Stock Code:6757

TIGERAIR TAIWAN CO., LTD.

FINANCIAL STATEMENTS

with Independent Auditors' Report
For the Years Ended December 31, 2025 and 2024

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Independent Auditors' Report

To the board of directors of Tigerair Taiwan Co., Ltd.:

Opinion

We have audited the financial statements of Tigerair Taiwan Co., Ltd.("the Company"), which comprise the balance sheet as of December 31, 2025 and 2024, the statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and its financial performance and its cash flows for the year then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards (" IASs"), Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to the key audit matters to be communicated in our report.

1. Passenger Revenue Recognition

   Please refer to Note 4(m) and Note 6(p) for "Revenue recognition" and "Revenue from contracts with customers", respectively.

KPMG, a Taiwan partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

Description of key audit matter:

Tigerair Taiwan Co., Ltd. is a low-cost carrier that primarily engage in providing international air transportation services. Approximately 96% of its operating revenue is derived from passenger services. In accordance with IFRS 15 "Revenue from Contracts with Customers", advance payments received from ticket sales are recognized as contract liabilities and subsequently recognized as revenue after the related flights are actually operated. Given that passenger revenue represents a significant portion of total revenue and the billing process is highly automated, the passenger revenue recognition has been identified as a key audit matter.

How the matter was addressed in our principal audit procedures included:

- Testing the effectiveness of the design and implementation of the internal control for passenger revenue.
- Testing the effectiveness of the information system related to passenger revenue.
- Select an appropriate sample size and inspect revenue transaction records to assess whether the actual flight operations align with the timing of revenue recognition, in order to evaluate the existence and accuracy of passenger revenue.

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

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

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

Those charged with governance (including the Audit Committee or supervisors) are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide the governance unit with the statement that our affiliated independent personnel have followed the statement of independence in the code of professional ethics for accountants. We also communicate with the governance unit and those responsible parties who may consider to have an impact on the independence and other matters (including related protective measures).

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

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

The engagement partners on the audit resulting in this independent auditors' report are Yang, Shu-Chih and Chi, Meng-Chun.

KPMG

Taipei, Taiwan (the Republic of China)
March 4, 2026

Notes to Readers

The accompanying financial statements are intended only to present the 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 audit such financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' audit report and the accompanying 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' audit report and financial statements, the Chinese version shall prevail.

(English Translation of Financial Statements and Report Originally Issued in Chinese)

TIGERAIR TAIWAN CO., LTD.

Balance Sheets

December 31, 2025 and 2024

(Expressed in thousands of New Taiwan Dollar)

	Assets	December 31, 2025 Amount	%	December 31, 2024 Amount	%
	Current assets:				
1100	Cash and cash equivalents(note 6(a))	$ 10,795,952	42	11,528,209	52
1139	Current financial assets for hedging (note 6(b))	159	-	-	-
1172	Accounts receivable (notes 6(c) and (p))	274,550	1	214,095	1
1181	Accounts receivable due from related parties (notes 6(c), (p) and 7)	1,479	-	1,129	-
1200	Other receivables (note 6(c))	47,629	-	28,347	-
1220	Current tax assets	43,839	-	43,839	-
1300	Inventories	549	-	-	-
1470	Other current assets (notes 6(g) and 7)	426,592	2	218,689	1
	Total current assets	11,590,749	45	12,034,308	54
	Non-current assets:				
1600	Property, plant and equipment (notes 6(d) and 8)	2,257,134	9	915,646	4
1755	Right-of-use assets (note 6(e))	8,732,489	34	7,225,969	32
1780	Intangible assets (note 6(f))	136,866	1	130,390	1
1840	Deferred tax assets (note 6(l))	424,677	2	477,951	2
1915	Prepayments for equipment (notes 7 and 9)	2,193,662	8	1,148,201	5
1920	Guarantee deposits paid (note 6(i))	336,265	1	308,953	1
1995	Pledged assets (notes 6(i) and 8)	115,409	-	133,689	1
	Total non-current assets	14,196,502	55	10,340,799	46
	Total assets	**$ 25,787,251**	**100**	22,375,107	**100**

	Liabilities and Equity	December 31, 2025 Amount	%	December 31, 2024 Amount	%
	Current liabilities:				
2126	Current financial liabilities for hedging (note 6(b))	$ -	-	1,744	-
2130	Current contract liabilities (note 6(p))	4,061,517	16	3,190,870	14
2170	Accounts payable	991,071	4	755,671	3
2180	Accounts payable to related parties (note 7)	136,223	1	176,298	1
2200	Other payables	676,280	3	522,842	2
2230	Current tax liabilities	540,116	2	-	-
2250	Other current liabilities (note 6(j))	427,971	2	181,651	1
2280	Current lease liabilities (notes 6(i) and 7)	1,876,312	7	1,729,505	8
2322	Long-term borrowings, current portion (notes 6(h) and 8)	94,545	-	94,545	-
2399	Other current liabilities, others	888,152	3	756,127	3
	Total current liabilities	9,692,187	38	7,409,253	32
	Non-Current liabilities:				
2540	Long-term borrowings (notes 6(h) and 8)	23,637	-	118,182	1
2550	Non-current provisions (note 6(j))	1,213,081	5	813,246	4
2570	Deferred tax liabilities (note 6(l))	32	-	6,347,805	29
2580	Non-current lease liabilities (notes 6(i) and 7)	7,476,973	29	59,950	-
2600	Other non-current liabilities (note 6(k))	63,382	-	59,950	-
	Total non-current liabilities	8,777,105	34	7,339,183	34
	Total liabilities	18,469,292	72	14,748,436	66
	Equity attributable to owners of parent (notes 6(m)(n))**:**				
3100	Ordinary share	4,595,300	18	4,595,300	21
3200	Capital surplus	1,329	-	534,384	2
	Retained earnings:				
3310	Legal reserve	249,838	1	-	-
3350	Unappropriated retained earnings	2,471,364	9	2,498,382	11
	Total retained earnings	2,721,202	10	2,498,382	11
3400	Other equity	128	-	(1,395)	-
	Total equity	7,317,959	28	7,626,671	34
	Total liabilities and equity	**$ 25,787,251**	**100**	22,375,107	**100**

See accompanying notes to financial statements.

(English Translation of Financial Statements and Report Originally Issued in Chinese)

TIGERAIR TAIWAN CO., LTD.

Statements of Comprehensive Income

For the years ended December 31, 2025 and 2024

(Expressed in thousands of New Taiwan Dollar , except Earnings Per Share)

		2025		2024	
		Amount	%	Amount	%
4000	**Operating revenue** (notes 6(p) and 7)	$ 16,898,827	100	16,423,023	100
5000	**Operating costs** (notes 6(d), (e), (f), (i), (j), (k), 7 and 12)	12,223,612	72	11,280,155	69
	Gross profit from operations	4,675,215	28	5,142,868	31
	Operating expenses (notes 6(d), (e), (f), (i), (k), (n), (q), 7 and 12)**:**				
6100	Selling expenses	626,640	4	573,255	3
6200	Administrative expenses	840,870	5	894,636	5
6450	Expected credit loss (note 6(c))	59	-	32	-
	Total operating expenses	1,467,569	9	1,467,923	8
	Net operating income	3,207,646	19	3,674,945	23
	Non-operating income and expenses (note 6(r))**:**				
7100	Interest income	395,460	2	315,747	2
7010	Other income	45,433	-	42,288	-
7020	Other gains and losses, net	(230,616)	(1)	(230,062)	(1)
7050	Finance cost (note 6(i))	(331,300)	(2)	(297,573)	(2)
	Total non-operating income and expenses	(121,023)	(1)	(169,600)	(1)
7900	**Profit from continuing operations before tax**	3,086,623	18	3,505,345	22
7950	Income tax expenses (note 6(l))	619,551	4	733,562	4
8200	**Profit**	2,467,072	14	2,771,783	18
8300	**Other comprehensive income:**				
8310	**Items that will not be reclassified to profit or loss**				
8311	Gains (losses) on remeasurements of defined benefit plans (note 6(k))	2,850	-	(14,352)	-
8349	Income tax benefit (expense) related to items that will not be reclassified to profit or loss	-	-	-	-
	Total items that will not be reclassified to profit or loss	2,850	-	(14,352)	-
8360	**Items that will be reclassified to profit or loss**				
8368	Gains (losses) on hedging instrument (note 6(b))	1,904	-	977	-
8399	Income tax benefit (expense) related to items that will be reclassified to profit or loss (note 6(l))	(381)	-	(195)	-
	Total items that will be reclassified to profit or loss	1,523	-	782	-
8300	**Other comprehensive income (loss), net of tax**	4,373	-	(13,570)	-
	Total comprehensive income	**$ 2,471,445**	**14**	**2,758,213**	**18**
	Earnings per share (note 6(o))				
9750	Basic earnings per share (in New Taiwan dollars)	**$**	**5.37**		**6.16**
9850	Diluted earnings per share (in New Taiwan dollars)	**$**	**5.36**		**6.15**

See accompanying notes to financial statements.

