.

2. Major customers information for the last two years

Unit: NT\$(K); %

2024				2025				As of the first quarter of 2026			
Name	Amount	% of 2024 total net revenue	Relation with issuer	Name	Amount	% of 2025 total net revenue	Relation with issuer	Name	Amount	% of 2026 total net revenue	Relation with issuer
Client A	2,793,407	53.72	None	Client A	2,851,630	52.28	None	Note	Note	Note	Note
Client B	590,996	11.37	None	Client B	845,390	15.50	None	Note	Note	Note	Note

Note: As of the date of publication of the Annual Report, the financial information for the first quarter of 2026 has not been reviewed by the accountants and is therefore not disclosed.

The Company's main business items are the repair, leasing and trading of aircraft and related equipment, the manufacture and assembly of aviation parts and equipment, the repair of precision industrial equipment and the sale of aviation materials. The inspection business needed by the customer has different stage requirements depending on the age of the aircraft. Therefore, the maintenance demand is not fixed every year. Thus, the sales situation of the Company depends on the customer's maintenance requirements, resulting in the annual order may change.

iii. Number of employees, average length of service, average age and education contribution ratio of employees in the last two years and up to the print date of annual report

April 20, 2026

Year		2024	2025	Up to Apr. 20, 2026
Number of employees	Chairman's office	10	3	3
	President's office	3	3	1
	Vice President's office	2	1	3
	Factory Director / (Assistant) Director / Chief	23	23	23
	Manager	68	70	69
	Assistant Manager	26	25	27
	Employee	1,015	1,021	1,027
	Total	1,147	1,146	1,153
Average age		46.8 years old	47.2 years old	47.2 years old
Average length of service		9Y5M	9Y5M	9Y5M
Education distribution ratio	Doctor	0.09%	0.09%	0.09%
	Master	9.50%	9.51%	9.54%
	College	66.26%	67.19%	67.48%
	High School	23.19%	22.60%	22.20%
	Under High School	0.96%	0.61%	0.69%

iv. Information of environmental protection expenditure

(i). The total amount of losses and dispositions due to environmental pollution in the most recent year up to the print date of annual report: None.

(ii). Future countermeasures and possible expenses: None.

V. Labor Relations

(i). Current important labor agreements and implementation

1. Employee welfare measures and implementation situation

- (1) All employees of the Company participate in labor insurance and national health insurance; the Company insures all employees for group insurance. All payment items are handled in accordance with the relevant regulations.
- (2) The Company established the employee welfare committee on Apr. 1, 1968, and the Company and employees shall set aside welfare funds to plan, promote and implement various welfare measures. The project covers the congratulations and condolences of employees' weddings and funerals, and distributes vouchers for the three holidays, wedding gifts, maternity gifts, birthday gifts, hospitalization condolences, retirement condolences, funeral grants and self-selected benefits.
- (3) The Company handles employee health checks every year, provides holiday bonus for employees, wedding and funeral subsidies, and welfare measures such as transportation to and from Pingtong aircraft maintenance factory
- (4) The union provides welfare measures for their members on subsidies such as hospitalization condolences, wedding gifts, and funeral and condolences.

2. Education and training

- (1) According to the relevant regulation of Civil Aviation Act, qualified repair factory must have professional training personnel with sufficient knowledge and experience to perform maintenance, preventive maintenance or modification and other work.
- (2) In order to let the employees fully understand the relevant laws and regulations of aircraft maintenance, the Company's Quality Assurance Maintenance and Training Center has regular and irregular training courses. Further, in response to the needs of international aviation organizations, civil aviation authorities or technology of original equipment manufacturer the employee will receive various maintenance related training courses abroad or outsourcing training.
- (3) According to the operational needs of each unit's professional fields, professional courses such as relevant regulations, information, finance, and quality assurance are planned to ensure that relevant staff have sufficient professional knowledge and technical capabilities to perform their jobs. In order to enhance the aircraft maintenance skills of our employees and encourage them to obtain certification in professional fields, The Company has established a certificate bonus system. In 2025, a total of NT\$1.81 million in certificate bonuses have been issued. The Company has conducted

education and training in the past three years, with an average annual total training hour of 65,455.6 hours and 1,147 people, respectively.

- (4) Proceed cooperation of industry and academy, in addition to cultivating technical manpower, we also provide colleagues with professional knowledge and technology to cooperative schools as industry teachers to expand career development.
- (5) Through methods of aircraft maintenance training course and encouraging and coaching employees to obtain licenses for cultivation of reserved talent of technical manpower, in order to promote high-quality manpower.

3. Retirement system and implementation situation

- (1) In order to truly take care of the living guarantee of employees after they leave the workplace, the Company has established a Labor Retirement Reserve Supervision Committee in accordance with the relevant provisions of the Labor Standards Act to coordinate and manage related businesses. The employees' pension seniority has been settled. From Dec. 18, 2018 to Jan. 31, 2020, a total of 259 people were fully settled in three stages, and the total settlement amount was NT\$330,424,742 (Taiwan Bank special account paid NT\$208,048,781; the Company paid NT\$122,375,961). The Tainan City Government issued a letter on Mar. 8, 2023 (Letter No. 1120285446 of Nanshi Labor Reeducation Code) to our Company, allowing the Labor Retirement Reserve Supervisory Committee to close its accounts.
- (2) Adopt the government's new retirement regulations: 6% of the total salary of workers will be allocated to the employees' personal pension accounts; for those who voluntarily contribute to their pensions, additional voluntary contributions will be deducted from the employees' monthly wages to the Bureau of Labor Insurance's personal pension account. The Company has allocated pension expenses of NT\$41,563 thousand to the Bureau of Labor Insurance in 2025.
- (3) Employee Stock Ownership Trust: Starting from 2024, full-time employees can purchase company stocks by depositing a fixed monthly amount of NT\$1,000 at their own discretion after one year of service. The Company also allocates 40% every month as a provision fund to allow employees to have a wider range of funds to use after retirement. Participation has grown from 249 employees at its inception in early 2024 to 290 employees by the end of 2025, representing a 16.5% increase.

4. Situation of various employee rights maintenance measures

In addition to promulgation of work rules according to the laws and regulations, this Company also clearly regulates various labor conditions and protects the rights and interests of employees, and establishes employees' warfare committee

in accordance with the laws. Employees' various rights and interests can be handled fairly and reasonably through the above channels.

