

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

AIR ASIA CO., LTD. AND SUBSIDIARIES

Consolidated Financial Statements

**With Independent Auditors' Review Report
For the Nine Months Ended September 30, 2025 and 2024**

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The independent auditors' review report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' review report and consolidated financial statements, the Chinese version shall prevail.

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Independent Auditors' Review Report

To the Board of Directors of AIR ASIA CO., LTD.:

Introduction

We have reviewed the accompanying consolidated balance sheets of AIR ASIA CO., LTD. and its subsidiaries as of September 30, 2025 and 2024, and the related consolidated statements of comprehensive income for the three months and nine months ended September 30, 2025 and 2024, and the statements of changes in equity and cash flows for the nine months ended September 30, 2025 and 2024, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

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

Conclusion

Based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of AIR ASIA CO., LTD. and its subsidiaries as of September 30, 2025 and 2024, and of its consolidated financial performance for the three months and nine months ended September 30, 2025 and 2024, and its consolidated cash flows for the nine months ended September 30, 2025 and 2024 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.



The engagement partners on the reviews resulting in this independent auditors' review report are Su, Yen-Ta and Chen, Yung-Hsiang.

KPMG

Taipei, Taiwan (Republic of China)
November 10, 2025

Notes to Readers

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

The independent auditors' review report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' review report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

AIR ASIA CO., LTD. AND SUBSIDIARIES

Consolidated Balance Sheets

September 30, 2025, December 31, 2024, and September 30, 2024

(Expressed in Thousands of New Taiwan Dollar)

Assets		September 30, 2025		December 31, 2024		September 30, 2024		Liabilities and Equity		September 30, 2025		December 31, 2024		September 30, 2024	
		Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%
Current assets:								Current liabilities:							
1100	Cash and cash equivalents(note (6)(a))	\$ 302,027	5	155,614	3	219,104	3	2100	Short-term loans(notes (6)(l)and (8))	\$ 749,000	12	620,000	11	980,000	15
1139	Financial assets for hedging – current(note (6)(b))	2,647	-	2,630	-	340	-	2110	Short-term notes payable(note (6)(k))	599,767	9	-	-	299,671	5
1140	Contract assets – current(note (6)(s))	1,497,587	24	1,364,969	24	1,465,405	23	2126	Financial liabilities for hedging – current(note (6)(b))	3,979	-	-	-	2,527	-
1170	Trade receivables, net(notes (6)(c), (s)and (7))	2,024,882	32	1,411,862	24	2,101,297	33	2130	Contract liabilities – current(note (6)(s))	41,957	1	49,737	1	64,567	1
1200	Other receivables(note (6)(d))	88,234	2	2,604	-	3,072	-	2170	Trade payables	384,528	6	480,087	8	526,109	8
130X	Inventories(notes (6)(b)and (e))	1,030,878	16	1,348,862	23	1,124,781	17	2200	Other payables	299,919	5	303,138	5	265,384	4
1410	Prepayments(note (6)(f))	58,594	1	125,978	2	171,205	3	2230	Current tax liabilities	26,542	-	37,530	1	27,894	-
1478	Refundable deposits – current(note (8))	73,584	1	88,381	2	96,938	1	2250	Provisions – current(note (6)(m))	45,811	1	36,831	1	37,632	2
1479	Other current assets	3,859	-	5,585	-	7,321	-	2280	Lease liabilities – current(note (6)(n))	21,369	-	22,572	-	22,081	-
	Total current assets	<u>5,082,292</u>	<u>81</u>	<u>4,506,485</u>	<u>78</u>	<u>5,189,463</u>	<u>80</u>	2320	Current portion of long-term loans(notes (6)(l)and (8))	170,167	3	184,000	3	182,000	3
Non-current assets:								2399	Other current liabilities	9,498	-	8,727	-	10,462	-
1600	Property, plant and equipment(notes (6)(g)and (8))	802,122	13	822,121	14	828,953	13		Total current liabilities	<u>2,352,537</u>	<u>37</u>	<u>1,742,622</u>	<u>30</u>	<u>2,418,327</u>	<u>38</u>
1755	Right-of-use assets(note (6)(h))	201,393	3	222,646	4	228,586	4	Non-current liabilities:							
1780	Intangible assets(note (6)(i))	8,025	-	6,617	-	13,506	-	2540	Long-term loans(notes (6)(l)and (8))	241,333	4	364,000	7	411,500	6
1840	Deferred tax assets	54,176	1	53,863	1	53,473	1	2570	Deferred tax liabilities	2,025	-	2,551	-	-	-
1955	Incremental costs of obtaining contracts – non-current(note (6)(s))	9,200	-	11,943	-	12,789	-	2580	Lease liabilities – non-current(note (6)(n))	175,654	3	188,343	3	192,570	3
1990	Other non-current assets(notes (6)(g), (j)and (8))	135,940	2	143,246	3	133,344	2		Total non-current liabilities	<u>419,012</u>	<u>7</u>	<u>554,894</u>	<u>10</u>	<u>604,070</u>	<u>9</u>
	Total non-current assets	<u>1,210,856</u>	<u>19</u>	<u>1,260,436</u>	<u>22</u>	<u>1,270,651</u>	<u>20</u>		Total liabilities	<u>2,771,549</u>	<u>44</u>	<u>2,297,516</u>	<u>40</u>	<u>3,022,397</u>	<u>47</u>
Total assets		<u>\$ 6,293,148</u>	<u>100</u>	<u>5,766,921</u>	<u>100</u>	<u>6,460,114</u>	<u>100</u>	Equity attributable to owners of parent(notes (6)(b), (p)and (q)):							
								3110	Common stock	2,094,382	33	2,094,382	36	2,094,382	32
								3200	Capital surplus	1,090,004	17	1,090,004	19	1,090,004	17
								Retained earnings:							
								3310	Legal reserve	152,642	3	138,581	2	138,581	2
								3320	Special reserve	-	-	3,420	-	3,420	-
								3350	Unappropriated retained earnings	185,519	3	140,611	3	112,868	2
										<u>338,161</u>	<u>6</u>	<u>282,612</u>	<u>5</u>	<u>254,869</u>	<u>4</u>
								3400	Other equity	(948)	-	2,407	-	(1,538)	-
									Total equity	<u>3,521,599</u>	<u>56</u>	<u>3,469,405</u>	<u>60</u>	<u>3,437,717</u>	<u>53</u>
								Total liabilities and equity		<u>\$ 6,293,148</u>	<u>100</u>	<u>5,766,921</u>	<u>100</u>	<u>6,460,114</u>	<u>100</u>

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

AIR ASIA CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the three months and nine months ended September 30, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollar , Except for Earnings Per Common Share)