(English Translation of Financial Statements and Report Originally Issued in Chinese)

TIGERAIR TAIWAN CO., LTD.

Statements of Changes in Equity

For the years ended December 31, 2025 and 2024

(Expressed in thousands of New Taiwan Dollar)

			Retained earnings		Other Equity	
	Ordinary shares	Capital surplus	Legal earnings reserve	Retained earnings (accumulated deficit)	Gains (losses) on effective portion of cash flow hedges	Total equity
Balance at January 1, 2024	$ 4,490,000	990,081	-	(1,249,130)	(2,177)	4,228,774
Other changes in capital surplus:						
Capital surplus used to offset accumulated deficits	-	(990,081)	-	990,081	-	-
Net income for the year ended December 31, 2024	-	-	-	2,771,783	-	2,771,783
Other comprehensive income for the year ended December 31, 2024	-	-	-	(14,352)	782	(13,570)
Total comprehensive income for the year ended December 31, 2024	-	-	-	2,757,431	782	2,758,213
Capital increase by cash	105,300	473,170	-	-	-	578,470
Share-based payment transactions	-	61,214	-	-	-	61,214
Balance at December 31, 2024	**4,595,300**	**534,384**	**-**	**2,498,382**	**(1,395)**	**7,626,671**
Appropriation and distribution of retained earnings:						
Legal reserve appropriated	-	-	249,838	(249,838)	-	-
Cash dividends on ordinary share	-	-	-	(2,247,102)	-	(2,247,102)
Other changes in capital surplus:						
Distribution of cash dividends from capital surplus	-	(533,055)	-	-	-	(533,055)
Net income for the year ended December 31, 2025	-	-	-	2,467,072	-	2,467,072
Other comprehensive income for the year ended December 31, 2025	-	-	-	2,850	1,523	4,373
Total comprehensive income for the year ended December 31, 2025	-	-	-	2,469,922	1,523	2,471,445
Balance at December 31, 2025	**$ 4,595,300**	**1,329**	**249,838**	**2,471,364**	**128**	**7,317,959**

See accompanying notes to financial statements.

(English Translation of Financial Statements and Report Originally Issued in Chinese)

TIGERAIR TAIWAN CO., LTD.

Statements of Cash Flows

For the years ended December 31, 2025 and 2024

(Expressed in thousands of New Taiwan Dollar)

	2025	2024
Cash flows from operating activities:		
Profit before tax	$ 3,086,623	3,505,345
Adjustments:		
Adjustments to reconcile profit:		
Depreciation expense	2,062,937	1,790,001
Amortization expense	19,521	19,143
Expected credit loss	59	32
Interest expense	331,300	297,573
Interest income	(395,460)	(315,747)
Share-based payment transactions	-	61,214
Loss on disposal of property, plant and equipment	2,837	2,998
Loss on disposal of intangible assets	1,219	-
Unrealized foreign exchange gain (loss)	1,460	118,460
Provisions for liabilities	702,612	568,485
Total adjustments to reconcile profit	2,726,485	2,542,159
Changes in operating assets and liabilities:		
Accounts receivable	(60,455)	(3,160)
Accounts receivable due from related parties	(350)	(1,069)
Other receivable	(19,231)	69,695
Inventories	(549)	4
Other current assets	(207,903)	222,208
Contract liabilities	870,647	392,436
Accounts payable	235,563	81,689
Accounts payable to related parties	(40,075)	50,261
Other payable	153,438	233,639
Provisions	(37,174)	(133,206)
Other current liabilities	132,026	87,996
Net defined benefit liability	4,951	2,078
Total adjustments	1,030,888	1,002,571
Cash inflow generated from operations	6,843,996	7,050,075
Interest received	395,460	315,747
Interest paid	(331,300)	(297,573)
Income taxes paid	(26,510)	(27,936)
Net cash flows from operating activities	6,881,646	7,040,313
Cash flows from investing activities:		
Acquisition of property, plant and equipment	(1,633,814)	(43,339)
Increase in refundable deposits	(43,701)	(22,107)
Decrease in refundable deposits	4,125	51,610
Increase in pledged assets	(110,881)	(77,922)
Decrease in pledged assets	132,922	199,234
Acquisition of intangible assets	(27,216)	(1,393)
Increase in prepayments for equipment	(1,045,461)	(208,499)
Net cash flows used in investing activities	(2,724,026)	(102,416)
Cash flows from financing activities:		
Increase in short-term borrowings	-	100,000
Decrease in short-term borrowings	-	(100,000)
Repayments of long-term borrowings	(94,545)	(118,182)
Increase in guarantee deposits received	29,408	11,601
Decrease in guarantee deposits received	(28,077)	(3,200)
Payment of lease liabilities	(1,786,903)	(1,576,081)
Cash dividends paid	(2,780,157)	-
Capital increase by cash	-	578,470
Net cash flows from (used in) financing activities	(4,660,274)	(1,107,392)
Effect of exchange rate changes on cash and cash equivalents	(229,603)	308,863
Net increase in cash and cash equivalents	(732,257)	6,139,368
Cash and cash equivalents at beginning of period	11,528,209	5,388,841
Cash and cash equivalents at end of period	**$ 10,795,952**	**11,528,209**

See accompanying notes to financial statements.

(English Translation of Financial Statements and Report Originally Issued in Chinese)

TIGERAIR TAIWAN CO., LTD.

Notes to the Financial Statements

For the years ended December 31, 2025 and 2024

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

(1) Company history

Tigerair Taiwan Co., Ltd. (the "Company") was incorporated on April 21, 2014 as a company limited by shares under the Company Act of the Republic of China (R.O.C.) and with registered business address at No. 1, Hangzhan S. Rd., Dayuan Dist., Taoyuan City. The Company provides passenger and cargo transportation service under low cost carrier business model. The Company's shares were listed on the Taiwan Stock Exchange in August 15, 2023.

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

These financial statements were authorized for issue by the Board of Directors on March 4, 2026 .

(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 Company has initially adopted the following new amendments, which do not have a significant impact on its 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 Company 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 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)

TIGERAIR TAIWAN CO., LTD.
Notes to the 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 Company, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

Standards or Interpretations	Content of amendment	Effective date per IASB
IFRS 18 "Presentation and Disclosure in Financial Statements"	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. ● 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.	January 1, 2027 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.

(Continued)

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

The Company 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 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"
- Amendments to IAS 21, "Translation to a Hyperinflationary Presentation Currency"

(4) Summary of material accounting policies:

The significant accounting policies presented in the financial statements are summarized below. Except for those specifically indicated, the following accounting policies were applied consistently throughout the periods presented in the financial statements.

(a) Statement of compliance

These financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as "the Regulations") and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations endorsed and issued into effect by the Financial Supervisory Commission, R.O.C. (hereinafter referred to as "IFRSs endorsed by FSC").