The Company complies with the "Personal Data Protection Act" and has established a "Privacy and Personal Data Protection Policy". In the "Internal Control System", it has established "Personal Data Protection Management" operating standards, which are applicable to the collection, processing, use, and protection of employees' personal data.

In addition, the Company has established relevant management operations in the "Access Control Management Methods" of the Information Security Manual, which are applicable to all employees of the Company, customer representatives, and outsourced service providers to ensure the security of access control of information and communication systems (including privacy and personal data) and reduce the risk of unauthorized access to achieve the purpose of security control.

Implementation of personal data protection in 2025: The "Privacy and Personal Data Protection Policy awareness courses" were completed. Each session lasted 0.167 hours, with a total of 1,166 participants and an aggregate of 194.722 training hours. No violations of the Personal Data Protection Act occurred during that year.

5. Negotiation between labor and management

This Company has promulgated the "Rules for Prevention of Workplace Sexual Harassment" and "Reporting System" and holds labor and management meetings in compliance with laws and regulations. This Company shall provide employees with a comfortable working environment, and set up a smooth communication channel (such as grievance line and mailbox); so far, the labor relations are quite harmonious.

- (ii). Losses suffered due to labor disputes during the most recent fiscal year and up to the date of publication of the annual report (including matters violating the Labor Standards Act as revealed by labor inspections, which should specify the date of disposition, disposition reference number, violated legal provisions, contents of the violation, and contents of the disposition), as well as the estimated amounts and response measures currently and potentially occurring in the future: None.
- (iii). The Company has been awarded the "Labor-Management Harmony Unit" and the "Second Session of Five-Heart Excellent Enterprise" medals by the competent authority.
- (iv). The Company signed a collective contract with the Labor Union for the first time on Nov. 24, 2016, signed for the second time on Sep. 17, 2020, and for the third time on Sep. 17, 2023. It has been revised 7 times on Nov. 10, 2017, Jun. 15, 2018, Dec. 18,

2018, Nov. 14, 2019, Aug. 24, 2022, Feb. 14, 2023 and Sep. 13, 2023. It is applicable to all full-time employees of the Company, with a coverage rate of 100%. New additions to the annual contract include long-term bonuses based on service years, an increase in the amount of holiday bonuses, and adjustments to Labor Union activity funding subsidies. We continued to optimize the content of the contract, and work together to build a happy enterprise.

vi. Information Security Management and Personal Data Protection

- (i). Structure for Information Security Risk Management, Information Security Management Policy, and resources devoted to information security management.

In Jul., 2021, the Company established "Information Security Committee" with the Vice President serving as the Director. The Committee follows information security policies to regular establish/review various guidelines and goals for information security management and to supervise implementation of information security policies. The aim is to build our capability in ensuring security of information and cultivate employees' information security competence. In the beginning of each year, we report to the Board of Director about the implementation of information security policies of the previous year. In 2025, the information security report has been submitted on the Board of Director on Mar. 4, 2026.

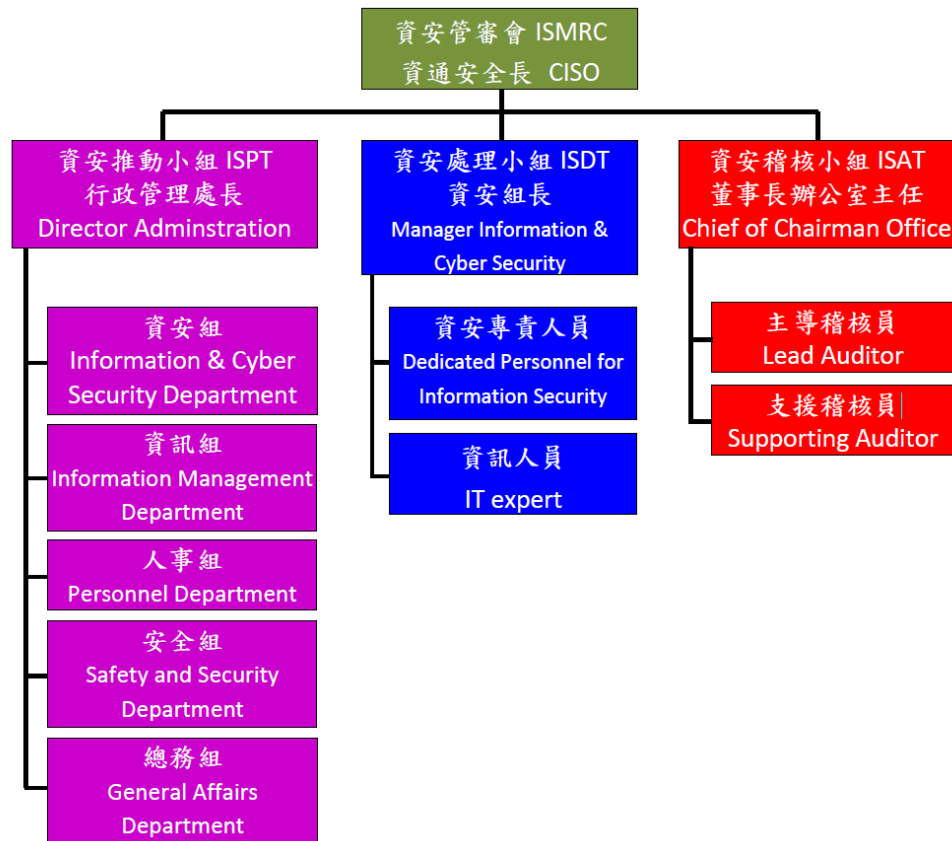
The Company has obtained ISO27001:2022 revision certification in Oct. 2024, which will be valid until Nov. 2027. We successfully completed the first surveillance audit in Oct. 2025 and continue to strengthen our information and communication security management. Complete the annual review of "Periodic Safety Review of Military Products Manufacturers Scheduled by the Ministry of National Defense" in Nov. 2025.

The Company complies with the "Personal Data Protection Act" and has established a "Privacy and Personal Data Protection Policy". In addition, the "Access Control Management Methods" in the Information Security Manual have established relevant management operations, which are applicable to all employees of the Company, customer representatives, and outsourced service providers to ensure the security of access control of information and communication systems (including privacy and personal data) and reduce the risk of unauthorized access to achieve the purpose of security control.

1. Organizational Structure of Information Security Committee.

The Chief Information Security Officer (CISO) is appointed by the Board of Directors from among executives at the level of Vice President or higher. The CISO serves as the chairperson, and the Company's Vice Presidents and all Tier 1 unit supervisors are mandatory members of this committee.