	For the three months ended September 30				For the nine months ended September 30,				
	2025		2024		2025		2024		
	Amount	%	Amount	%	Amount	%	Amount	%	
4000	Operating revenue (notes (6)(s)and (7))	\$ 1,459,159	100	1,402,191	100	4,102,666	100	3,927,593	100
5000	Operating costs (notes (6)(b), (e), (n), (o), (s), (t), (7)and (12))	1,294,580	89	1,285,620	92	3,651,416	89	3,572,988	91
5900	Gross profit	164,579	11	116,571	8	451,250	11	354,605	9
6000	Operating expenses (notes (6)(c), (n), (o), (t), (7)and (12)):								
6100	Selling expenses	18,828	1	16,974	1	55,516	1	51,612	1
6200	Administrative expenses	41,856	3	42,324	3	118,667	3	127,759	3
6300	Research and development expenses	6,633	1	7,743	-	18,021	-	14,494	-
6450	Expected credit losses (profit)	(2,454)	-	331	-	(2,718)	-	(90)	-
		64,863	5	67,372	4	189,486	4	193,775	4
6900	Operating profit	99,716	6	49,199	4	261,764	7	160,830	5
7000	Non-operating income and expenses (notes (6)(g), (n)and (u)):								
7100	Interest income	318	-	998	-	1,753	-	4,451	-
7010	Other income	2,750	-	2,891	-	6,113	-	5,715	-
7020	Other gains and losses	(4,038)	-	(1,471)	-	(7,833)	-	(1,247)	-
7050	Interest expenses	(9,770)	(1)	(11,054)	(1)	(29,989)	(1)	(28,602)	(1)
		(10,740)	(1)	(8,636)	(1)	(29,956)	(1)	(19,683)	(1)
7900	Profit before tax	88,976	5	40,563	3	231,808	6	141,147	4
7950	Less: Income tax expenses (note (6)(p))	17,796	1	8,138	1	46,290	1	28,281	1
	Net profit	71,180	4	32,425	2	185,518	5	112,866	3
8300	Other comprehensive income (notes (6)(b), (p)and (q)):								
8310	Components of other comprehensive income that will not be reclassified to profit or loss								
8317	Gains (losses) on hedging instrument	10,141	1	(3,821)	-	(16,777)	(1)	16,440	-
8349	Less: income tax related to components of other comprehensive income that will not be reclassified to profit or loss	3,397	-	(2,105)	-	(792)	-	451	-
		6,744	1	(1,716)	-	(15,985)	(1)	15,989	-
8360	Components of other comprehensive income that will be reclassified to profit or loss								
8361	Exchange differences on translation of foreign financial statements	113	-	(81)	-	(232)	-	98	-
8399	Less: income tax related to components of other comprehensive income that will be reclassified to profit or loss	22	-	(16)	-	(47)	-	20	-
		91	-	(65)	-	(185)	-	78	-
8300	Other comprehensive income, net	6,835	1	(1,781)	-	(16,170)	(1)	16,067	-
8500	Total comprehensive income	\$ 78,015	5	30,644	2	169,348	4	128,933	3
	Profit, attributable to:								
8610	Owners of parent	\$ 71,180	4	32,425	2	185,518	5	112,866	3
	Comprehensive income attributable to:								
8710	Owners of parent	\$ 78,015	5	30,644	2	169,348	4	128,933	3
	Earnings per share (note (6)(r)) (in New Taiwan dollars)								
9750	Basic earnings per share	\$ 0.34		0.15		0.89		0.54	
9850	Diluted earnings per share	\$ 0.34		0.15		0.88		0.54	

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

AIR ASIA CO., LTD. AND SUBSIDIARIES**Consolidated Statements of Changes in Equity****For the nine months ended September 30, 2025 and 2024****(Expressed in Thousands of New Taiwan Dollar)**

	Equity attributable to owners of parent								
	Retained earnings					Other equity			Total equity
	Common Stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Gains (losses) on hedging instruments	Total	
Balance at January 1, 2024	\$ 2,094,382	1,153,005	132,869	-	57,135	134	(3,554)	(3,420)	3,433,971
Net profit	-	-	-	-	112,866	-	-	-	112,866
Other comprehensive income	-	-	-	-	-	78	15,989	16,067	16,067
Total comprehensive income	-	-	-	-	112,866	78	15,989	16,067	128,933
Appropriation and distribution of retained earnings:									
Legal reserve	-	-	5,712	-	(5,712)	-	-	-	-
Special reserve	-	-	-	3,420	(3,420)	-	-	-	-
Cash dividends	-	-	-	-	(48,001)	-	-	-	(48,001)
Cash dividends distributed from capital surplus	-	(63,001)	-	-	-	-	-	-	(63,001)
Changes in fair value of hedging instrument reclassified to inventories	-	-	-	-	-	-	(14,185)	(14,185)	(14,185)
Balance at September 30, 2024	<u>\$ 2,094,382</u>	<u>1,090,004</u>	<u>138,581</u>	<u>3,420</u>	<u>112,868</u>	<u>212</u>	<u>(1,750)</u>	<u>(1,538)</u>	<u>3,437,717</u>
Balance at January 1, 2025	\$ 2,094,382	1,090,004	138,581	3,420	140,611	303	2,104	2,407	3,469,405
Net profit	-	-	-	-	185,518	-	-	-	185,518
Other comprehensive income	-	-	-	-	-	(185)	(15,985)	(16,170)	(16,170)
Total comprehensive income	-	-	-	-	185,518	(185)	(15,985)	(16,170)	169,348
Appropriation and distribution of retained earnings:									
Legal reserve	-	-	14,061	-	(14,061)	-	-	-	-
Special reserve reserved	-	-	-	(3,420)	3,420	-	-	-	-
Cash dividends	-	-	-	-	(129,969)	-	-	-	(129,969)
Changes in fair value of hedging instrument reclassified to inventories	-	-	-	-	-	-	12,815	12,815	12,815
Balance at September 30, 2025	<u>\$ 2,094,382</u>	<u>1,090,004</u>	<u>152,642</u>	<u>-</u>	<u>185,519</u>	<u>118</u>	<u>(1,066)</u>	<u>(948)</u>	<u>3,521,599</u>

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

AIR ASIA CO., LTD. AND SUBSIDIARIES**Consolidated Statements of Cash Flows****For the nine months ended September 30, 2025 and 2024****(Expressed in Thousands of New Taiwan Dollar)**

	For the nine months ended September 30,	
	2025	2024
Cash flows from (used in) operating activities:		
Profit before tax	\$ 231,808	141,147
Adjustments:		
Adjustments to reconcile profit:		
Depreciation expenses	78,850	74,391
Amortization expenses	5,525	5,422
Expected credit profit	(2,718)	(90)
Interest expenses	29,989	28,602
Interest income	(1,753)	(4,451)
Losses (gains) on disposal of property, plant and equipment	93	(16)
Property, plant and equipment transferred to operating costs	57	-
Gains on lease modification	(3)	(9)
Unrealized foreign exchange losses	2,421	1,660
Total adjustments to reconcile profit	<u>112,461</u>	<u>105,509</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Increase in contract assets — current	(132,618)	(284,336)
Increase in trade receivables, net	(610,445)	(656,777)
Increase in other receivables	(12,247)	(640)
Decrease (increase) in inventories	317,984	(72,981)
Increase in prepayments	(5,672)	(29,881)
Decrease in other current assets	1,726	22,066
Decrease in incremental costs of obtaining contracts — non-current	2,743	639
Total changes in operating assets	<u>(438,529)</u>	<u>(1,021,910)</u>
Changes in operating liabilities:		
Increase (decrease) in contract liabilities — current	(7,780)	12,982
Increase (decrease) in trade payables	(96,837)	204,132
Increase (decrease) in other payables	(7,070)	8,936
Increase in provisions — current	8,980	7,981
Increase (decrease) in other current liabilities	771	(4,091)
Total changes in operating liabilities	<u>(101,936)</u>	<u>229,940</u>
Net changes in operating assets and liabilities	<u>(540,465)</u>	<u>(791,970)</u>
Total adjustments	<u>(428,004)</u>	<u>(686,461)</u>
Cash flows used in operations	(196,196)	(545,314)
Interest received	1,422	4,137
Interest paid	(30,160)	(28,485)
Income tax paid	(57,278)	(387)
Net cash used in operating activities	<u>(282,212)</u>	<u>(570,049)</u>
Cash flows from (used in) investing activities:		
Decrease in refundable deposits	14,797	16,928
Acquisition of property, plant and equipment	(21,373)	(56,023)
Proceeds from disposal of property, plant and equipment	23	16
Acquisition of intangible assets	(6,933)	(4,419)
Increase in other non-current assets	(4,948)	(32,932)
Net cash used in investing activities	<u>(18,434)</u>	<u>(76,430)</u>
Cash flows from (used in) financing activities:		
Increase in short-term loans	1,328,687	1,011,368
Decrease in short-term loans	(1,199,687)	(761,368)
Increase in short-term notes payable	1,977,044	3,046,663
Decrease in short-term notes payable	(1,377,277)	(2,746,992)
Proceeds from long-term loans	100,000	377,000
Repayments of long-term loans	(236,500)	(189,250)
Payment of lease liabilities	(14,074)	(13,439)
Cash dividends	(129,969)	(111,002)
Net cash generated from financing activities	<u>448,224</u>	<u>612,980</u>
Effects of exchange rate changes on balance of cash held in foreign currencies	<u>(1,165)</u>	<u>(1,662)</u>
Net increase (decrease) in cash and cash equivalents	146,413	(35,161)
Cash and cash equivalents at the beginning of year	155,614	254,265
Cash and cash equivalents at end of year	<u>\$ 302,027</u>	<u>219,104</u>

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

AIR ASIA CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

September 30, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollar, Unless Otherwise Specified)

(1) Company history

AIR ASIA CO., LTD. (the “Company”) was incorporated as a company limited by shares under the Company Act of the Republic of China (R.O.C.) on January 19, 1955. The Company’s registered and operating address is No. 1050, Jichang Rd., Rende Dist., Tainan City, Taiwan, R.O.C.