(b) Basis of preparation

(i) Basis of measurement

Except for the following significant accounts, the financial statements have been prepared on a historical cost basis:

1) Hedging financial instruments are measured at fair value;

2) The defined benefit liabilities are measured at fair value of the plan assets less the present value of the defined benefit obligation.

(ii) Functional and presentation currency

The functional currency of each entity is determined based on the primary economic environment in which the entity operates. The financial statements are presented in New Taiwan dollars (NTD), which is the Company's functional currency. All financial information presented in NTD has been rounded to the nearest thousand.

TIGERAIR TAIWAN CO., LTD.
Notes to the Financial Statements

(c) Foreign currencies

Transactions in foreign currencies are translated into the respective functional currencies of Company entities at the exchange rates at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date. Non-monetary items denominated in foreign currencies that are measured at fair value are translated into the functional currencies using the exchange rate at the date that the fair value was determined. Nonmonetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

Exchange differences are generally recognized in profit or loss, except for qualifying cash flow hedges to the extent that the hedges are effective, which are recognized in other comprehensive income.

(d) Classification of current and non-current assets and liabilities

An asset is classified as current under one of the following criteria, and all other assets are classified as noncurrent.

(i) It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) It is expected to be realized within twelve months after the reporting period; or

(iv) The asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified as current under one of the following criteria, and all other liabilities are classified as noncurrent.

(i) It is expected to be settled in the normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) It is due to be settled within twelve months after the reporting period; or

(iv) The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by issuing equity instruments do not affect its classification.

(e) Cash and cash equivalents

Cash comprise cash, on hand and deposits, cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Time deposits which meet the above definition and are held for the purpose of meeting short term cash commitments rather than for investment or other purposes should be recognized as cash equivalents.

(Continued)

(f) Financial instruments

Accounts receivables are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a accounts receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. An accounts receivable without a significant financing component is initially measured at the transaction price.

(i) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

On initial recognition, a financial asset is classified as measured at: amortized cost; or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

1) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

· it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

· its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortized cost, which is the amount at which the financial asset is measured at initial recognition, plus/minus, the cumulative amortization using the effective interest method, adjusted for any loss allowance. Interest income, foreign exchange gains and losses, as well as impairment, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

2) Fair value through profit or loss (FVTPL)

All financial assets not classified as amortized cost as above are measured at FVTPL, including derivative financial assets.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

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3) Impairment of financial assets

The Company recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, amortized costs, accounts receivables, other receivable, guarantee deposit paid and pledged assets).

The Company measures loss allowances at an amount equal to lifetime expected credit loss (ECL), except for the following which are measured as 12-month ECL:

· bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowance for accounts receivables are always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company' s historical experience and informed credit assessment as well as forward-looking information.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is ' credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that financial assets is credit-impaired includes the following observable data:

· a breach of contract such as a default or being more than 30 days past due; or

· it is probable that the borrower will enter bankruptcy or other financial reorganization.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For corporate customers, the Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

4) Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred.

(ii) Financial liabilities and equity instruments

1) Classification of debt or equity

Debt and equity instruments issued by the Company are classified as financial liabilities or equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2) Equity instrument

An equity instrument is any contract that evidences residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recognized as the amount of consideration received, less the direct cost of issuing.

3) Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on exclusion is also recognized in profit or loss.

4) Derecognition of financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount of a financial liability extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

5) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(iii) Derivative financial instruments and hedge accounting

The Company holds derivative financial instruments to hedge its foreign currency and interest rate exposures.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognized in profit or loss.

At inception of designated hedging relationships, the Company documents the risk management objective and strategy for undertaking the hedge. The Company also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

1) Cash flow hedges

The effective portion of changes in the fair value of derivatives and other qualifying hedging instruments that are designated and qualify as cash flow hedges is recognized in other comprehensive income and accumulated under " other equity-gains (losses) on hedging instruments", limited to the cumulative change in fair value of the hedged item from inception of the hedge. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss.

Amounts previously recognized in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognized hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognized in other comprehensive income and accumulated in equity are removed from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability. Furthermore, if the Company expects that some or all of the loss accumulated in other equity will not be recovered in the future, that amount is immediately reclassified to profit or loss.

(Continued)

(g) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is calculated using the weighted average method, and includes expenditure incurred in acquiring the inventories, and other costs incurred in bringing them to their present location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated selling expenses.

(h) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost which includes capitalized borrowing costs, less accumulated depreciation and accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

(ii) Subsequent cost

Subsequent expenditure is capitalized only when it is probable that future economic benefits associated with the expenditure will flow to the Company.

(iii) Depreciation

Depreciation is calculated on the cost of an asset less its residual value and is recognized in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment.

The estimated useful lives for the current and comparative years of significant items of property, plant and equipment are as follows:

1) Aircraft and related equipment: 5-15 years

2) Other equipment (including machinery, office equipment, and leased improvement): 2-10 years

Depreciation methods, useful lives, and residual values are reviewed at each reporting date and adjusted if appropriate.

(i) Identifying a lease

At inception of a contract, the Company assesses whether a contract is (or contains) a lease. A contract is (or contains) a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

(i) As a lessee

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

1) fixed payments, including in-substance fixed payments;

2) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

3) amounts expected to be payable under a residual value guarantee; and

4) payments for purchase or termination options that are reasonably certain to be exercised.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when:

1) there is a change in future lease payments arising from the change in an index or rate; or

2) there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee; or

3) there is a change in the lease term resulting from a change of its assessment on whether it will exercise an option to purchase the underlying asset, or

4) there is a change of its assessment on whether it will exercise a extension or termination option; or

5) Modifications to the lease asset, scope, or other terms of the lease.

When the lease liability is remeasured, other than lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Company accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize in profit or loss any gain or loss relating to the partial or full termination of the lease.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

As a practical expedient, the Company elects not to assess whether all rent concessions that meets all the following conditions are lease modifications or not:

1) the rent concessions occurring as a direct consequence of the COVID-19 pandemic;

2) the change in lease payments that resulted in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;

3) any reduction in lease payments that affects only those payments originally due on, or before, June 30, 2022; and

4) there is no substantive change in other terms and conditions of the lease.

In accordance with the practical expedient, the effect of the change in the lease liability is reflected in profit or loss in the period in which the event or condition that triggers the rent concession occurs.

(j) Intangible assets

(i) Recognition and measurement

Intangible assets including computer software and trademark, that are acquired by the Company are measured at cost less accumulated amortization and any accumulated impairment losses.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in profit or loss as incurred.

(iii) Amortization

Amortization is calculated over the cost of the asset, less its residual value, and is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

The estimated useful lives for the current and comparative periods are as follows:

1) Computer software: 3-6 years

2) Trademark: 13 years

Amortization methods, useful lives, and residual values are reviewed at each reporting date and adjusted if appropriate.

(k) Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

(l) Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

When the aircraft lease contracts expire and will be returned to lessor, the Company should assess if present obligation exists. If present obligation exists, then the Company will recognize as provision when signing of the lease contract. Assessment of provision is based on previous maintenance experiences of the same or similar types of aircraft, the actual costs of heavy maintenance, and the historical data on the usage of aircrafts.

(m) Revenue from contracts with customers

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer. The Company recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer. The accounting policies for the Company's main type of revenue are explained below.

(i) Aviation transportation revenue

Revenue from passenger and cargo service is recognized when the transportation service is provided. The value of unflown passenger and cargo service is recorded as contract liability initially and recognized as revenue when the flight is uplifted.

(ii) Customer loyalty program

The Company operates a "Tigerclub Member privilege program" to provide members with accumulated ticket reward bonus, which could be used to offset the payment for airfare, luggage feet, priority check-in, and order of meals in flight cabin. Management estimates the amount of provision by the past experience of probability of redemption. The reward bonus is not recognized as revenue at time of the initial sale transaction but is deferred and recognized as revenue when the reward bonus is applied for use the Company's obligation has been fulfilled, or when the reward bonus has expired.