This body serves as the highest decision-making unit for the Company's information security management system, primarily responsible for establishing, promoting, supervising, and managing information security initiatives. The Director of the Administration Division acts as the Executive Secretary.



2. Information Communication Security Management Policy.

Purpose	Air Asia Co., Ltd. (hereafter referred to as "the Company") aims to ensure secured and stable information work, provide reliable information and communication service, ensure confidentiality, intactness, and practicability of our information asset, and smoothly promote our services to fulfill ISO27001 international standard. Thus, the Company has established its information security policy (hereafter referred to as the policy) as the top guidelines, which is detailed as follows.
Basic Principles	(1) Ensure the confidentiality of the Company's relevant information to prevent the leakage of national secrets, business secrets, and personal data. (2) Ensure the integrity and availability of the Company's information assets to enhance corporate performance. (3) Coordinate with information security intelligence analysis and available resources to enhance information security protection capabilities. (4) Ensure that information assets can be quickly restored after an information security incident, minimizing business interruption and achieving business continuity objectives. (5) Comply with relevant national laws, regulations, industry

	standards, and contractual obligations to ensure all applicable norms and requirements are met. (6) Enhance relevant personnel's awareness and focus on information security, cultivating good information security cognition and habits. (7) Continuously improve the Information Security Management System (ISMS) to ensure its ongoing effective operation at all levels.
Policy	Strengthen defense with rigorous testing. Enhance awareness with professional training. Manage risks through audits and reviews. Improve continuously to stop ransomware.
Objectives	(1) Essential Cyber Defense (Set protection coverage rates for information assets, including endpoints and firewalls) (2) Rigorous Testing (Set the remediation rate for medium and high-risk vulnerabilities) (3) Thorough Social Engineering Drills (Set the click-through rate for annual social engineering testing reports) (4) High-Standard Professional Training (Set the required training hours for dedicated information security personnel) (5) Proper Risk Assessment & Mitigation (Set the annual availability rate for critical information systems) (6) Internal Audit and Management Review (Set the number of major and minor non-conformities found in annual internal audits) (7) Excellence through Continuous Improvement (Set the closure rate for annual Corrective Action Requests (CAR)) (8) Robust Protection Against Ransomware (Set the success rate of backup and recovery tests)
Censorship	The policy is approved by Director information security, and it shall be evaluated at least once each year, or it shall be reconsidered when a major organizational change happens (e.g. adjustment of the organization, major changes in business). Proper amendment should be made according to the result of evaluation, relevant laws, and the latest development in technology or business environment.

3. Information Security Management Measures and Plans.

Item	Specific management situation
Firewall protection	(1) Firewall connection rules are configured to manage all inbound and outbound connections between the internal and external networks. (2) Special connection requirements must be submitted via a CSR. Access privileges shall be based on the principle of least privilege. The connection can only be opened after approval from the Tier 1 unit supervisor and confirmation by the Information & Cyber Security Dep. that the request is sound. (3) Monitor and analyze the number of firewall attacks every month.
Users use network control mechanisms	(1) Personnel requiring internet access must submit an application using the "Information Security Authorization Request Form" via a CSR. Access shall only be granted upon approval by the Tier 1 unit supervisor. (2) Internet access control: in conjunction with the firewall settings, instant messaging software, web mail, cloud hard drives, and file transfer software and services cannot be used; audio and video websites such as YouTube must be approved by application before use.
Email security control	(1) Outbound mail has a mail filtering/logging system to automatically perform scanning and threat protection on mail. For attachment files that may be unsafe, phishing emails are marked as spam with an automatic judgment mechanism, providing users with an additional basis for judging whether to receive or not. Emails will be scanned and protected by their own antivirus software on both the host and user sides. (2) Count the number and details of external emails sent and received, monitor abnormal sending and receiving conditions, and prevent confidential information from leaking.
Website protection mechanism	The website has a firewall device to block external network attacks.
Antivirus software	All servers have been equipped with CrowdStrike endpoint protection software. Built on a cloud-native and AI-driven architecture, it integrates next-generation antivirus (NGAV), endpoint detection and response (EDR), behavioral analysis, and threat intelligence. This allows for real-time detection and response to malicious activities, effectively enhancing endpoint security.

Item	Specific management situation
Internal network and wireless network control mechanism	(1) The network distinguishes the internal network and the external network, and the internal/external network is isolated by VLAN. (2) The internal wireless network locks approved business laptops and tablets with MAC codes. (3) The external wireless network (open only in some areas) uses the connection key to provide the office connection needs of customer representatives and vendors in specific office areas.
Information computer room security management and control	(1) Registration is required to enter and exit the computer room, and only when accompanied by information security personnel can enter. (2) The computer room is equipped with a UPS uninterruptible power system, which can guarantee more than 30 minutes of spare time in the event of an abnormal power outage, allowing information security personnel to shut down the server to protect the server system from failure due to power outages.
High availability backup mechanism	The host systems are managed using VMWARE virtualization. A High Availability (HA) failover mechanism is implemented across two data centers using paired storage systems, ensuring that system operations can be restored in the shortest possible time in the event of a failure.
Backup mechanism	(1) The information system database is set up for weekly full backup and daily differential backup. (2) The files in the information system program and file server are fully backed up every day.
Operating system update	For major and security updates of the operating system, set the WSUS host automatic update system to automatically send and install it to the Company's computers. For those not updated for any reason, the Information & Cyber Security Dep. will provide assistance in performing the update.
User account/privilege management	(1) User accounts must be requested via a CSR and can only be created and used after final approval by the Tier 1 unit supervisor. (2) Users are managed by grouping based on the Company's organizational structure, and corresponding access privileges are assigned according to their job responsibilities. (3) Project management directories can only be established upon final approval by both the Tier 1 unit supervisor and the Project Manager. Access privileges must be requested via a CSR and granted after approval by the Project Manager.

Item	Specific management situation
USB disk access control	(1) General user computers are configured via GPO (Group Policy Object) to prohibit the use of USB devices. (2) If the USB device required by business use, the CSR application shall be approved level by level until the President.