The consolidated financial statements comprise the Company and its subsidiaries (the “Group”).

The Group’s principal activities consist of maintenances, renovation, upgrades and integrated logistic support services for the aircraft and related components.

The Company listed their shares on the Taiwan Stock Exchange on 22 February 2018.

(2) Approval date and procedures of the consolidated financial statements:

These consolidated financial statements were authorized for issuance by the Board of the Company on November 10, 2025.

(3) New standards, amendments and interpretations adopted:

- (a) The impact of the IFRS Accounting Standards endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2025:

- Amendments to IAS21 “Lack of Exchangeability”

- (b) The impact of IFRS Accounting Standards endorsed by the FSC but not yet effective

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2026, would not have a significant impact on its consolidated financial statements:

- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”
- Annual Improvements to IFRS Accounting Standards—Volume 11
- Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”

(Continued)

AIR ASIA CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- (c) The impact of IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

The following new and amended standards, which may be relevant to the Group, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

<u>Standards or Interpretations</u>	<u>Content of amendment</u>	<u>Effective date per IASB</u>
IFRS 18 “Presentation and Disclosure in Financial Statements”	<p>The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities.</p> <ul style="list-style-type: none"> ● A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined ‘operating profit’ subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company’s main business activities. ● Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards. ● Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes. 	<p>January 1, 2027</p> <p>note: On September 25, 2025, the FSC issued a press release announcing that Taiwan will adopt IFRS 18 beginning in 2028. Entities that need to adopt the new standard earlier may do with the endorsement of the FSC.</p>

(Continued)

AIR ASIA CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The Group is evaluating the impact on its consolidated financial position and consolidated financial performance upon the initial adoption of the abovementioned standards or interpretations. The results thereof will be disclosed when the Group completes its evaluation.

The Group does not expect the following other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements:

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 19 “Subsidiaries without Public Accountability: Disclosures” and amendments to IFRS 19 “Subsidiaries without Public Accountability: Disclosures”

(4) Summary of material policies:

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the preparation and guidelines of IAS 34 “ Interim Financial Reporting” which are endorsed and issued into effect by FSC, and do not include all of the information required by the Regulations and International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed and issued into effect by the FSC (hereinafter referred to IFRS Accounting Standards endorsed by the FSC) for a complete set of the annual consolidated financial statements.

Except the following accounting policies mentioned below, the significant accounting policies adopted in the consolidated financial statements are the same as those in the consolidated financial statements for the year ended December 31, 2024. For the related information, please refer to note 4 of the consolidated financial statements for the year ended December 31, 2024.

(b) Basis of consolidation

(i) List of subsidiaries in the consolidated financial statements:

Name of investor	Name of subsidiary	Principal activity	Shareholding		
			September 30, 2025	December 31, 2024	September 30, 2024
The Company	Air Asia Company Ltd. (USA)	Logistics Services	100 %	100 %	100 %

(ii) List of subsidiaries which are not included in the consolidated financial statements: None.

(c) Income taxes

The income tax expenses have been prepared and disclosed in accordance with paragraph B12 of International Financial Reporting Standards 34, Interim Reporting.

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AIR ASIA CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Income tax expenses for the period are best estimated by multiplying pre-tax income for the interim reporting period using the effective annual tax rate as forecasted by the management. This should be recognized fully as tax expense for the current period. However, if the effective annual tax rate is estimated, the income tax benefit is expected to be generated in the year, but it is net loss before tax for now, then the net loss before tax is multiplied by the effective tax rate, and the amount is recognized as deferred income tax benefit and deferred income tax assets.

Temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases shall be measured based on the tax rates that have been enacted or substantively enacted at the time of the asset or liability is recovered or settled, and be recognized directly in equity or other comprehensive income as tax expense.

(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty:

The preparation of the consolidated financial statements in conformity with the Regulations and IAS 34 “Interim Financial Reporting” endorsed by the FSC requires management to make judgments, and estimates about the future, including climate-related risks and opportunities, that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The preparation of the consolidated interim financial statements, estimates and underlying assumptions are reviewed on an ongoing basis which are in conformity with the consolidated financial statements for the year ended December 31, 2024. For related information, please refer to note 5 of the consolidated financial statements for the year ended December 31, 2024.

(6) Explanation of significant accounts:

Except for the following disclosures, there were no material differences in the disclosures of significant accounts between the interim consolidated financial statements for the current period and the 2024 consolidated financial statements. Please refer to Note 6 of the 2024 annual consolidated financial statements.

(a) Cash and cash equivalents

	September 30, 2025	December 31, 2024	September 30, 2024
Cash and cash on hand	\$ 908	844	841
Demand deposits	301,119	154,770	154,963
Time deposits	-	-	63,300
Cash and cash equivalents in the consolidated statement of cash flows	<u>\$ 302,027</u>	<u>155,614</u>	<u>219,104</u>

Please refer to note 6(v) for the exchange rate risk and sensitivity analysis of the financial assets and liabilities.

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AIR ASIA CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(b) Financial instruments used for hedging

The details of financial assets and liabilities for hedging were as follows:

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Cash flow hedge:			
Financial assets for hedging – current:			
Forward exchange contracts	\$ <u>2,647</u>	<u>2,630</u>	<u>340</u>
Financial liabilities for hedging – current:			
Forward exchange contracts	\$ <u>3,979</u>	<u>-</u>	<u>2,527</u>

(i) Cash flow hedge – forward exchange contracts

The Group's strategy is to use the forward exchange contracts to hedge its estimated foreign currency exposure in respect of forecasted purchases transactions. When actual purchase occurs, the amount accumulated in gains (losses) on the effective portion of cash flow hedge under other equity interest will be reclassified to non-current assets in the same period. The terms of forward foreign exchange contract are coordinated with the hedged item. The unexpired forward exchange contracts held by the Group were as follows:

<u>September 30, 2025</u>				
	<u>Contract Amount (in thousands)</u>	<u>Currency</u>	<u>Maturity dates</u>	<u>Average strike price</u>
Forward exchange purchased	USD \$ <u>5,321</u>	TWD to USD	2025.10.09~2026.04.27	28.863~32.2
<u>December 31, 2024</u>				
	<u>Contract Amount (in thousands)</u>	<u>Currency</u>	<u>Maturity dates</u>	<u>Average strike price</u>
Forward exchange purchased	USD \$ <u>3,783</u>	TWD to USD	2025.01.10~2025.08.25	31.332~32.599
<u>September 30, 2024</u>				
	<u>Contract Amount (in thousands)</u>	<u>Currency</u>	<u>Maturity dates</u>	<u>Average strike price</u>
Forward exchange purchased	USD \$ <u>5,643</u>	TWD to USD	2024.10.11~2025.02.25	30.293~32.471

(Continued)

AIR ASIA CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- (ii) The details arising from cash flow hedges for the three months and nine months ended September 30, 2025 and 2024, were as follows:

<u>Account Item</u>	<u>For the three months ended</u> <u>September 30,</u>		<u>For the nine months ended</u> <u>September 30,</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Recognized in other comprehensive income during the period	\$ <u>6,744</u>	<u>(1,716)</u>	<u>(15,985)</u>	<u>15,989</u>
Reclassification from equity to decrease (increase) in inventories for the period	\$ <u>(6,843)</u>	<u>6,703</u>	<u>(12,815)</u>	<u>14,185</u>

There was no ineffective portion of unsettled cash flow hedge recognized in profit or loss.