(n) Employee benefits

The pension cost in the interim period was calculated and disclosed on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior fiscal year.

Because of hiring the crew members of non-nationality who were not qualify for the requirements of the Industrial Pension Regulations, the Company recognizes the benefit plan according to the Labor Standards Law, and the rest of the employees was recognizes the benefit plans of the Industrial Pension Regulations.

(i) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

(ii) Defined benefit plans

The Company net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income, and accumulated in retained earnings. The Company determines the net interest expense (income) on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(o) Share-based payment

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognized as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

The fair value of the amount payable to employees in respect of share appreciation rights, which are settled in cash, is recognized as an expense with a corresponding increase in liabilities, over the period during which the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of the share appreciation rights. Any changes in the liability are recognized in profit or loss.

Grant date of a share-based payment award is the date which the board of directors authorized the price and number of a new award.

(p) Income taxes

Income taxes comprise current taxes and deferred taxes. Except for expenses related to business combinations or recognized directly in equity or other comprehensive income, all current and deferred taxes are recognized in profit or loss.

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases.

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if the following criteria are met:

1. The Company has a legally enforceable right to set off current tax assets against current tax liabilities; and

2. The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

   (i) the same taxable entity; or

   (ii) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

   Deferred tax assets are recognized for the carry forward of unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realized.

(q) Earnings per share

The Company discloses the Company's basic and diluted earnings per share attributable to ordinary shareholders of the Company. Basic earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding. Diluted earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all potentially dilutive ordinary shares, such as employee compensation.

(r) Operating segments

An operating segment is a component of the Company. the Compant consists of only department. Operating results of the operating segment are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance.

(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.

Estimates and underlying assumptions are reviewed on an ongoing basis and are consistent with the Company's risk management and climate-related commitments where appropriate. Revisions to estimates are recognised prospectively in the period of the change and future periods.

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is as follows:

(a) Provisions

When the aircraft lease contracts expire and will be returned to lessor, the Company should assess if present obligation exists. If present obligation exists, then the Company will recognize as provision when signing of the lease contract. Assessment of provision is based on previous maintenance experiences of the same or similar types of aircraft, the actual costs of heavy maintenance, and the historical data on the usage of aircrafts. The Company regularly reviews the basis of the estimate and, if necessary, amends it as appropriate. There could be a significant impact on maintenance provision for any change on the basis of the estimate. Please refer to note 6(j) for the estimate of provisions.

(6) Explanation of significant accounts:

(a) Cash and cash equivalents

	December 31, 2025	December 31, 2024
Cash on hand	$ 225	222
Demand deposits	3,348,940	4,709,744
Time deposits	7,446,787	6,818,243
	$ 10,795,952	**11,528,209**

Please refer to note 6(s) for the interest rate risk, and sensitivity analysis of the financial assets and liabilities of the Company.

(b) Financial instruments used for hedging

	December 31, 2025	December 31, 2024
Current financial assets used for hedging:		
Oil swap contracts	**$ 159**	**-**
Current financial liabilities used for hedging:		
Oil swap contracts	**$ -**	**1,744**

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(i) Oil swap contracts

The Company's strategy is to use oil swap contracts to hedge risks arising from oil price fluctuations and choose select derivative financial products that are highly correlated with the price changes of the hedged items as hedging instruments, which are settled at the average market price during the hedging period and delivered in net cash on the delivery date. The Company's unexpired oil swap contract is as follows:

	December 31, 2025			
	Contract amount (in thousands)	Currency (in thousand barrels)	Maturity period	Average strike price
BRENT	USD 299	5	2026/11/06	59.70

	December 31, 2025			
	Contract amount (in thousands)	Currency (in thousand barrels)	Maturity period	Average strike price
BRENT	USD 789	10	2025/1/6-2025/4/7	78.35~79.38

(ii) The impact of the amounts relating to hedging instruments on other comprehensive income for the year ended December 31, 2025 and 2024, were as follows:

	For the years ended December 31,	
	2025	2024
Amounts Items recognized in other comprehensive income (After tax)	$ 1,523	782
Amount reclassified from equity reserve to other profit or loss	$ 8,329	12,260

(iii) There was no ineffective portion of cash flow hedge recognized in profit or loss.

(c) Accounts receivables (including due from related parties) and other receivables

	December 31, 2025	December 31, 2024
Accounts receivable	$ 274,595	214,127
Accounts receivable due from related parties	1,479	1,129
Other receivables	47,629	28,347
Less: Loss allowance	(45)	(32)
	$ 323,658	243,571

The average collection period of the Company's accounts receivable from related parties varies from one to two months and does not bear any interest. The Company does not expect to default on these accounts receivable during the period of their existence. Please refer to Note 7 for the rest of the explanation.

(Continued)

Most of the accounts receivables incurred from large credit card company, which average credit period ranges from 0 to 30 days. The Company 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 the incorporated forward looking information, including macroeconomic and relevant industry information. The loss allowance provisions in the Company were determined as follows:

	December 31, 2025		
	Gross carrying amount	**Weighted-average loss rate**	**Loss allowance provision**
Current	$ 274,550	-	-
More than 181 days past due	45	100%	45
	$ 274,595		**45**

	December 31, 2024		
	Gross carrying amount	**Weighted-average loss rate**	**Loss allowance provision**
Current	$ 214,082	-	-
91 to 180 days past due	25	50%	12
More than 181 days past due	20	100%	20
	$ 214,127		**32**

The movements in the allowance for accounts receivables were as follows:

	2025	**2024**
Balance at January 1	$ 32	-
Impaiment losses recognized	59	32
Amounts written off during he year due to being uncollectible	(46)	-
Balance at December 31	**$ 45**	**32**

The aforementioned accounts receivable was not pledged as collateral. For other credit risk information, please refer to note 6(s).

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(d) Property, plant and equipment

(i) The movements in cost and depreciation of the property, plant and equipment were as follows:

		Aircraft and related equipment	Other equipment	Total
Cost:				
Balance as of January 1, 2025	$	2,417,294	32,558	2,449,852
Additions		1,629,277	4,537	1,633,814
Disposal		(18,841)	-	(18,841)
Balance as of December 31, 2025	**$**	**4,027,730**	**37,095**	**4,064,825**
Balance as of January 1, 2024	$	2,383,094	29,564	2,412,658
Additions		40,110	3,229	43,339
Disposal		(5,910)	(235)	(6,145)
Balance as of December 31, 2024	**$**	**2,417,294**	**32,558**	**2,449,852**
Depreciation:				
Balance as of January 1, 2025	$	1,514,112	20,094	1,534,206
Depreciation		285,994	3,495	289,489
Disposal		(16,004)	-	(16,004)
Balance as of December 31, 2025	**$**	**1,784,102**	**23,589**	**1,807,691**
Balance as of January 1, 2024	$	1,352,992	17,340	1,370,332
Depreciation		164,032	2,989	167,021
Disposal		(2,912)	(235)	(3,147)
Balance as of December 31, 2024	**$**	**1,514,112**	**20,094**	**1,534,206**
Carrying amounts:				
Balance as of December 31, 2025	**$**	**2,243,628**	**13,506**	**2,257,134**
Balance as of January 1, 2024	**$**	**1,030,102**	**12,224**	**1,042,326**
Balance as of December 31, 2024	**$**	**903,182**	**12,464**	**915,646**

(ii) In December 2019, the Company entered into an agreement with International Aero Engines, LLC to purchase two A320neo spare engines. One of the engines was delivered in July 2021, and the second spare engine was delivered in the first quarter of 2025.

On December 20, 2024, the Company entered into an agreement with International Aero Engines, LLC to purchase one PW1100G-JM spare engine, which was delivered in the second quarter of 2025.

(iii) Guarantee

The Company pledged flight equipment as collateral for long-term loans, please refer to note 6(h) and note 8.

(iv) Insurance

Based on the specific risk in the aviation industry, all of the Company's assets such as aircraft, real estate and movable property are adequately insured to diversify the potential risk related to operations.