4. 2025 Information Security Management Resources and Personal Data Protection and Implementation Results of Various Works:

- (1) An annual information security review meeting was held in October.
- (2) Perform internal audit 2 times: 100% of the 10 Corrective Action Requests (CARs) have been successfully resolved and completed.
- (3) A total of 4 routine information and communication security meetings were held during the year.
- (4) Training plan (information security professional): 4 members of information security professional have participated in professional courses related to information security, totaling 160 hours.
- (5) Training plan (non-information security personnel): arrange 6 personnel to participate in information security-related courses, totaling 192 hours.
- (6) General Information and Communication Security Awareness Training: a total of 2 sessions were held (including online courses), with 1,172 participants and a total of 3,516 training hours, meeting the established plan objectives.
- (7) The social engineering test drills are conducted 3 times a year: a total of 1,295 participants were recorded, with 309 individuals failing the test, resulting in a click-through rate of 23%. All personnel who failed have successfully completed remedial training.
- (8) Conduct an inventory and check of information assets once a year. all scrapped information assets have completed physical destruction procedures in accordance with regulations and are cleared and transported according to waste treatment.
- (9) The operation continuity drill plan was executed 11 times, and the deficiencies discovered during the drill were corrected.
- (10) Execute the backup data restore test once: the execution is in accordance with the plan.
- (11) Perform host computer vulnerability scanning twice: a total of 63 risks were improved.
- (12) Perform host computer penetration testing 1 times: after excluding false positive items, no medium-risk or high-risk vulnerabilities remained.
- (13) Perform a data security health check once: a total of 9 recommendations were proposed, and the relevant improvement measures have been implemented

accordingly.

(14) Conducted 7 account privilege reviews, covering both standard and privileged accounts across all systems. A total of 151 accounts were deactivated, and 41 accounts that had not logged in for over a year were closed.

(15) The implementation status of project plans for this year is as follows:

A. MIS System Upgrade: This is a continuation of the 2023 MIS system upgrade project. Due to the prioritized efforts in accelerating the development of portal website workflow programs, the upgrade has been temporarily suspended.

Result: A total of 17 legacy operating systems remain in the MIS environment. While one file server has been successfully upgraded, the others cannot be directly upgraded due to their legacy program architecture. As a mitigation strategy, standalone CrowdStrike endpoint protection has been installed to reinforce local defense and minimize risks.

Regarding the MIS version upgrade, the rewriting of the connection architecture and the testing/correction of program templates have been completed. Following the prioritized completion of the portal website workflow programs, the upgrade and migration process will continue.

B. Portal Website Replacement: A continuation of the 2023 EIP (Enterprise Information Portal) system upgrade project.

Results: New EIP system has been procured. We are currently accelerating the development of portal website workflow programs and system implementation, with a scheduled launch by the end of the first quarter of 2026.

C. PC Replacement Project: Replacement of legacy computers.

Result: Completed in accordance with the plan.

D. Network Equipment Replacement: In response to information security needs, old network equipment is replaced year by year to gradually strengthen internal network information security control.

Results: Over 40 units of legacy or Chinese-made network equipment have been replaced; the replacement of the remaining units is currently in progress.

E. Procurement of New Storage Equipment: To address system upgrades and the increasing volume of data, additional storage equipment has been procured.

Result: The additional procurement has been completed, meeting the expected objectives.

F. Additional Procurement of Endpoint Protection Software: In response to the increasing intensity of cybersecurity threats, additional endpoint protection software has been procured to strengthen server and host defense.

Result: A total of 800 additional sets of endpoint protection software have been procured this year, meeting the project objectives.

G.Procurement of File Encryption System: To maintain the security and confidentiality of critical sensitive data.

Result: This year, we have conducted functional testing and technical evaluations with relevant vendors. However, as compliance with FIPS standards under CMMC regulations is required, we are still in the process of identifying a compliant vendor.

(16)In 2025, the Privacy and Personal Data Protection Policy awareness courses were completed. Each session lasted 0.167 hours, with a total of 1,166 participants and an aggregate of 194.722 training hours. No violations of the Personal Data Protection Act occurred during that year.

5. Annual Plan for 2026

(1) Project Plan

A.MIS System Upgrade: A continuation of the 2023 MIS system upgrade project; version update operations will proceed as planned.

B.Portal Website Replacement: A continuation of the 2023 EIP system upgrade project. We are currently accelerating the development of portal workflow programs and system implementation, with a scheduled go-live by the end of Q1 2026.

C.PC Refresh Program: Continued replacement of legacy and outdated computers.

D.Procurement of File Encryption System: To safeguard the security and confidentiality of critical sensitive files.

E. Office Software Upgrade: To comply with the security requirements for information processing environments and supporting systems under ISO/IEC27001, maintaining the effectiveness of system updates and security controls.

F. CMMC Level 1 Certification Planning: In response to future business opportunities in defense and related industries, we plan to obtain CMMC Level 1 certification in 2026 to enhance the Company's competitiveness in participating in relevant projects.

G.Energy Storage System (ESS) Implementation Evaluation: To improve the information system's emergency response capabilities to contingencies (such as power outages) and reduce the risk of business interruption, we are evaluating the implementation of energy storage systems. This aims to strengthen the business continuity of critical IT equipment and overall

operational resilience.

(2) Routine Plan

- A. Annual educational training.
- B. Annual social engineering drill.
- C. Host computer vulnerability scanning.
- D. Account review.
- E. Operational continuous drill.
- F. Data backup and storage.
- G. Information and communication security review meeting.
- H. Asset inventory.

- (ii). In the most recent year and up to the printing date of the annual report, if there had been immeasurable losses, potential impact, and response measure resulted from major information security incidents, the factors for being unable to estimate these factors shall be illustrated: There were no major information security incidents.