- (c) Trade receivables

	<u>September 30,</u> <u>2025</u>	<u>December 31,</u> <u>2024</u>	<u>September 30,</u> <u>2024</u>
Trade receivables(including from related parties)	\$ 2,026,123	1,415,821	2,105,170
Less: Loss allowance	<u>(1,241)</u>	<u>(3,959)</u>	<u>(3,873)</u>
Total	<u>\$ 2,024,882</u>	<u>1,411,862</u>	<u>2,101,297</u>

The Group applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information. If the receivables of government in group 1 will be collected based on the central government budget, the amount of the receivables will be regarded as not overdue with no impairment risk. The loss allowance provision was determined as follows:

	<u>September 30, 2025</u>		
	<u>Gross carrying amount</u>	<u>Weighted-average loss rate</u>	<u>Loss allowance provision</u>
<u>Group 1</u>			
Current	\$ <u>1,932,588</u>	0.00%	<u>-</u>
<u>Group 2</u>			
Current	\$ 88,039	0.45%	393
1 to 90 days past due	5,374	14.76%	793
91 to 180 days past due	29	31.03%	9
181 to 270 days past due	93	49.46%	46
271 to 365 days past due	-	-	-
More than 365 days past due	-	-	-
	<u>\$ 93,535</u>		<u>1,241</u>

(Continued)

AIR ASIA CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	December 31, 2024		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Group 1			
Current	\$ <u>1,322,423</u>	0.00%	<u>-</u>
Group 2			
Current	\$ 81,949	2.18%	1,785
1 to 90 days past due	11,449	18.99%	2,174
91 to 180 days past due	-	-	-
181 to 270 days past due	-	-	-
271 to 365 days past due	-	-	-
More than 365 days past due	-	-	-
	<u>\$ 93,398</u>		<u>3,959</u>
September 30, 2024			
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Group 1			
Current	\$ <u>2,047,331</u>	0.00%	<u>-</u>
Group 2			
Current	\$ 54,362	5.27%	2,866
1 to 90 days past due	2,509	22.00%	552
91 to 180 days past due	968	47.00%	455
181 to 270 days past due	-	-	-
271 to 365 days past due	-	-	-
More than 365 days past due	-	-	-
	<u>\$ 57,839</u>		<u>3,873</u>

The movement in the allowance for trade receivables was as follows:

	For the nine months ended	
	September 30,	
	2025	2024
Balance at January 1	\$ 3,959	4,294
Impairment gains recognized	(2,718)	(90)
Amounts written off	-	(331)
Balance at September 30	<u>\$ 1,241</u>	<u>3,873</u>

The aforementioned trade receivables were not pledged as collateral or restricted in any way.

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AIR ASIA CO., LTD. AND SUBSIDIARIES
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(d) Other receivables

	September 30, 2025	December 31, 2024	September 30, 2024
Other receivables—income taxes refund	\$ 597	597	751
Other receivables—equipment purchasing agent	8,348	-	-
Other receivables—materials	73,056	-	-
Others	6,233	2,007	2,321
Less: Loss allowance	-	-	-
	\$ 88,234	2,604	3,072

For further credit risk information, please refers to note 6(v).

(e) Inventories

	September 30, 2025	December 31, 2024	September 30, 2024
Repair materials and others	\$ 716,253	992,109	759,523
Finished goods	314,625	356,753	365,258
	\$ 1,030,878	1,348,862	1,124,781

The details of the cost of sales were as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
Inventory that has been sold and service costs	\$ 1,265,610	1,243,529	3,529,274	3,460,844
Unallocated production overheads	31,119	34,955	99,192	90,971
Write-down of inventories (Reversal of write-downs)	(2,152)	7,136	22,944	21,080
Losses on physical inventory	3	-	6	93
	\$ 1,294,580	1,285,620	3,651,416	3,572,988

The inventories of the Group were not pledged as collateral or restricted in any way.

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AIR ASIA CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(f) Prepayments

The details of prepayments were as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Prepayment for materials	\$ 35,975	102,401	150,406
Prepayment of bank performance guarantee fees	3,027	7,570	3,311
Prepayment—other	19,592	16,007	17,488
	<u>\$ 58,594</u>	<u>125,978</u>	<u>171,205</u>

(g) Property, plant and equipment

The movement in cost, accumulated depreciation, and impairment loss of the property, plant and equipment was as follows:

	Land	Buildings and structures	Machinery and equipment	Office equipment	Transportation equipment	Construction in process and testing equipment	Total
Cost or deemed cost:							
Balance at January 1, 2025	\$ 275,211	761,069	777,162	78,227	95,878	87,894	2,075,441
Additions	-	10,669	9,282	4,475	133	419	24,978
Disposals	-	(1,269)	(7,455)	(1,500)	(124)	-	(10,348)
Reclassification	-	61,086	16,456	-	-	(64,991)	12,551 (Note 1)
Balance at September 30, 2025	<u>\$ 275,211</u>	<u>831,555</u>	<u>795,445</u>	<u>81,202</u>	<u>95,887</u>	<u>23,322</u>	<u>2,102,622</u>
Balance at January 1, 2024	\$ 275,211	723,850	716,119	76,077	94,727	58,750	1,944,734
Additions	-	6,299	18,194	3,480	216	24,191	52,380
Disposals	-	-	(2,760)	(1,685)	(287)	-	(4,732)
Reclassification	-	29,674	38,535	-	764	4,928	73,901 (Note 2)
Balance at September 30, 2024	<u>\$ 275,211</u>	<u>759,823</u>	<u>770,088</u>	<u>77,872</u>	<u>95,420</u>	<u>87,869</u>	<u>2,066,283</u>
Accumulated depreciation and impairment loss:							
Balance at January 1, 2025	\$ -	481,520	640,328	57,163	74,309	-	1,253,320
Depreciation	-	18,762	29,679	5,736	3,235	-	57,412
Disposals	-	(1,269)	(7,455)	(1,500)	(8)	-	(10,232)
Balance at September 30, 2025	<u>\$ -</u>	<u>499,013</u>	<u>662,552</u>	<u>61,399</u>	<u>77,536</u>	<u>-</u>	<u>1,300,500</u>
Balance at January 1, 2024	\$ -	459,708	606,256	52,343	70,256	-	1,188,563
Depreciation	-	15,976	28,710	5,551	3,262	-	53,499
Disposals	-	-	(2,760)	(1,685)	(287)	-	(4,732)
Balance at September 30, 2024	<u>\$ -</u>	<u>475,684</u>	<u>632,206</u>	<u>56,209</u>	<u>73,231</u>	<u>-</u>	<u>1,237,330</u>
Carrying value:							
Balance at January 1, 2025	<u>\$ 275,211</u>	<u>279,549</u>	<u>136,834</u>	<u>21,064</u>	<u>21,569</u>	<u>87,894</u>	<u>822,121</u>
Balance at September 30, 2025	<u>\$ 275,211</u>	<u>332,542</u>	<u>132,893</u>	<u>19,803</u>	<u>18,351</u>	<u>23,322</u>	<u>802,122</u>
Balance at January 1, 2024	<u>\$ 275,211</u>	<u>264,142</u>	<u>109,863</u>	<u>23,734</u>	<u>24,471</u>	<u>58,750</u>	<u>756,171</u>
Balance at September 30, 2024	<u>\$ 275,211</u>	<u>284,139</u>	<u>137,882</u>	<u>21,663</u>	<u>22,189</u>	<u>87,869</u>	<u>828,953</u>

Note 1: The amount of \$12,608 transferred from other non-current assets—prepayment for equipment, and the amount of \$57 transferred to operating costs.

Note 2: The amount transferred from other non-current assets—prepayment for equipment.

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AIR ASIA CO., LTD. AND SUBSIDIARIES
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The capitalized borrowing costs related to the construction of the administration building amounted to \$83, \$171, \$420 and \$351, respectively, for the three months and nine months ended September 30, 2025 and 2024, calculated using a capitalization rate of 1.43%, 1.425%, 1.43% and 1.491%, respectively.

Property, plant and equipment of the Group had been pledged as collateral or restricted, please refer to note 8.