(e) Right-of-use assets

The movements in cost and depreciation of leased building and flight equipment were as follows：

		Buildings	Aircraft and related equipment	Total
Cost:				
Balance as of January 1, 2025	$	85,689	14,380,219	14,465,908
Additions		55,412	3,224,556	3,279,968
Balance as of December 31, 2025	**$**	**141,101**	**17,604,775**	**17,745,876**
Balance as of January 1, 2024	$	85,223	13,503,356	13,588,579
Additions		466	876,863	877,329
Balance as of December 31, 2024	**$**	**85,689**	**14,380,219**	**14,465,908**
Depreciation:				
Balance at January 1, 2025	$	72,536	7,167,403	7,239,939
Depreciation		14,000	1,759,448	1,773,448
Balance as of December 31, 2025	**$**	**86,536**	**8,926,851**	**9,013,387**
Balance as of January 1, 2024	$	59,849	5,557,110	5,616,959
Depreciation		12,687	1,610,293	1,622,980
Balance as of December 31, 2024	**$**	**72,536**	**7,167,403**	**7,239,939**
Carrying amounts:				
Balance as of December 31, 2025	**$**	**54,565**	**8,677,924**	**8,732,489**
Balance as of January 1, 2024	**$**	**25,374**	**7,946,246**	**7,971,620**
Balance as of December 31, 2024	**$**	**13,153**	**7,212,816**	**7,225,969**

In June and July 2025, the Company leased two aircraft from Sky High 120 Leasing Company Limited, and recognized right-of-use assets accordingly. The related transfer and registration procedures have been completed.In September 2025, the Company leased two A320 CEO aircraft from Sky High XLVII Leasing Company Limited, and recognized right-of-use assets accordingly. All related transfer and statutory registration procedures have also been completed.

The Company extended each lease term of four A320 CEO aircraft from JSA International US Holdings, LLC, SMBC Aviation Capital Limited, Sky High XLVII Leasing Company Limited and Sky High LV Leasing Company Limited, from June 2024 to November 2024. The aircraft has been recognized as right-of-use assets and the relevant legal registration procedures have been completed.

As of December 31, 2025 and 2024, no right-of-use assets were pledged by the Company as collaterals.

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(f) Intangible assets

The cost and amortization of the intangible assets of the Company were as follows：

		Software	Trademark	Total
Cpst:				
Balance as of January 1, 2025	$	68,934	168,280	237,214
Additions		27,216	-	27,216
Disposal		(29,558)	-	(29,558)
Balance as of December 31, 2025	**$**	**66,592**	**168,280**	**234,872**
Balance as of January 1, 2024	$	67,935	168,280	236,215
Additions		999	-	999
Balance as of December 31, 2024	**$**	**68,934**	**168,280**	**237,214**
Amortization and impairment losses：				
Balance as of January 1, 2025	$	62,596	44,228	106,824
Amortization		6,576	12,945	19,521
Disposal		(28,339)	-	(28,339)
Balance as of December 31, 2025	**$**	**40,833**	**57,173**	**98,006**
Balance as of January 1, 2024	$	56,398	31,283	87,681
Amortization		6,198	12,945	19,143
Balance as of December 31, 2024	**$**	**62,596**	**44,228**	**106,824**
Book value:				
Balance as of December 31, 2025	**$**	**25,759**	**111,107**	**136,866**
Balance as of January 1, 2024	**$**	**11,537**	**136,997**	**148,534**
Balance as of December 31, 2024	**$**	**6,338**	**124,052**	**130,390**

As of December 31, 2025 and 2024, no intangible assets were pledged by the Company as collaterals.

(g) Other current assets

		December 31, 2025	December 31, 2024
Prepayments of fuels	$	19,828	46,987
Prepayments of maintenance		225,201	36,095
Ppayments of taxes		112,142	86,183
Other		69,421	49,424
	$	**426,592**	**218,689**

(Continued)

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(h) Long-term borrowings

The details were as follows:

	December 31, 2025			
	Currency	**Rate**	**Maturity year**	**Amount**
Secured bank loans	TWD	2.09800%	2027	$ 118,182
Less: current portion				(94,545)
Total				**$ 23,637**
Unused long-term credit lines				**$ -**

	December 31, 2024			
	Currency	**Rate**	**Maturity year**	**Amount**
Secured bank loans	TWD	2.14123%	2027	$ 212,727
Less: current portion				(94,545)
Total				**$ 118,182**
Unused long-term credit lines				**$ -**

The aircraft and related equipment were pledged as collateral for the secured bank loans, please refer to note 8.

(i) Lease liabilities

(i) The amounts of lease liabilities were as follows:

	December 31, 2025	**December 31, 2024**
Current	**$ 1,876,312**	**1,729,505**
Non-current	**$ 7,476,973**	**6,347,805**

(ii) The amounts recognized in profit or loss were as follows:

	2025	**2024**
Interest on lease liabilities	**$ 327,581**	**291,851**
Expenses relating to short-term leases	**$ 13,817**	**5,714**

(iii) The amount recognized in the statement of cash flows in financing activities for the Company was as follows:

	2025	**2024**
Total cash outflow for leases	**$ 2,128,301**	**1,873,646**

(Continued)

(iv) The Company leases aircraft and related equipment, with lease terms of ten years, which are expired before 2026 to July 2035, without any purchase options when the agreements expired.

As of December 31, 2025 and 2024, the refundable deposits paid by the Company in connection with lease agreements amounted to US$9,145 thousand and US$9,220 thousand, respectively. Certain refundable deposits relating to leased aircraft are secured by the Company through the issuance of letters of credit. As of December 31, 2025 and 2024, the total amount secured by letters of credit was US$6,670 thousand, part of which is collateralized by time deposits. Please refer to the accompanying notes for further details.

(v) The Company leases office equipment and transportation equipment, these leases are short-term and leases of low-value items. The Company has elected not to recognize right-of-use assets and lease liabilities for these leases.

(j) Provisions

The aircraft and related equipment that were leased by the Company have the contractual commitment to return the aircrafts to the lessors in certain conditions, which means that the aircrafts need to be repaired based on their fleet ages, flight hours, flight cycles, and engine revolution times, upon returning. A provision is recognized if the Company has a present constructive obligation after entering into lease agreements or within the lease periods.

The details were as follow:

	For the years ended December 31,	
	2025	**2024**
Maintenance reserve-current:		
Balance as of January 1	$ 181,651	150,652
Provisions increased during the year	204,243	47,741
Write-off during the year	(37,173)	(133,205)
Reversal during the year	(13,307)	(17,976)
Reclassify during the year	100,887	120,932
Exchange rate impact	(8,330)	13,507
Balance as of December 31	**$ 427,971**	**181,651**

	For the years ended December 31,	
	2025	**2024**
Maintenance reserve-non-current:		
Balance as of January 1	$ 813,246	385,434
Provisions increased during the year	511,676	538,720
Reclassify during the year	(100,887)	(120,932)
Exchange rate impact	(10,954)	10,024
Balance as of December 31	**$ 1,213,081**	**813,246**

(Continued)

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(k) Employee benefits

(i) Defined benefit plans

Reconciliation of defined benefit obligation at present value and plan asset at fair value are as follows:

		December 31, 2025	December 31, 2024
Present value of the defined benefit obligations	$	35,698	35,560
Fair value of plan assets		(9,518)	(11,482)
Net defined benefit liabilities (reported as other non-current liabilities)	**$**	**26,180**	**24,078**

The Company makes defined benefit plan contributions to the pension fund account with Bank of Taiwan that provides pensions for employees upon retirement. Plans (covered by the Labor Standards Law) entitle a retired employee to receive retirement benefits based on years of service and average monthly salary for the six months prior to retirement.

1) Composition of plan assets

The Company allocates pension funds in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund, and such funds are managed by the Bureau of Labor Funds, Ministry of Labor. With regard to the utilization of the funds, minimum earnings shall be no less than the earnings attainable from two-year time deposits with interest rates offered by local banks.