Potential impact:

Potential impact	Response measures
Malfunctioning of information facilities	To sign the facility warranty and maintenance contracts to keep the normal functioning of the facilities.
Updates / Problems of application software	To sign software consultation / warranty contracts to maintain practicality and security of the software.
Damaged Data	To execute regular data backup and to conduct drills of restore and backup data to prevent possible incidents that can damage the data.

vii. Significant contracts (up to the print date of annual report)

Nature of contract	Counterpart	Starting and ending date of the contract	Main content	Restrictions
Labor agreement	Armaments Bureau, MND	Sep. 1, 2024 ~ Dec. 31, 2031	OH-58D Helicopter strategic military aircraft commercial maintenance project	-
Labor agreement	MND	Apr. 1, 2019 ~ Mar. 31, 2026	CH-47SD Helicopter strategic whole aircraft commercial maintenance project	-
Labor agreement	MND	Apr. 1, 2026 ~ Mar. 31, 2033	CH-47SD Helicopter strategic whole aircraft commercial maintenance project	-
Labor agreement	MND	Jan. 1, 2023 ~ Dec. 31, 2027	Air Force Second Logistics Command Military Factory Delegating Private Operation Project	-
Sales agreement	MND	Jan. 1, 2022 ~ Dec. 31, 2028	Air Force Songshan Base Command Rehabilitation and Supply Team Delegating Private Operation Project	-
Labor agreement	MND	Jan. 1, 2022 ~ Dec. 31, 2028	Automatic Flight management System Delegating Commercial maintenance Project (Incorporated into the previous project)	-
Sales agreement	MND	Jan. 1, 2024 ~ Dec. 31, 2028	Automatic Flight management System technical order update procurement	-
Labor agreement	NCSIST	Jan 1, 2026 ~ Dec 1, 2026	Albatross I (Rui Yuan) UAV maintenance and sustainment project	-
Labor agreement	MND	Jan. 1, 2024 ~ Dec. 31, 2031	TH-67 Training Helicopter strategic fleet commercial maintenance project	-
Labor agreement	Korea Aerospace Industries, Ltd.	May 20, 2025 ~ May 20, 2026	Overhaul of 57 BE cargo cranes	-
Labor agreement	Heli Korea	Jul. 30, 2024 ~ Mar. 31, 2025	Cargo crane renovation at the Daegu Firefighting Headquarters in South Korea	-
Labor agreement	Heli Korea	Jul. 29, 2025 ~ Dec. 29, 2025	Cargo crane renovation at the Chungnam Fire Department in South Korea	-
Labor agreement	National Airborne Service Corps	Jan. 1, 2021 ~ Dec. 31, 2025	The commission management and maintenance of the fleet of UH-60M Black Hawk helicopters	-
Labor agreement	National Airborne Service Corps	Jan. 1, 2026 ~ Dec. 31, 2027	The commission management and maintenance of the fleet of UH-60M Black Hawk helicopters	-
Labor agreement	National Airborne Service Corps	Jan. 1, 2021 ~ Dec. 31, 2025	The procurement case of UH-60M Black Hawk helicopter Rescue Hoist Follower inspection and maintenance	-
Labor agreement	National Airborne Service Corps	Jan. 9, 2026 ~ Dec. 31, 2029	The procurement case of UH-60M helicopter Rescue Hoist Follower inspection and maintenance	-
Labor agreement	Emerald Pacific Airlines	Aug. 4, 2023 ~ Aug. 4, 2028	The maintenance of the helicopter airframe and engine, component, and component accessories	-
Sales agreement	Korea Aerospace Industries, Ltd.	Apr. 2, 2025 ~ Feb. 26, 2026	Purchase of 54 BE cargo crane cartridges	-

Nature of contract	Counterpart	Starting and ending date of the contract	Main content	Restrictions
Technical cooperation agreement	Bell Textron Inc	Aug. 11, 2025 ~ Aug. 10, 2026	Bell Authorized Customer Service Facility (CSF) Certificate	-
Technical cooperation agreement	Bell Textron Inc	Dec. 28, 2022 ~ May 31, 2031	Technical Assistance Agreement (TAA)	-
Technical cooperation agreement	Sikorsky Aircraft Corporation	Sep. 30, 2024 ~ Aug. 31, 2030	UH-60M Repair TAA (TA-3284-14)	-
Technical cooperation agreement	BreezeEastern, LLC	Mar. 7, 2019 ~ Permanently	BE life-saving crane and cargo crane system	-
Technical cooperation agreement	Columbia Helicopters. Inc.	Jan. 8, 2019 ~ Permanently	CH-47SD Helicopter repair	-
Technical cooperation agreement	Northrop Grumman	Jan. 1, 2009 ~ Jul. 31, 2027	E-2T Repair TAA (TA3557-08)	-
Technical cooperation agreement	Triumph Engine Control Systems, LLC	Aug. 1, 1994 ~ Permanently (Mar. 8, 2019 amend agreement)	Fuel control system	-
Technical support and maintenance factory agreement	Rolls-Royce Corporation	Dec. 4, 2018 ~ Dec. 31, 2026	M250 Engine	-
Sales agreement	Peach Aviation Ltd.	Apr. 1, 2025 ~ Mar. 31, 2030	A320, A321 Fleet maintenance contract	-
Sales agreement	Jetstar Japan Co., Ltd.	Jul. 1, 2024 ~ Jun. 30, 2029	A320 Fleet maintenance contract	-
Sales agreement	Japan Transocean Air Co., Ltd.	Jan. 1, 2024 ~ Dec. 31, 2028	B737 Series maintenance contract	-
Sales agreement	Japan Air Commuter Co., Ltd.	Jan. 1, 2023 ~ Dec. 31, 2027	ATR 42/72 Fleet maintenance contract	-
Sales agreement	Toki Air Co., Ltd.	Mar. 3, 2023 ~ Dec. 31, 2027	ATR 42/72 Fleet maintenance contract	-
Sales agreement	PT Airfast Indonesia	Feb. 22, 2021 ~ Auto-renew annually	Airfast Fleet maintenance contract	-
Sales agreement	T'way Air Co., Ltd.	Jun. 1, 2025 ~ Dec. 31, 2029	B737-800 and B737 MAX Fleet maintenance contract	-
Sales agreement	Aero K Airlines Co., Ltd.	Jul. 1, 2024 ~ Jun. 30, 2029	A320 Fleet maintenance contract	-
Sales agreement	Merx Aviation Servicing Limited	Dec. 1, 2020 ~ Dec. 31, 2025	The contract of A320 and B737 Series Fleet maintenance	-
Sales agreement	Avolon Aerospace Leasing Limited	Apr. 16, 2020 ~ Permanently	The contract of A320 and B737 Series Fleet maintenance	-
Sales agreement	Strong Aviation Co., Ltd.	Mar., 2026 ~ Feb., 2027	BN2 Fleet maintenance contract	-
Sales agreement	RealWorld Aviation Corporation	Mar. 2021 ~ Mar. 2031	C208B Fleet maintenance contract	-