(h) Right-of-use assets

The Group leases land, buildings and structures, and transportation equipment. Information about leases for which the Group as a lessee is presented below:

	<u>Land</u>	<u>Buildings and structures</u>	<u>Transportation equipment</u>	<u>Total</u>
Cost:				
Balance at January 1, 2025	\$ 281,911	48,647	10,723	341,281
Additions	-	-	509	509
Reduction	-	(647)	-	(647)
Balance at September 30, 2025	<u>\$ 281,911</u>	<u>48,000</u>	<u>11,232</u>	<u>341,143</u>
Balance at January 1, 2024	\$ 281,821	47,656	9,136	338,613
Additions	5	712	4,778	5,495
Reduction	-	(651)	(3,191)	(3,842)
Balance at September 30, 2024	<u>\$ 281,826</u>	<u>47,717</u>	<u>10,723</u>	<u>340,266</u>
Accumulated depreciation and impairment loss:				
Balance at January 1, 2025	\$ 88,979	25,878	3,778	118,635
Depreciation	11,257	7,700	2,481	21,438
Reduction	-	(323)	-	(323)
Balance at September 30, 2025	<u>\$ 100,236</u>	<u>33,255</u>	<u>6,259</u>	<u>139,750</u>
Balance at January 1, 2024	\$ 74,223	16,488	3,236	93,947
Depreciation	11,223	7,409	2,260	20,892
Reduction	-	(651)	(2,508)	(3,159)
Balance at September 30, 2024	<u>\$ 85,446</u>	<u>23,246</u>	<u>2,988</u>	<u>111,680</u>
Carrying value:				
Balance at January 1, 2025	<u>\$ 192,932</u>	<u>22,769</u>	<u>6,945</u>	<u>222,646</u>
Balance at September 30, 2025	<u>\$ 181,675</u>	<u>14,745</u>	<u>4,973</u>	<u>201,393</u>
Balance at January 1, 2024	<u>\$ 207,598</u>	<u>31,168</u>	<u>5,900</u>	<u>244,666</u>
Balance at September 30, 2024	<u>\$ 196,380</u>	<u>24,471</u>	<u>7,735</u>	<u>228,586</u>

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AIR ASIA CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(i) Intangible assets

The details of intangible assets were as follows:

	<u>Acquired special technology</u>	<u>Software</u>	<u>Total</u>
Carrying value:			
Balance at January 1, 2025	\$ -	6,617	6,617
Balance at September 30, 2025	\$ 5,332	2,693	8,025
Balance at January 1, 2024	\$ -	14,509	14,509
Balance at September 30, 2024	\$ -	13,506	13,506

There were no significant additions, disposals, or recognition and reversal of impairment losses of intangible assets for the nine months ended September 30, 2025 and 2024. Information on amortization for the period is disclosed in Note 12. For other relevant information, please refer to note 6(i) of the consolidated financial statements for the year ended December 31, 2024.

(j) Other non-current assets

The details of other non-current assets were as follows:

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Prepayment for equipment	\$ 96,383	106,103	102,866
Refundable deposits – non-current	15,333	12,300	12,173
Other non-current assets – other	24,224	24,843	18,305
	<u>\$ 135,940</u>	<u>143,246</u>	<u>133,344</u>

Refundable deposits – non-current of the Group had been pledged as collateral or restricted, please refer to note 8.

(k) Short-term notes payable

The short-term notes payable were summarized as follows :

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Commercial paper payable	<u>\$ 599,767</u>	<u>-</u>	<u>299,671</u>

For the nine months ended September 30, 2025 and 2024, the Group had the additional short-term notes payable amounting to \$1,977,044 and \$3,046,663, respectively, with an interest rate of 1.968%~1.998% and 1.85%~1.990%, respectively, maturing in February to October, 2025 and February to October, 2024, respectively. For the nine months ended September 30, 2025 and 2024, the repayment amounted to \$1,377,277 and \$2,746,992, respectively.

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AIR ASIA CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(l) Short-term and long-term loans

The details of short-term and long-term loans were as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Unsecured bank loans – NTD	\$ 749,000	620,000	980,000
Long-term unsecured bank loans – NTD	161,500	298,000	343,500
Long-term secured bank loans – NTD	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>
Total	<u>\$ 1,160,500</u>	<u>1,168,000</u>	<u>1,573,500</u>
Current	\$ 919,167	804,000	1,162,000
Non-current	<u>241,333</u>	<u>364,000</u>	<u>411,500</u>
Total	<u>\$ 1,160,500</u>	<u>1,168,000</u>	<u>1,573,500</u>
Unused short-term loans credit lines	<u>\$ 946,000</u>	<u>875,000</u>	<u>440,000</u>
Unused long-term loans credit lines	<u>\$ 679,640</u>	<u>679,640</u>	<u>679,640</u>
Range of short-term loans interest rates	<u>1.878%~1.98%</u>	<u>1.878%~2.02775%</u>	<u>1.878%~2.0102%</u>
Range of long-term loans interest rates	<u>1.425%~2.1558%</u>	<u>1.425%~2.1539%</u>	<u>1.425%~2.128%</u>
Long-term loans due year	<u>2025~2034</u>	<u>2025~2034</u>	<u>2025~2034</u>

For the nine months ended September 30, 2025 and 2024, the Group had the additional short-term loans amounting to \$1,328,687 and \$1,011,368, respectively, maturing in February, 2025 to June, 2026 and March, 2024 to April, 2025, respectively. For the nine months ended September 30, 2025 and 2024, the repayment amounted to \$1,199,687 and \$761,368, respectively.

For the nine months ended September 30, 2025 and 2024, the Group had the additional long-term loans amounting to \$100,000 and \$377,000, respectively, with an interest rate of 2.05% and 1.425%~2.0819%, respectively, maturing in December, 2026 and July, 2026 to August, 2034, respectively. For the nine months ended September 30, 2025 and 2024, the repayment amounted to \$236,500 and \$189,250, respectively.

Assets pledged are disclosed in note 8.

(m) Provisions

	September 30, 2025	December 31, 2024	September 30, 2024
Warranties	<u>\$ 45,811</u>	<u>36,831</u>	<u>37,632</u>

There were no significant changes in provisions for the nine months ended September 30, 2025 and 2024. Please refer to Note 6(m) of the 2024 annual consolidated financial statements for other related information.

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AIR ASIA CO., LTD. AND SUBSIDIARIES
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(n) Lease liabilities

The carrying value of lease liabilities was as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Current	\$ 21,369	22,572	22,081
Non-current	175,654	188,343	192,570
	<u>\$ 197,023</u>	<u>210,915</u>	<u>214,651</u>

For the maturity analysis, please refer to note 6(v).

The amounts recognized in profit or loss were as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
Interest on lease liabilities	\$ <u>505</u>	<u>544</u>	<u>1,562</u>	<u>1,655</u>
Expenses relating to short-term leases	\$ <u>594</u>	<u>575</u>	<u>1,612</u>	<u>1,894</u>
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	\$ <u>15</u>	<u>16</u>	<u>41</u>	<u>41</u>

The amounts recognized in the statement of cash flows for the Group was as follows:

	For the nine months ended September 30,	
	2025	2024
Total cash outflow for leases	\$ <u>17,289</u>	<u>17,029</u>

(i) Real estate leases

The Group leases land and buildings for its maintenance factory and office space, which lease terms of two to ten years.

(ii) Other leases

The Group leases transportation equipment with lease terms of three to five years.

The Group also leases land, business premises, staff dormitory and part of transportation equipment with contract terms of one to two years. These leases are short-term or leases of low-value items. The Group has elected not to recognize right-of-use assets and lease liabilities for these leases.

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AIR ASIA CO., LTD. AND SUBSIDIARIES
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(o) Employee benefits

Defined contribution plans

The Group's expenses under the pension plan cost to the Bureau of Labor Insurance for the three months and nine months ended September 30, 2025 and 2024 were as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
Operating cost	\$ 8,666	8,298	25,833	24,367
Selling expenses	589	544	1,753	1,642
Administration expenses	1,037	1,130	3,143	3,377
Research and development expenses	125	110	319	207
Total	<u>\$ 10,417</u>	<u>10,082</u>	<u>31,048</u>	<u>29,593</u>

(p) Income taxes

(i) The components of income tax expenses were as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
Current tax expense				
Current period	\$ 17,796	8,138	46,362	28,281
Adjustment for prior periods	-	-	(72)	-
Income tax expense	<u>\$ 17,796</u>	<u>8,138</u>	<u>46,290</u>	<u>28,281</u>

The amounts of income tax expenses (benefit) recognized in other comprehensive income were as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
Items that will not be reclassified subsequently to profit or loss:				
Gains (losses) on hedging instruments	<u>\$ 3,397</u>	<u>(2,105)</u>	<u>(792)</u>	<u>451</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of foreign financial statement	<u>\$ 22</u>	<u>(16)</u>	<u>(47)</u>	<u>20</u>

(ii) The Group's income tax return for the year 2022 had been examined by the tax authorities.