The Company's Bank of Taiwan labor pension reserve account balance amounted to $9,518 thousand as of December 31, 2025. For information on the utilization of the labor pension fund assets, including the asset allocation and yield of the fund, please refer to the website of the Bureau of Labor Funds, Ministry of Labor.

2) Movements in present value of the defined benefit obligations

The movement in present value of the defined benefit obligations for the Company in 2025 and 2024 were as follows:

		2025	2024
Defined benefit obligations at January 1	$	35,560	16,634
Past service credit		5,747	3,616
Current service costs and interest cost		533	201
Remeasurements loss		(2,117)	15,109
Benefits paid		(4,025)	-
Defined benefit obligations at December 31	**$**	**35,698**	**35,560**

(Continued)

3) Movements of defined benefit plan assets

The movements in the present value of the defined benefit plan assets for the Company in 2025 and 2024 were as follows:

		2025	2024
Fair value of plan assets at January 1	$	11,482	8,984
Interest income		183	116
Remeasurements gain		733	758
Contributions paid by the employer		1,145	1,624
Benefits paid		(4,025)	-
Fair value of plan assets at December 31	**$**	**9,518**	**11,482**

4) Expenses recognized in profit or loss

The expenses recognized in profit or loss for the Company in 2025 and 2024 were as follows:

		2025	2024
Current service costs	$	5,747	3,616
Interest expense		349	86
	$	**6,096**	**3,702**

		2025	2024
Operating cost	**$**	**6,096**	**3,702**

5) Remeasurement of net defined benefit liability (asset) recognized in other comprehensive income

The Company's remeasurement of the net defined benefit liability recognized in other comprehensive income for the years ended December 31, 2025 and 2024, were as follows:

		2025	2024
Accumulated amount as of January 1	$	(12,114)	2,238
Profit (loss) recognized during the period		2,850	(14,352)
Accumulated amount as of December 31	**$**	**(9,264)**	**(12,114)**

6) Actuarial assumptions

The principal actuarial assumptions at the reporting date were as follows:

	2025	2024
Discount rate	1.375 %	1.50 %
Future salary increase rate	1.00 %	1.00 %

(Continued)

The expected allocation payment to be made by the Company to the defined benefit plans for the one-year period after the reporting date is $928 thousand.

The weighted average lifetime of the defined benefits plans is 10.6 years.

7) Sensitivity analysis

If the actuarial assumptions had changed, the impact on the present value of the defined benefit obligation shall be as follows:

	Discount rate		Future salary increasing rate	
	Increased 0.25%	Decreased 0.25%	Increased 0.50%	Decreased 0.50%
December 31, 2025				
Influence of defined benefit obligations	$ (756)	780	1,560	(1,482)

	Increased 0.25%	Decreased 0.25%	Increased 0.50%	Decreased 0.50%
December 31, 2024				
Influence of defined benefit obligations	(542)	557	1,112	(1,064)

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown above. The method used in the sensitivity analysis is consistent with the calculation of pension liabilities in the balance sheets.

There is no change in the method and assumptions used in the preparation of sensitivity analysis for 2025 and 2024.

(ii) Defined contribution plan

The Company allocates 6% of each employee's monthly wages to the labor pension personal account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act, under which, the Company is not required to bear the regulated or putative obligation subsequent to the payment of fixed-rate contribution.

The pension costs incurred from the contributions to the Bureau of the Labor Insurance amounted to $47,229 thousand and $42,471 thousand for the years ended December 31, 2025 and 2024, respectively.

TIGERAIR TAIWAN CO., LTD.
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(l) Income taxes

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

	For the years ended December 31,	
	2025	**2024**
Current tax expenses		
Current period	$ 566,207	97
Adjustment for prior periods	419	407
Subtotal	566,626	(310)
Deferred tax expenses		
Origination and reversal of temporary differences	52,925	733,872
Income tax benefit	**$ 619,551**	**733,562**

1) Reconciliation of income tax and profit before tax for 2025 and 2024 were as follows:

	2025	**2024**
Loss excluding income tax	**$ 3,086,623**	**3,505,345**
Income tax using the Company's domestic tax rate	$ 617,325	701,069
Non-deductible expenses	1,127	1,415
Overseas tax	608	97
Additional tax on undistributed earnings	72	-
Adjustment for prior periods	419	30,981
Income tax benefit (expense)	**$ 619,551**	**733,562**

(ii) Deferred tax assets and liabilities

Changes in the amount of deferred tax assets and liabilities for 2025 and 2024 were as follows:

Deferred Tax Assets:	**Unrealized foreign exchange gain or loss**	**Cash flow hedge**	**Maintenance reserves**	**Unused tax losses**	**Others**	**Total**
Balance as of January 1, 2025	$ 89,333	349	192,756	185,170	10,343	477,951
Recognized in profit or loss	(2,357)	-	133,088	(185,170)	1,514	(52,925)
Recognized in other comprehensive income	-	(349)	-	-	-	(349)
Balance as of December 31, 2025	**$ 86,976**		**325,844**		**11,857**	**424,677**
Balance as of January 1, 2024	$ 66,943	544	105,700	1,033,272	5,559	1,212,018
Recognized in profit or loss	22,390	-	87,056	(848,102)	4,784	(733,872)
Recognized in other comprehensive income	-	(195)	-	-	-	(195)
Balance as of December 31, 2024	**$ 89,333**	**349**	**192,756**	**185,170**	**10,343**	**477,951**

(Continued)

	Cash flow hedge
Deferred Tax liabilities:	
Balance as of January 1, 2025	$ -
Recognized in profit or loss	-
Recognized in other comprehensive income	32
Balance as of December 31, 2025	**$ 32**

(iii) Assessment of tax

The Company's tax returns for the years through 2023 were assessed by the tax authorities.

(m) Capital and other equity

As of December 31, 2025 and 2024, the number of authorized ordinary shares were both $6,000,000 thousand with par value of $10 per share. The actual issued shares were both 459,530 thousand shares. All issued shares were paid up upon issuance.

(i) Ordinary shares

On September 27, 2024, the Company's Board of Directors resolved to conduct a cash capital increase by issuing 10,530 thousand common shares before the initial public offering on the main board. The auctioned shares of 7,161 thousand shares had a weighted average transaction price of $62.38 per share. The public subscription and the share options granted to employees totaled 3,369 thousand shares, priced at $40 per share, raising a total amount of $581,470 thousand, with November 27, 2024 set as the capital increase base date. All capital increase funds have been received, and the related registration procedures were completed on December 20, 2024.

(ii) Capital surplus

The balances of capital surplus were as follows:

	December 31, 2025	December 31, 2024
Issuance of shares in excess of par value	$ 1,329	473,170
Share options granted to employees	-	58,078
Employee share options expired	-	3,136
Other	-	-
	$ 1,329	**534,384**

On March 7, 2025, the Company's Board of Directors resolved to distribute a cash dividend of NT$533,055 thousand, with the proposed dividend of NT$1.16 per share, to common share holders, using its capital surplus. The above resolution is approved at the Annual General Meeting of the Shareholders scheduled on June 19, 2025.

The Company made a Capital surplus used to cover accumulated deficits of $990,081 thousand on June 19, 2024, as decided by the shareholders' meeting.

The Company's Board of Directors resolved to conduct a cash capital increase and issue new

shares, with a portion legally reserved for employee subscription, on September 27, 2024. Please refer to note 6(n) for details.

According to the R.O.C. Company Act, capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the common stock or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital stock and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increases by transferring capital surplus in excess of par value should not exceed 10% of the total common stock outstanding.

(iii) Retained earnings

According to the Company's article of incorporation, at the end of each accounting year, the Company's profit shall first be used to pay for taxes and to make up for the prior losses. Then, 10% of the net profit shall be set aside as legal reserve. The remaining, if any, shall be allotted for special reserve, or revert, under laws and regulations, for special purposes. The distribution plan proposed by the Board of Directors should distribute dividend or bonus with no less than 50% of the balance. The distribution may be paid from the previous cumulative distributable surplus earnings if the distributable amount is not enough after the Company's profit at the end of each accounting year deducted on the basis of the aforementioned calculation.