Nature of contract	Counterpart	Starting and ending date of the contract	Main content	Restrictions
Sales agreement	Apex Flight Academy Inc.	Mar. 2021 ~ Mar. 2026	P2012 maintenance contract	-
Sales agreement	Aeko Kula LLC	Apr. 21, 2023 ~ Dec. 31, 2028	B737 Series maintenance contract	-
Sales agreement	Northern Air Cargo	Apr. 21, 2023 ~ Dec. 31, 2028	B737 Series maintenance contract	-
Sales agreement	Sum Air	Apr. 13, 2023 ~ Dec. 31, 2028	ATR 42/72 maintenance contract	-
Sales agreement	Jetstar Airways Pty Ltd.	Feb. 26, 2026 ~ Feb. 26, 2029	A320 Fleet maintenance contract	-
Sales agreement	South Pacific Venture Co., Ltd.	Jan. 1, 2026 ~ Dec. 31, 2026	Parking contract	-
Sales agreement	Philippines AirAsia, Inc.	Feb. 1, 2020 ~ Continuously effective	The agreement of A320/321Ceo/Neo standard groundwork	-
Sales agreement	AirAsia X Berhad	Dec. 1, 2022 ~ Continuously effective	The agreement of A330 standard groundwork	-
Sales agreement	Air P & B Co., Ltd.	Jan. 9, 2019 ~ Continuously effective	The agency agreement of B737-800 and A319/320/321 standard groundwork	-
Sales agreement	Thai Summer Airways Co., Ltd.	Jun.1, 2020 ~ Continuously effective	The agreement of B737-800 standard groundwork	-
Sales agreement	PT Batik Air Indonesia	Sep. 1, 2019 ~ Continuously effective	The agreement of B737-800/900 and A320 standard groundwork	-
Sales agreement	Bamboo Airways Joint Stock Company	Aug. 1, 2022 ~ Continuously effective	The agreement of A319/320/321Ceo/Neo standard groundwork	-
Sales agreement	MET Air International INC.	Oct. 16, 2020 ~ Continuously effective	The agency agreement of B737CL standard groundwork	-
Sales agreement	S.F. Airlines Company LTD.	Jun. 19, 2019 ~ Continuously effective	The agreement of B737/757/767 standard groundwork	-
Sales agreement	Thai Lion Mentari Co., Ltd.	Oct. 1, 2019 ~ Continuously effective	The agreement of B737-800/900ER standard groundwork	-
Sales agreement	Taiwan Sky Ground Service	May 15, 2019 ~ Continuously effective	The agency agreement of A320 and B737 family standard groundwork	-
Sales agreement	China Airlines Limited	Feb. 1, 2016 ~ Continuously effective	The agreement of B737-800 standard groundwork	-
Sales agreement	Cathay Pacific Airways Limited	Jul. 22, 2019 ~ Continuously effective	The agreement of A320/330 standard groundwork	-
Sales agreement	Mandarin Airlines Co., Ltd.	Mar. 28, 2014 ~ Continuously effective	The contract of aircraft on call maintenance manpower and equipment support	-
Sales agreement	UNI AIR	Jul. 23, 2008 ~ Continuously effective	The contract of aircraft maintenance	-
Sales agreement	China Airlines Limited Maintenance Division	Mar. 22, 2012 ~ Continuously effective	The institutes negotiated and supported one another for multiple services	-
Sales agreement	Suparna Airlines Company Limited	May 1, 2021 ~ Continuously effective	The agreement of B737CL standard groundwork	-
Sales agreement	K-Mile Air Company Limited	Oct. 1, 2021 ~ Continuously effective	The agreement of B737NG/CL standard groundwork	-
Sales agreement	RealWorld Aviation Corporation	Mar. 2021 ~ Mar. 2031	The agreement of C208B standard groundwork	-

Nature of contract	Counterpart	Starting and ending date of the contract	Main content	Restrictions
Sales agreement	Batik Air Malaysia	Jan. 1, 2023 ~ Continuously effective	The agreement of B737-NG/MAX and A330 standard groundwork	-
Sales agreement	Thai Vietjet Air Joint Stock Company Limited	Jan. 1, 2023 ~ Continuously effective	The agreement of A320 standard groundwork	-
Sales agreement	Vietjet Aviation Joint Stock Company	May 15, 2023 ~ Continuously effective	Standard groundwork agreement for A320/321CEO/NEO at Taichung, Kaohsiung and Tainan stations	-
Sales agreement	Vietjet Aviation Joint Stock Company	Aug. 1, 2023 ~ Continuously effective	Standard groundwork agreement for A320/321CEO/NEO at Taoyuan station	-
Sales agreement	STARLUX Airlines Co., Ltd.	Sep. 1, 2023 ~ Continuously effective	The agreement of A321NEO/330NEO/350XWB standard groundwork	-
Sales agreement	Aero K Airlines Co., Ltd.	Sep. 1, 2023 ~ Continuously effective	The agreement of A320 standard groundwork	-
Sales agreement	EASTAR JET Co., Ltd.	Jun. 1, 2023 ~ Continuously effective	The agreement of B737-MAX/NG standard groundwork	-
Sales agreement	Hong Kong Express Airways Limited	Dec. 1, 2023 ~ Continuously effective	A320/321 flight deck communication service	-
Labor agreement	National Airborne Service Corps	Dec. 20, 2024 ~ Dec. 31, 2029	Procurement Project for Commercial Maintenance Services: Preventive Maintenance and Repair of the BEECH Fixed-Wing Fleet (2025–2029)	-
Sales agreement	Sun Phu Quoc Airways Ltd.	Feb. 1, 2026 ~ Jan. 31, 2031	A320,A321 Fleet maintenance contract	-
Sales agreement	Viet Nam Travel Airlines Joint Stock Company	Aug. 1, 2024 ~ Continuously effective	The agreement of A320 standard groundwork	-
Sales agreement	Tigerair Taiwan Co., Ltd.	Dec. 1, 2025 ~ Continuously effective	The agreement of A320CEO/NEO standard groundwork	-
Sales agreement	Thai AirAsia Co., Ltd.	Mar. 16, 2020 ~ Continuously effective	The agreement of A320/321CEO/NEO standard groundwork	-
Sales agreement	AirAsia Berhad	Dec. 1, 2019 ~ Continuously effective	The agreement of A320/321CEO/NEO standard groundwork	-
Sales agreement	Air Philippines Corporation	Jan. 1, 2025 ~ Dec. 31, 2029	PALEX Fleet maintenance contract	-
MOU	Lockheed Martin	Mar. 23, 2017 ~ Permanently	MOU for C-130, P-3C, F-16 types	-