(Continued)

AIR ASIA CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(q) Capital and other equity

As of September 30, 2025, December 31 and September 30, 2024, the authorized common stock of the Company were both \$2,400,000, comprising 240,000 thousand shares, with a per value of \$10 per share. All of the issued shares were both 209,438 thousand shares. All the capitals were fully received.

Except for the following disclosure, there was no significant change in capital and other equity for the periods from January 1 to September 30, 2025 and 2024. For the related information, please refer to note 6(q) of the consolidated financial statements for the year ended December 31, 2024.

(i) Capital surplus

The balance of capital surplus at the reporting date was as follows:

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Additional paid-in capital	\$ 978,788	978,788	978,788
Gain on disposal of assets	100,063	100,063	100,063
Expired conversion of convertible bonds	2,958	2,958	2,958
Expired employee share options	8,177	8,177	8,177
Other — disorgement	18	18	18
	<u>\$ 1,090,004</u>	<u>1,090,004</u>	<u>1,090,004</u>

The board of directors meeting resolved on February 29, 2024 to distribute cash dividends by its capital surplus in the amount of \$63,001 (NT\$0.30081 per share).

(ii) Retained earnings

The Company's Articles of Incorporation provide that the current net income, after deducting the previous years' losses, shall set aside 10% as legal reserve and special reserve according to the relevant laws and other regulations of R.O.C. Then the balance is added up with the accumulated retained earnings in the previous year. The distribution of the remaining portion, if any, will be proposed by the board of directors for approval in the board of directors meeting.

If dividend is distributed in issued new shares, shall be made in accordance with the provisions of Article 240 of the Company Law. If dividend is distributed in cash, the board of directors shall be attended by two-thirds of the total directors, and resolved by a majority votes at the board of directors, to distribute dividends and bonuses in whole or in part to be paid in cash, and report to the shareholders' meeting.

(Continued)

AIR ASIA CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The Company's dividend policy is based on the principle of stability and balance. In addition to considering the profit of the shareholders, the Company shall take into account the impact of the Company's operations. The Company allocates the at least 50% annual distributable surplus to shareholders' dividend according to factors such as financial, business and operational aspects. The distribution of surplus is prioritized by cash dividends and may also be distributed by stock dividends. However, the proportion of stock dividends shall not be higher than 50% of the total dividends.

The amount of cash dividends and appropriations of earnings for 2024 and 2023 had been approved in the board meeting held on February 26, 2025 and February 29, 2024, respectively. These earnings were appropriated as follows:

	2024	2023
	Amount	Amount
Dividends distributed to ordinary shareholders:		
Cash	\$ 129,969	48,001

(iii) Other equity (net of tax)

	Exchange differences on translation of foreign financial statements	Gains (losses) on hedging instruments	Total
Balance at January 1, 2025	\$ 303	2,104	2,407
Exchange differences on foreign operations	(185)	-	(185)
Changes in fair value of hedging instrument	-	(15,985)	(15,985)
Changes in fair value of hedging instrument reclassified to inventories	-	12,815	12,815
Balance at September 30, 2025	\$ 118	(1,066)	(948)
Balance at January 1, 2024	\$ 134	(3,554)	(3,420)
Exchange differences on foreign operations	78	-	78
Changes in fair value of hedging instrument	-	15,989	15,989
Changes in fair value of hedging instrument reclassified to inventories	-	(14,185)	(14,185)
Balance at September 30, 2024	\$ 212	(1,750)	(1,538)

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AIR ASIA CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(r) Earnings per share

For the three months and nine months ended September 30, 2025 and 2024, the Company's earnings per share were calculated as follows:

Unit of share: thousand

	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
Basic earnings per share:				
Profit attributable to common share holders of the Company	\$ 71,180	32,425	185,518	112,866
Weighted-average number of shares	209,438	209,438	209,438	209,438
	\$ 0.34	0.15	0.89	0.54
Diluted earnings per share:				
Profit attributable to common shareholders of the Company (diluted)	\$ 71,180	32,425	185,518	112,866
Weighted-average number of shares	209,438	209,438	209,438	209,438
Effect of dilutive ordinary shares:				
Remuneration to employees	177	127	208	141
Weighted-average number of shares (diluted)	209,615	209,565	209,646	209,579
	\$ 0.34	0.15	0.88	0.54

(s) Revenue from contracts with customers

(i) Disaggregation of revenue

	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
Primary geographical markets:				
Taiwan	\$ 1,255,570	1,211,554	3,533,221	3,380,584
Asia	172,062	157,356	463,894	424,109
Other	31,527	33,281	105,551	122,900
	\$ 1,459,159	1,402,191	4,102,666	3,927,593
Major services and timing of revenue recognition:				
At a point in time				
Repair supply pricing	\$ 32,361	28,869	102,904	101,270
Outsourced repair and air material transaction	280,803	286,311	839,706	926,305
Subtotal	313,164	315,180	942,610	1,027,575
Over time				
Aircraft maintenance	388,423	299,953	1,115,177	910,454
Fleet maintenance	99,261	95,823	307,934	310,944
Components maintenance	658,311	691,235	1,736,945	1,678,620
Subtotal	1,145,995	1,087,011	3,160,056	2,900,018
Total	\$ 1,459,159	1,402,191	4,102,666	3,927,593

(Continued)

AIR ASIA CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Contract balances

	September 30, 2025	December 31, 2024	September 30, 2024
Trade receivables	\$ 2,026,123	1,415,821	2,105,170
Less: Loss allowance	(1,241)	(3,959)	(3,873)
Total	\$ 2,024,882	1,411,862	2,101,297
Contract assets – Maintenance service	1,497,587	1,364,969	1,465,405
Less: Loss allowance	-	-	-
Total	\$ 1,497,587	1,364,969	1,465,405
Contract liabilities – Maintenance service	\$ 41,957	49,737	64,567

For details on trade receivables and allowance for impairment, please refer to note 6(c).

For details on credit risk of contract assets, please refer to note 6(v).

The amount of revenue recognized for the nine months ended September 30, 2025 and 2024 that were included in the contract liability balance at the beginning of the period were \$3,196 and \$16,403, respectively.

The major change in the balance of contract assets and contract liabilities is the difference between the time frame in the performance obligation to be satisfied and the payment to be received.

(iii) Assets recognized from costs to obtain a contract

	September 30, 2025	December 31, 2024	September 30, 2024
Incremental costs of obtaining contract – non-current	\$ 19,979	19,979	21,496
Less: accumulated amortization	(10,779)	(8,036)	(8,707)
Total	\$ 9,200	11,943	12,789

The related expenses of stamp tax paid by the Group for the acquisition of the aircraft maintenance business are expected to be recoverable and therefore were recognized as assets and amortized over the contract period of the aircraft maintenance business. Amortization expenses of \$913, \$919, \$2,743 and \$2,710 were recognized for the three months and nine months ended September 30, 2025 and 2024.

(Continued)

AIR ASIA CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(t) Remunerations to employees

On June 17, 2025, the Company resolved at the shareholders' meeting to amend its Articles of Incorporation. According to the amended Articles, if the Company has profit in a given fiscal year, the profit shall be used to offset against any accumulated losses incurred by the Company. The remainder, if any, 1%~3% shall be allocated as employee remuneration. In addition to the aforementioned situation, an additional 1% of the profit shall be allocated as employee remuneration to those base-level employees. Prior to the amendment, the Articles of Incorporation stipulated that, if the Company has profit in a given fiscal year, the profit shall be used to offset against any accumulated losses incurred by the Company. The remainder, if any, 1%~3% shall be allocated as employee remuneration.

The remunerations to employees amounted to \$3,708, \$1,254, \$9,659 and \$4,365 for the three months and nine months ended September 30, 2025 and 2024, respectively. These amounts was calculated using the Company's net income before tax without the remunerations to employees for each period, multiplied by the proposed percentage which is stated under the Company's proposed Article of Incorporation. These remunerations were expensed under operating costs or expenses for each period. If there are any subsequent adjustments to the actual remuneration amounts after the annual shareholder' meeting, the adjustment will be regarded as changes in accounting estimates and will be reflected in profit or loss in the following year.