In consideration of finance, sales, and operation of the Company, the Company may distribute dividend or bonus from all or part of the reserve under laws, regulations, or authorities if the Company does not any losses. The distribution of dividend and bonus may be paid in stocks or cash; however, the distribution of cash dividend shall not be less than 30% of the dividend.

In accordance to Company Act, if such surplus earning is distributed in the form of new shares to be issued by the Company, it shall first be approved during the shareholders' meeting before execution; to the extent that such distribution of surplus earning in the form of cash, the execution shall be made after a resolution has been adopted by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors, and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.

1) Legal reserve

According to the amendment of the R.O.C. Company Act, when the Company incurs no loss, it may, pursuant to a resolution by a shareholders' meeting, distribute its legal reserve by issuing new shares or by distributing cash, and only the portion of legal reserve which exceeds 25% of capital may be distributed.

2) Special reserve

In accordance to the regulation of the Financial Supervisory Commision, a portion of current-period net profit after tax and items other than that are added to the undistributed current-period also undistrisbuted prior-period earnings shall be reclassified as special reserve during earnings distribution. The amount to be reclassified should equal the current-period total net reduction of other shareholders' equity. Similarly, a portion of undistributed prior-period earnings shall be reclassified as special earnings reserve (and does not qualify for earnings distribution) to account for cumulative changers to other shareholders' equity pertaining to prior periods. Amounts of subsequent reversals pertaining to the net reduction of other shareholders' equity for additional distributions.

3) Earnings distribution

On March 7, 2025, the Company' s Board of Directors resolved to distribute the 2024 earnings to the common share holders in the form of cash dividends, totaling NT$2,247,102 thousand, at NT$4.89 per share. The above resolution is approved at the Annual General Meeting of the Shareholders scheduled on June 19, 2025.

The Company passed the shareholders' meeting resolution on June 19, 2024, to appropriation of loss in 2023, and there will be no surplus distribution. Please refer to

note 6(m)(i) for the capital surplus.

(iv) Other comprehensive income accumulated in reserves, net of tax

		Gains (losses) on hedging instruments
Balance as of January 1, 2025	$	(1,395)
Changes in fair value of hedging instruments		9,852
Changes in fair value of hedging instruments reclassified to profit or loss		(8,329)
Balance as of December 31, 2025	**$**	**128**
Balance as of January 1, 2024	$	(2,177)
Changes in fair value of hedging instruments		13,042
Changes in fair value of hedging instruments reclassified to profit or loss		(12,260)
Balance as of December 31, 2024	**$**	**(1,395)**

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(n) Shared-based payment

The issuance of new shares of ordinary stocks for the year 2024 were decided by the Company during the Board of Directors meeting, which reserved 1,579 thousand shares for employees to subscribe. Details of the shared-based payment of the Company are as follows:

	2024
Fair value at grant date	November 27, 2024
Number of shares granted	1,579 thousand shares
Vesting conditions	Immediately vested

In 2024, the Company adopted the Black-Scholes model to calculate the fair value of the abovementioned employee shares of stock at the grant date. The fair value of the stock option was $38.7675. The compensation cost for the employee shares of stock for the year ended 2023 was amounted to $61,214 thousand, which was recognized as operating expenses. Please refer to note 6(m) for the recognition of capital surplus.

(o) Earnings per share

The calculation of basic earnings per share and diluted earnings per share are as follows:

	For the years ended December 31,	
Basic earnings per share	**2025**	**2024**
Profit of the Company for the year	**$ 2,467,072**	**2,771,783**
Basic earnings per share (in New Taiwan dollars)	**459,530**	**450,007**
Basic earnings per share (in New Taiwan dollars)	**$ 5.37**	**6.16**
Diluted earnings per share		
Profit attributable to common stockholders of the Company	**$ 2,467,072**	**2,771,783**
Weighted-average number of ordinary shares (in thousands of shares)	459,530	450,007
Potential common stock impact with dilution		
Effect of employee share bonus	817	615
Weighted average number of ordinary shares (in thousands of shares)	**460,347**	**450,622**
Diluted earnings per share (in New Taiwan dollars)	**$ 5.36**	**6.15**

(p) Revenue from contracts with customers

(i) Details of revenue

	For the years ended December 31,	
	2025	**2024**
Primary geographical markets:		
Northeast Asia	$ 14,966,951	13,939,596
Southeast Asia	1,174,698	1,459,741
Taiwan	591,032	507,410
Macau	166,146	516,276
	$ 16,898,827	**16,423,023**
Major services lines:		
Passenger transportation service	$ 16,246,380	15,786,151
Ground handling service	572,680	498,996
Cargo transportation service	29,085	41,997
Other	50,682	95,879
	$ 16,898,827	**16,423,023**

(ii) Contract balances

	December 31, 2025	**December 31, 2024**
Accounts receivable	$ 274,595	214,127
Accounts receivable due from related parties	1,479	1,129
Less: loss allowance	(45)	(32)
Total	**$ 276,029**	**215,224**

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

	December 31, 2025	**December 31, 2024**
Contract liabilities-passenger transportation service and loyalty program	**$ 4,061,517**	**3,190,870**

The balance at January 1 2025, and 2024 of the contract liabilities, recognized as revenue for January 1 to March 31,2025 and 2024, amounted to 3,139,157 thousand and 2,698,190 thousand, respectively.

Contract liability were recorded as unearned passenger transportation revenue and unearned loyalty program. The Company will recognize revenue when it provides transportation service or when the loyalty program has been exchanged or become expired. The change of contract liability was due to the time lag between the Company fulfilling their obligation and the customers making their payments.

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

(q) Employee compensation and directors' remuneration

On June 19, 2025, the Company' resolved at the shareholders' meeting to amend its Articles of Incorporation. According to the amended Company Article of Incorporation, if the Company incurs profit for the year , the profit shall first be used to offset against any accumulated deficits.

Thereafter, not less than 1% of the remainder shall be allocated as employee remuneration, including a minimum of 30% to those base-level employees. The remuneration to directors and other key management are determined by the Remuneration Committee based on individual performance and reference to industry norms. Prior to the amendment, the Articles of Incorporation stipulated that, if the Company incurs profit for the year, the profit shall first be used to offset against any accumulated deficits. Thereafter, not less than 1% of the remainder shall be allocated as employee

remuneration. The remuneration to directors and other key management are determined by the Remuneration Committee based on individual performance and reference to industry norms.

The estimated amounts mentioned above are calculated based on the net profit before tax, excluding the remuneration to employees and directors of each period, multiplied by the percentage of remuneration to employees and directors as specified in the Company' s articles. These remunerations were expensed under operating expenses during January 1 to December 31, 2025 and 2024.

For the years 2025 and 2024, the remunerations to employees amounted to $52,283 thousand and $47,875 thousand, respectively; as well as the remunerations to directors amounting to $0 thousand, and expensed under operating expenses. There were no differences between the accrued and actual

distributed amounts. Related information can be accessed from at the Market Observation Post System website.

(r) Non-operating income and expenses

(i) Interest income

The details of interest income were as follows:

	For the years ended December 31,	
	2025	**2024**
Interest income	$ 392,330	313,065
Other interest income	3,130	2,682
	$ 395,460	**315,747**

(Continued)

(ii) Other income

The details of other income were as follows:

	For the years ended December 31,	
	2025	**2024**
Others	**$ 45,433**	**42,288**

(iii) Other gains and losses, net

The details of other gains and losses were as follows:

	For the years ended December 31,	
	2025	**2024**
Foreign exchange gains	$ (226,420)	(227,064)
Loss on disposal and retirement of property, plant and equipment	(2,837)	-
Loss on disposal of intangible assets	(1,219)	-
Others	(140)	(2,998)
	$ (230,616)	**(230,062)**

(iv) Finance costs

The details of finance costs were as follows:

	For the years ended December 31,	
	2025	**2024**
Bank borrowings	$ 3,719	5,722
Interest of lease liabilities	327,581	291,851
	$ 331,300	**297,573**

(s) Financial instruments

(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 the Company's revenues are attributable to sales transactions with significant volume of customers, which the payment received in advance, there was no concentration of credit risk. In order to reduce the credit risk of accounts receivable, the Company continually evaluates each customer' s financial situation and asks for providing bank guarantees or collaterals.