V. Review and analysis of financial status and financial performance and their risk issues

i. Financial status

Unit: NT\$(K)

Item \ Year	2025	2024	Difference		Analysis of Change (Note)
			Amount	%	
Current asset	4,514,684	4,506,485	8,199	0.18	-
Property, plant and equipment	1,059,631	1,044,767	14,864	1.42	-
Intangible assets	10,306	6,617	3,689	55.75	-
Other assets	132,249	209,052	(76,803)	(36.74)	1
Total assets	5,716,870	5,766,921	(50,051)	(0.87)	-
Current liabilities	1,757,194	1,742,622	14,572	0.84	-
Non-current liabilities	410,848	554,894	(144,046)	(25.96)	2
Total liabilities	2,168,042	2,297,516	(129,474)	(5.64)	-
Capital	2,094,382	2,094,382	-	0.00	-
Capital reserve	1,090,004	1,090,004	-	0.00	-
Retained earnings	362,368	282,612	79,756	28.22	3
Other interests	2,074	2,407	(333)	13.83	-
Treasury stock	-	-	-	-	-
Total equity	3,548,828	3,469,405	79,423	2.29	-

Note: The main reason, impact and the future countermeasures of significant change (The change reaches 20% between previous and current periods and the amount reaches NT\$ 10 million) occurred in the items of assets, liabilities, shareholder's equity of company in the last two years shall be explained.

1. The decrease in other assets was primarily due to the completion and acceptance of construction in progress and equipment under inspection, and the reclassification of prepayments for equipment to property, plant and equipment.
2. The decrease in non-current liabilities was primarily due to the repayment of long-term bank loans.
3. The retained earnings increase mainly because of the increase in net profit for the current period compared to 2024.

ii. Financial Performance

(i). Analysis of the most recent annual financial performance

Unit: NT\$(K)

Item \ Year	2025	2024	Amount increased (decreased)	Ratio of change (%)	Analysis of Change
Operating Revenue	5,454,110	5,200,056	254,054	4.89	-
Operating costs	4,889,585	4,737,697	151,888	3.21	-
Operating gross profit	564,525	462,359	102,166	22.10	1
Operating expenses	273,635	264,960	8,675	3.27	-
Operating income	290,890	197,399	93,491	47.36	1
Non-operating income and expenses	(29,109)	(17,477)	(11,632)	66.56	2
Net profit before tax	261,781	179,922	81,859	45.50	1
Plus: tax income (expense)	(52,056)	(39,313)	(12,743)	32.41	-
Net income	209,725	140,609	69,116	49.15	1
Reason for change:					
1. The increases in operating gross profit, operating income, net profit before tax, and net income for the period were primarily driven by the growth in demand for airframe maintenance in 2025.					
2. The non-operating expenses increase mainly due to foreign exchange losses.					

(ii). The expected sales volume and its basis, the likely impact to the Company's future financial and business and the action taken

Due to the business attributes which contains the maintenance services for the whole fleet management, the aviation material outright sales and the parts/accessories repair/overhaul by vendor support or self-repair capabilities. The calculation units and pricing methods are different in accordance with the variability of the business content for aviation material. For the whole fleet management, the availability rate is a performance metric that measures the percentage of time a system, asset, or service is operational and available for use. The production capacity and output are unable to be calculated. As of present, the business service orders for aircraft maintenance are stable, we will continue to strengthen maintenance quality and operation efficiency, and strive for new customers and new model aircraft maintenance opportunities. It is foreseen that

the business will continue to grow in the future and ensure no significant impact to company finance performance.

iii. Cash flow

(i). Analysis and description of the cash flow change in the most recent year

Item \ Year	2025	2024	Increase (decrease)
Cash flow ratio (%)	16.39%	5.25%	11.14%
Cash flow adequacy ratio (%)	5.16%	(2.34%)	7.50%
Cash reinvestment ratio (%)	3.16%	0.87%	2.29%
Analysis and description of change of the increase/decrease ratio: 1. The increase in cash flow ratio for the period was due to the increase in net cash flows from operating activities.			

(ii). Improvement plan for liquidity shortage in the recent year: not applicable.

(iii). Analysis of cash flow liquidity in the coming year

Unit NT\$(K)

Beginning cash balance	Expected annual cash outflow	Expected cash remaining amount	Remedial measures for expected cash shortfalls	
			Investment plan	Financial plan
\$226,727	(\$87,319)	\$139,408	Not applicable	Not applicable
1. Analysis of changes in cash flow in the coming year: (1) Operating activities: Operating activities: The Company expects to recover accounts and control raw materials properly in 2026, which is estimated to generate a net cash inflow of NT\$122,437 (K) from operating activities in the coming year. (2) Investment activities: The Company expects to deprecate, update and purchase machines and plant equipment in 2026, which is estimated to generate a net cash outflow of NT\$176,629 (K) from investment activities in the coming year. (3) Fundraising activities: The Company expects to distribute dividends in cash, and adjust capital allocation based on operation needs in 2026, which is estimated to generate a net cash inflow of NT\$33,127 (K) from fundraising activities. 2. Expected cash shortfall remedies and liquidity analysis: Not applicable.				

iv. Impact of recent major capital expenditures on financial operations: None.

v. The reinvestment policy in recent year, its main reason of profit or loss and improvement plan; and investment plan for the coming year

(i). Reinvestment policy

The Company's management team based on operational needs or the Company's future growth considerations, to conduct reinvestment. It will conduct detailed assessments of the organizational structure, investment objectives, location, market conditions, business development, shareholding ratio, reference price and financial status of the investment business and make assessment suggestion of the investment project, in order to provide basis for decision-making authorities to make investment decisions. In addition, this Company will also keep track of the operating status of the invested enterprise and analyze the investment results in order to facilitate the decision-making authorities as a follow-up assessment of post-investment management.

(ii). The main reason for the profit or loss of investment in recent years and the improvement plan

Unit NT\$(K)			
Re-invested enterprise	Recognition of the latest annual investment profits (losses) of the invested company	main reason for the profit or loss	Improvement plan
Air Asia Company Ltd. (USA)	(103)	The main reason of the loss incurred by relevant expenses for this company's import and export from and to the US for the company's aircraft parts and accessories.	As that company only handles the import and export operation from and to the US for this company's aircraft parts and accessories, so its profitability is limited.