There was a difference of \$8 between the remunerations to employees amounted to \$5,556 for the year ended December 31, 2024 and the amount of the actual distributions for 2024 approved by the Board of Directors. The Company accounted for the difference as a change in accounting estimate and recognized it in profit or loss in 2025. The remunerations to employees amounted to \$2,129 for the year ended December 31, 2023 are identical to those of the actual distributions for 2023. The related information can be accessed through the Market Observation Post System.

(u) Non-operating income and expenses

(i) Other income

The details of other income were as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
Rent income	\$ 347	348	1,042	1,283
Other income — others	2,403	2,543	5,071	4,432
	<u>\$ 2,750</u>	<u>2,891</u>	<u>6,113</u>	<u>5,715</u>

(Continued)

AIR ASIA CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Other gains and losses

The details of other gains and losses were as follows :

	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
Gains (losses) on disposals of property, plant and equipment	\$ 3	4	(93)	16
Foreign exchange gains (losses), net	(1,541)	957	2,305	5,988
Handing fees	(2,499)	(2,309)	(7,324)	(7,108)
Others	(1)	(123)	(2,721)	(143)
	<u>\$ (4,038)</u>	<u>(1,471)</u>	<u>(7,833)</u>	<u>(1,247)</u>

(v) Financial instruments

Except for the contention mentioned below, there was no significant change in the fair value of the Group's financial instruments and degree of exposure to credit risk, liquidity risk and market risk arising from financial instruments. For related information, please refer to note 6(w) of the consolidated financial statements for the year ended December 31, 2024.

(i) Credit risk

1) Credit risk exposure

The carrying amount of financial assets and contract assets represents the maximum amount exposed to credit risk.

2) Concentration of credit risk

As of September 30, 2025, December 31 and September 30, 2024, a few customers of the Group accounted for 85%, 86% and 92%, respectively, of accounts receivable. As of the end of the reporting period, the Group did not suffer any significant credit risk losses due to these customers. The Group periodically evaluates customers' financial position and the possibility of recovery of receivables in order to reduce credit risk.

3) Credit risk exposure of receivables and other financial assets at amortized cost

For credit risk exposure on trade receivables, and the details on loss allowance provision, please refer to note 6(c).

Other financial assets at amortized cost include other receivables and refundable deposit. There was no loss allowance recognized or reversed for the nine months ended September 30, 2025 and 2024. All of these financial assets are considered to have low risk, and thus, the impairment provision recognized during the period was limited to 12 months expected credit losses.

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AIR ASIA CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

4) Contract assets

The Group's customers are concentrated in the aircraft maintenance business. As of September 30, 2025, December 31 and September 30, 2024, the Group's concentration of credit risk on government due to the aircraft maintenance business accounted for 98%, 99% and 96% of contract assets. However, since the counterparties are mainly government, there is no credit risk.

(ii) Liquidity risk

The following table shows the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>Within 1 year</u>	<u>1-2 years</u>	<u>2-5 years</u>	<u>Over 5 years</u>
September 30, 2025						
Non-derivative financial liabilities						
With floating interest rates	\$ 1,160,500	1,180,298	927,037	30,024	131,545	91,692
With fixed interest rates	599,767	600,000	600,000	-	-	-
Non-interest-bearing liabilities	684,447	684,447	684,447	-	-	-
Lease liabilities	197,023	208,927	23,217	17,521	50,205	117,984
Derivative financial liabilities						
Forward exchange contracts:						
Outflow	3,979	79,595	79,595	-	-	-
Inflow	-	(75,616)	(75,616)	-	-	-
	<u>\$ 2,645,716</u>	<u>2,677,651</u>	<u>2,238,680</u>	<u>47,545</u>	<u>181,750</u>	<u>209,676</u>
December 31, 2024						
Non-derivative financial liabilities						
With floating interest rates	\$ 1,168,000	1,194,706	815,516	131,986	123,126	124,078
Non-interest-bearing liabilities	783,225	783,225	783,225	-	-	-
Lease liabilities	210,915	224,408	24,620	18,749	50,849	130,190
	<u>\$ 2,162,140</u>	<u>2,202,339</u>	<u>1,623,361</u>	<u>150,735</u>	<u>173,975</u>	<u>254,268</u>
September 30, 2024						
Non-derivative financial liabilities						
With floating interest rates	\$ 1,573,500	1,603,826	1,175,393	175,172	118,314	134,947
With fixed interest rates	299,671	300,000	300,000	-	-	-
Non-interest-bearing liabilities	791,493	791,493	791,493	-	-	-
Lease liabilities	214,651	228,672	24,170	19,025	51,219	134,258
Derivative financial liabilities						
Forward exchange contracts:						
Outflow	2,527	170,512	170,512	-	-	-
Inflow	-	(167,985)	(167,985)	-	-	-
	<u>\$ 2,881,842</u>	<u>2,926,518</u>	<u>2,293,583</u>	<u>194,197</u>	<u>169,533</u>	<u>269,205</u>

(Continued)

AIR ASIA CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The Group does not expect the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amounts.

(iii) Market risk

1) Currency risk

The Group's significant exposure to foreign currency risk was as follows:

	September 30, 2025			December 31, 2024			September 30, 2024			
	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD	
<u>Financial assets</u>										
<u>Monetary items</u>										
USD	\$	3,555	30.445	108,236	4,253	32.785	139,445	5,927	31.65	187,585
<u>Non-monetary items</u>										
USD		2,834	30.445	86,281	3,783	32.785	124,036	283	31.65	8,957
<u>Financial liabilities</u>										
<u>Monetary items</u>										
USD		7,975	30.445	242,805	5,223	32.785	171,224	6,734	31.65	213,134
<u>Non-monetary items</u>										
USD		2,487	30.445	75,717	-	-	-	5,360	31.65	169,644

2) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, trade receivable, and trade and other payables that are denominated in foreign currency. As of September 30, 2025 and 2024, when the exchange rate of the NTD versus the USD increases or decreases by 1%, given no changes in other factors, profit after tax will decrease or increase by \$1,077 and \$204 for the nine months ended September 30, 2025 and 2024, respectively, and the equity will decrease or increase by \$11 and \$17 due to cash flow hedges for the nine months ended September 30, 2025 and 2024, respectively. This analysis was performed on a consistent basis for both periods.

Exchange gains or losses (including realized and unrealized) that resulted from monetary items translated to the functional currency were as follows:

	January to September, 2025		January to September, 2024	
	Exchange gain (loss)	Average rate	Exchange gain (loss)	Average rate
NTD	\$ 2,305	-	5,988	-

3) Interest rate analysis

Please refer to the notes on liquidity risk management and interest rate exposure of the Group's financial assets and liabilities.

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AIR ASIA CO., LTD. AND SUBSIDIARIES
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The following sensitivity analysis is based on the exposure to the interest rate risk of derivative and non-derivative financial instruments on the reporting date. Regarding liabilities with variable interest rates, the analysis is based on the assumption that the amount of liabilities outstanding at the reporting date was outstanding throughout the year. The rate of change is expressed as the interest rate increases or decreases by 1% when reporting to management internally, which also represents the Group management's assessment of the reasonably possible interest rate change.

If the interest rate had increased or decreased by 1%, the Group's net profit would have decreased or increased by \$6,963 and \$9,441 for the nine months ended September 30, 2025 and 2024, respectively, with all other variable factors remaining constant. This is mainly due to the Group's borrowing at floating rates.

(iv) Fair value of financial instruments

1) Fair value hierarchy

The carrying amount and fair value of the Group's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and lease liabilities, disclosure of fair value information is not required:

	September 30, 2025				
	Carrying amount	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial assets for hedging	\$ <u>2,647</u>	-	2,647	-	2,647
Financial assets measured at amortized cost					
Cash and cash equivalents	\$ 302,027	-	-	-	-
Trade receivables	2,024,882	-	-	-	-
Other receivables	87,637	-	-	-	-
Refundable deposits – current	73,584	-	-	-	-
Refundable deposits – non-current (recorded as other non-current assets)	<u>15,333</u>	-	-	-	-
	\$ <u>2,503,463</u>				
Financial liabilities for hedging	\$ <u>3,979</u>	-	3,979	-	3,979
Financial liabilities measured at amortized cost					
Short-term loans	\$ 749,000	-	-	-	-
Short-term notes payable	599,767	-	-	-	-
Payables	684,447	-	-	-	-
Long-term loans (included in current portion)	411,500	-	-	-	-
Lease liabilities	<u>197,023</u>	-	-	-	-
	\$ <u>2,641,737</u>				

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AIR ASIA CO., LTD. AND SUBSIDIARIES
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The table above analyzes financial instruments carried at fair value by the levels in the fair value hierarchy. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identified assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the assets or liability that are not based on observable market data (unobservable inputs).

There was no reclassification of levels during the nine months ended September 30, 2025 and 2024.

2) Valuation techniques for financial instruments measured at fair value

Derivative financial instruments

Measurement of the fair value of derivative instruments is based on the valuation techniques generally accepted by market participants such as the discounted cash flow. Fair value of forward currency is usually determined by the forward currency exchange rate.

(w) Financial risk management

There were no significant changes in the Group's financial risk management and policies as disclosed in note 6(x) of the consolidated financial statements for the year ended December 31, 2024.

(x) Capital management

Management believes that the objectives, policies and processes of capital management of the Group has been applied consistently with those described in the consolidated financial statements for the year ended December 31, 2024. Also, management believes that there were no significant changes in the Group's capital management information as disclosed for the year ended December 31, 2024. Please refer to note 6(y) of the consolidated financial statements for the year ended December 31, 2024 for further details.

(y) Investing and financing activities not affecting the current cash flow

The Group acquired right-of-use assets by leases for the nine months ended September 30, 2025 and 2024, please refer to note 6(h).

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AIR ASIA CO., LTD. AND SUBSIDIARIES
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Reconciliation of liabilities arising from financing activities was as follows:

	January 1, 2025	Cash flows	Non-cash changes	September 30, 2025
Short-term loans	\$ 620,000	129,000	-	749,000
Short-term notes payable	-	599,767	-	599,767
Long-term loans (included in current portion)	548,000	(136,500)	-	411,500
Lease liabilities	210,915	(14,074)	182	197,023
Total liabilities from financing activities	\$ 1,378,915	578,193	182	1,957,290
	January 1, 2024	Cash flows	Non-cash changes	September 30, 2024
Short-term loans	\$ 730,000	250,000	-	980,000
Short-term notes payable	-	299,671	-	299,671
Long-term loans (included in current portion)	405,750	187,750	-	593,500
Lease liabilities	223,287	(13,439)	4,803	214,651
Total liabilities from financing activities	\$ 1,359,037	723,982	4,803	2,087,822

(7) Related-party transactions

(a) Names and relationship with related parties

The followings are entities that have had transactions with related party during the periods covered in the consolidated financial statements.

Name of related party	Relationship with the Group
Apex Aviation Inc.	Substantive related party (Note)

Note: The parent company of the Group, Taiwan Aerospace Corporation, was a director of the company. It was no longer a related party of the Group after the re-election of the company's board of directors in February 2025.

(b) Significant transactions with related parties

The amounts of significant sales by the Group to related parties were as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
Other related parties	\$ -	380	-	598

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AIR ASIA CO., LTD. AND SUBSIDIARIES
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The sales price to the above related parties was determined through mutual agreement based on the market rates. The credit terms ranged from 15 to 60 days, the collection terms for related parties approximated the market terms. As of September 30, 2025, December 31 and September 30, 2024, the receivables from related parties were \$0, \$12 and \$5, respectively, which recorded as trade receivables.

(c) Key management personnel compensation

Key management personnel compensation comprised:

	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
Short-term employee benefits	\$ 3,511	4,302	10,829	12,602
Post-employment benefits	129	173	405	509
	<u>\$ 3,640</u>	<u>4,475</u>	<u>11,234</u>	<u>13,111</u>

(8) Pledged assets

The carrying amounts of assets pledged as security were as follows:

Pledged assets	Object	September 30, 2025	December 31, 2024	September 30, 2024
Refundable deposits— current	Guarantee deposits and customs bond	\$ 73,584	88,381	96,938
Refundable deposits— non-current (Note1)	Guarantee deposits	15,333	12,300	12,173
Land	Short-term and long- term loans	255,076	255,076	255,076
Buildings and structures	Short-term and long- term loans	2,290	2,812	3,021
		<u>\$ 346,283</u>	<u>358,569</u>	<u>367,208</u>

Note 1: recorded as other non-current assets.

(9) Significant commitments and contingencies

(a) Unrecognized contractual commitments

- (i) As of September 30, 2025, December 31 and September 30, 2024, the maintenance bond and customs bond offered by banks amounted to \$1,988,810, \$2,020,980 and \$1,968,230, respectively.

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AIR ASIA CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) The Group signed contracts with domestic and foreign vendors for building and purchasing property, plant and equipment. As of September 30, 2025, December 31 and September 30, 2024, the contracts amounted to \$546,309, \$556,605 and \$551,611, respectively, and the unpaid payment was \$417,412, \$427,708 and \$422,714, respectively.

(b) Contingencies: None.

(10) Losses Due to Major Disasters: None

(11) Subsequent Events: None

(12) Other:

(a) A summary of current-period employee benefits, depreciation, and amortization, by function, is as follows:

By item	By function	For the three months ended September 30,					
		2025			2024		
		Cost of Sale	Operating Expense	Total	Cost of Sale	Operating Expense	Total
Employee benefits							
Salary		180,132	36,346	216,478	160,399	36,289	196,688
Labor and health insurance		17,130	4,033	21,163	15,964	3,931	19,895
Pension		8,666	1,751	10,417	8,298	1,784	10,082
Others		10,478	2,124	12,602	10,266	2,359	12,625
Depreciation		21,918	4,615	26,533	21,497	3,980	25,477
Amortization		(95)	1,064	969	1,642	329	1,971

By item	By function	For the nine months ended September 30,					
		2025			2024		
		Cost of Sale	Operating Expense	Total	Cost of Sale	Operating Expense	Total
Employee benefits							
Salary		533,734	104,503	638,237	474,234	107,627	581,861
Labor and health insurance		51,089	10,479	61,568	47,176	10,204	57,380
Pension		25,833	5,215	31,048	24,367	5,226	29,593
Others		31,938	6,239	38,177	33,911	6,427	40,338
Depreciation		66,222	12,628	78,850	63,161	11,230	74,391
Amortization		3,163	2,362	5,525	4,427	995	5,422

(b) Seasonality of operations

The Group's operations were not affected by seasonality or cyclicity factors.

(Continued)

AIR ASIA CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(13) Other disclosures:

(a) Information on significant transactions:

The followings were the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Group for the nine months ended September 30, 2025:

- (i) Loans to other parties:None
- (ii) Guarantees and endorsements for other parties:None
- (iii) Information regarding significant securities held at the reporting date (subsidiaries, associates and joint ventures not included):None
- (iv) Information regarding related-parties purchases and/or sales exceeding 100 million or 20% of the Company’s paid-in capital:None
- (v) Information regarding receivables from related-parties exceeding 100 million or 20% of the Company’s paid-in capital:None
- (vi) Significant transactions and business relationship between the parent company and its subsidiaries:None

(b) Information on investees:

The followings are the information on investees for the nine months ended September 30, 2025 (excluding information on investees in Mainland China):

Name of investor	Name of investee	Main businesses and products	Original investment amount		Balance as of September 30, 2025			Net income (losses) of investee	Investment income (loss) recognized	Note
			September 30, 2025	December 31, 2024	Shares (thousands)	Percentage of ownership	Carrying value			
The Company	Air Asia Company Ltd. (USA)	Logistic service	6,699	6,699	10	100.00 %	2,985	(45)	(45)(Note)	

Note: the transaction was eliminated in the preparation of consolidated financial statements.

(c) Information on investment in mainland China:None

(14) Segment information:

The Group is principally engaged in the maintenance of aircrafts and spare parts. The Group’s decision makers assess the performance and allocate resources based on the overall financial statements. It is recognized that the Group is a single operating department. Financial segment information is consistent with the above financial information for the Group as a whole. The accounting policies of the operating segment are the same as those described in note 4.