(iii). Investment plan for the next year: None.

vi. Risk analysis and evaluation (in the recent year and up to the print date of annual report)

(i). The impact of interest rates, exchange rate variation, and inflation on the Company's profit and loss and future response measures

1. Impact of interest rate variation

The Company's interest expenses for 2024 and 2025 accounted for 0.71% and 0.70% of the operating revenue for respective year, accounting for a small

proportion of the current operating revenue. In addition, the Company maintains close contact with the bank on weekdays and keeps an eye on the current interest rate level to reduce the impact of interest rate variation on the Company's profit and loss.

2. Impact of exchange rate variation

The Company's export and outsourcing are mainly denominated in US dollars. The exchange profit in 2024 was NT\$11,118 (K), while the exchange loss in 2025 was NT\$310 (K), primarily due to the depreciation of the New Taiwan Dollar against the U.S. Dollar in 2025. The Company will collect exchange rate movement information at any time, grasp the exchange rate trend, judge the exchange rate variation, and adopt a hedging strategy in a timely manner to avoid exchange rate fluctuation risks and reduce the adverse impact of exchange rate variation on the Company's profit and loss.

3. Impact of inflation

The Company has not had any significant adverse impact on the Company's profit and loss due to inflation in the most recent year and up to the print date of annual report. In the future, we will pay attention to fluctuations in market prices and strengthen control of costs to reduce the impact of inflation on the Company's profit and loss.

- (ii). The main reasons of profit or loss for the high-risk, high-leverage investment, capital loan to others, endorsement/guarantee and derivative commodity trading, and the future response measures.

The Company has always adhered to the principle of focusing on the industry and pragmatic principles. The financial policy is based on the principle of stable and conservative, and it does not engage in high-risk, highly leveraged investments.

This Company has no capital loan to the others, endorsement/guarantee and transactions in derivative commodities in the recent year and up to print date of annual report. The Company has passed the resolutions of the Board of Directors, stating that the capital of the Company shall not be lend to any other. In the special Shareholders' meeting on Dec. 17, 2012, the "Regulations Governing Capital Loan to Others" has been abolished. Further, this Company has promulgated the "Regulations Governing Endorsement and Guarantee" and "Regulations Governing the Acquisition and Disposal of Assets"; in the future, if this Company may engage in endorsement/guarantee or transactions in

derivative commodities, it shall subject to the policy and countermeasures governing such activities.

(iii). R&D expenses for future R&D projects and projected inputs

1.Future R&D projects:

(1)Developed rotor-wing fire-fighting UAVs in alignment with the requirements of government fire departments.

(2)Building on the Phase I development of the single-axis Fiber Optic Gyroscope (FOG), the Company is proceeding with the development of a three-axis FOG system.

2. The expected R&D expenditure is estimated to NT\$33,828 (K).

(iv).The impact of important domestic and international policies and changes of laws on the Company's financial business and the corresponding measures: None.

(v). The impact of technological changes (Including information security risks) and industrial changes on the Company's financial business and the corresponding measures

The Company attaches great importance to technological changes, and has continued to invest in information systems for many years, creating its own enterprise resource management system, we enhances the information security structure, regularly assigns personnel to participate in the security course and information security promotion, regularly collect intelligence, and conducts penetration testing in order to strengthen the ability of information security personnel to grasp and handle the security incidents in the first time.

System maintenance is an important management procedure for the normal operation of the information system. In order to maintain the operation of the system, the Company's "Information Security Policy" is based on the three major frameworks, namely "System Maintenance", "Capital Security Control" and "Education and Promotion" through system control, education and training. Through the management procedures of system control, education and training, behavior record, systematic prevention, internal audit, external audit and penetration testing, information security management is strictly implemented in order to protect company confidential documents and employee's personal information.

Recently, the Company has successively introduced storage domain system/host virtualization, information management and application, all of which have

focused on controlling internal costs and have no significant impact on the company's financial business. The Company introduced ISO27001 in 2021 and passed the ISO27001:2022 revision certification in Oct. 2024, which is valid until Nov. 25, 2027, in order to strengthen the information security management further.

Other information about the Company's information security structure is also disclosed in the corporate governance zone of company's official website.

- (vi). The impact of corporate image change on corporate crisis management and corresponding measures

The Company is a maintenance company for aircraft professional maintenance, and has always spared no effort in the maintenance quality and personnel training. The past maintenance performance is obvious to the industry and the corporate image is excellent.

- (vii). Expected benefits, possible risks and corresponding measures for M&A

In the most recent year up to the printing date of the prospectus, the Company has no merger & acquisition plans. Any M&A matters or plans in the future shall be conducted according to relevant operational regulations. We shall evaluate the effect as well as manage potential risks so as to protect the benefits of the Company and shareholders' rights.

- (viii). Expected benefits, possible risks and corresponding measures for the expansion of the plant: None.

- (ix). Risks and countermeasures in the concentration of purchasing or selling goods

1. Risk in the concentration of purchasing goods

The suppliers of the Company are mostly the original manufacturers of foreign aerospace grades, each having a production niche, so there is no risk of excessive concentration.

2. Risk in the concentration of selling goods

The Company's sales customers are mostly domestic and foreign government agencies and large commercial enterprises, and the relative business risks are relatively low.

- (x). The impact, risks and countermeasures of a large number of shares transferred or replaced by the directors, supervisors or shareholders holding more than 10% of the shares

The Company did not have the above situation in the most recent year and up to the print date of annual report.

- (xi). Impact, risks and corresponding measures of changes in management team on the Company

The Company did not have the above situation in the most recent year and up to the print date of annual report.

- (xii). Case of litigation or non-litigation (up to print date of annual report)

The Company currently has one case pending mediation before the Public Construction Commission of the Executive Yuan.

- (xiii). Other important risk and corresponding measures: None.

- vii. Other important issues: None.

VI. Special items

i. Relevant information of affiliated enterprises

Query website: <https://mops.twse.com.tw/mops/#/web/home>

(MOPS/Single company/Electronic file download/Three forms area for related enterprises)

ii. In the most recent year and up to the print date of annual report, the process of private funding of securities: None.

iii. Other necessary supplementary notes: None.

iv. In the most recent year and up to the print date of annual report, any matter with significant impact to shareholder's equity or security price regulated in Sub-paragraph 2, Paragraph 3, Article 36 pf the Securities and Exchange Act occurs: None.

亞洲航空股份有限公司
Air Asia Company Ltd.

Chairman Lee, Woei-Shyan