3) Credit risk of receivables and debt securities

For credit risk exposure of accounts receivable, please refer to note 6(c).

Other financial assets at amortized cost includes other receivables.

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 losses. Regarding how the financial instruments are considered to have low credit risk, please refer to note 4(f).

(ii) Liquidity risk

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

	Carrying amount	Contractual cash flows	Within 1 year	1-5 years	Over 5 years
December 31, 2025					
Non-derivative financial liabilities					
Long-term borrowings (including current portion)	$ 118,182	120,041	96,281	23,760	-
Lease liability	9,353,285	10,660,220	2,183,488	5,535,414	2,941,318
Account payables (including related parties)	1,127,294	1,127,294	1,127,294	-	-
Other payables	676,280	676,280	676,280	-	-
Total	**$ 11,275,041**	**12,583,835**	**4,083,343**	**5,559,174**	**2,941,318**
December 31, 2024					
Non-derivative financial liabilities					
Long-term borrowings (including current portion)	$ 212,727	218,302	98,262	120,040	-
Lease liability	8,077,310	9,082,711	1,994,834	4,705,746	2,382,131
Accounts payables (including related parties)	931,969	931,969	931,969	-	-
Other payables	522,842	522,842	522,842	-	-
Subtotal	9,744,848	10,755,824	3,547,907	4,825,786	2,382,131
Derivative financial liabilities					
Forward exchange contracts used for hedging	1,744	1,744	1,744	-	-
Total	**$ 9,746,592**	**10,757,568**	**3,549,651**	**4,825,786**	**2,382,131**

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

(Continued)

TIGERAIR TAIWAN CO., LTD.
Notes to the Financial Statements

(iii) Currency risk

1) Exposure to foreign currency risk

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

	December 31, 2025				December 31, 2024			
	Foreign currency	Exchange rate		TWD	Foreign currency	Exchange rate		TWD
Financial assets								
Monetary items								
USD	$ 303,070	USD/TWD	31.447	9,530,515	250,700	USD/TWD	32.787	8,219,662
SGD	736	SGD/TWD	24.450	17,999	689	SGD/TWD	24.097	16,611
JPY	318,417	JPY/TWD	0.201	64,027	316,945	JPY/TWD	0.210	66,441
Financial liability								
Monetary items								
USD	354,241	USD/TWD	31.447	11,139,668	278,183	USD/TWD	32.787	9,120,752
JPY	1,678,764	JPY/TWD	0.201	337,566	1,023,980	JPY/TWD	0.210	214,657

2) Sensitivity analysis

The Company' s exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts and other receivables (including related parties), guarantee deposits paid, accounts and other payables (including related parties) and lease liabilities that are denominated in foreign currency.

A strengthening (weakening) of 1% of the TWD against the USD, KRW, JPY and SGD as of 2025 and 2024 would have increased (decreased) the net profit before tax by $18,647 thousand and $10,240 thousand, respectively. This analysis is based on foreign currency exchange rate variances that the Company considered to be reasonably possible at the reporting date. The analysis assumes that all other variables remain constant.

(iv) Interest rate analysis

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

The following sensitivity analysis is based on the exposure to the interest rate risk of non derivative financial instruments on the reporting date. Regarding assets with variable interest rates, the analysis is based on the assumption that the amount of assets outstanding at the reporting date was outstanding throughout the year.

If the interest rate had increased / decreased by 1%, with all other variable factors remaining constant, the Company' s net income would have increased / decreased by $25 thousand and $46 thousand for the nine months ended December 31, 2025, respectively. This is mainly due to the Company's borrowing at variable rates.

TIGERAIR TAIWAN CO., LTD.
Notes to the Financial Statements

(v) Fair value of financial instruments

1) Fair value hierarchy

The fair value of financial assets and liabilities at fair value through profit or loss is measured on a recurring basis. The carrying amount and fair value of the Company'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 for equity investments that has no quoted prices in the active markets and whose fair value cannot be reliably measured and lease liabilities, disclosure of fair value information is not required:

	December 31, 2025				
		Fair Value			
	Book Value	Level 1	Level 2	Level 3	Total
Financial assets for hedging	$ 159	-	159	-	159
Financial assets measured at amortized cost:					
Cash and cash equivalents	$ 10,795,952	-	-	-	-
Accounts receivables (including related parties)	276,029	-	-	-	-
Other receivables	47,629	-	-	-	-
Refundable deposits	336,265	-	-	-	-
Restricted assets	115,409	-	-	-	-
Subtotal	11,571,284	-	-	-	-
Total	**$ 11,571,443**	**-**	**159**	**-**	**159**
Financial liabilities measured at amortized cost:					
Long-term borrowings (including current portion)	$ 118,182	-	-	-	-
Lease liabilities	9,353,285	-	-	-	-
Account payable (including related parties)	1,127,294	-	-	-	-
Other payable	676,280	-	-	-	-
Total	**$ 11,275,041**	**-**	**-**	**-**	**-**

(Continued)

TIGERAIR TAIWAN CO., LTD.
Notes to the Financial Statements

	December 31, 2024				
		Fair Value			
	Book Value	Level 1	Level 2	Level 3	Total
Financial assets measured at amortized cost:					
Cash and cash equivalents	$ 11,528,209	-	-	-	-
Accounts receivables (including related parties)	215,224	-	-	-	-
Other receivables	28,347	-	-	-	-
Refundable deposits	308,953	-	-	-	-
Restricted assets	133,689	-	-	-	-
Total	**$ 12,214,422**	-	-	-	-
Financial liabilities for hedging	$ 1,744	-	1,744	-	1,744
Financial liabilities measure at amortized cost:					
Long-term borrowings (including current portion)	$ 212,727	-	-	-	-
Lease liabilities	8,077,310	-	-	-	-
Account payable (including related parties)	931,969	-	-	-	-
Other payables	522,842	-	-	-	-
Subtotal	9,744,848	-	-	-	-
Total	**$ 9,746,592**	-	**1,744**	-	**1,744**

2) Valuation techniques for financial instruments not measured at fair value

The Company's valuation techniques and assumptions used for financial instruments not measured at fair value are as follows:

2.1) Financial assets measured at amortized cost

If the quoted prices in active markets are available, the market price will be used as a basis for the fair value. However, if quoted prices in active markets are not available, the estimated valuation or prices used by competitors are adopted.

2.2) Financial assets and financial liabilities measured at amortized cost

If there is a quoted price generated from the transactions, the recent transaction price and quoted price data is used as the basis for fair value measurement. However, if no quoted prices are available, the discounted cash flows are used to estimate fair values.

3) Valuation techniques for financial instruments measured at fair value

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 and option pricing models. Fair value of forward currency is usually determined by the forward currency exchange rate.

(Continued)

4) Transfers between Level 1 and Level 2

There were no transfers within the fair value hierarchy levels of financial instruments durning January 1 to December 31, 2025 and 2024.

(t) Financial risk management

(i) Overview

The Company have exposures to the following risks from its financial instruments:

1) credit risk

2) liquidity risk

3) market risk

The following likewise discusses the Company' s objectives, policies and processes for measuring and managing the above mentioned risks. For more disclosures about the quantitative effects of these risk exposures, please refer to the respective notes in the financial statements.

(ii) Structure of risk management

The board of directors has overall responsibility for oversight of the risk management and developing and monitoring the Company' s risk management policies. The committee reports regularly to the board of directors on its activities.

The Company' s risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect the changes in market conditions and the Company' s activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company Audit Committee oversees how management monitors are in compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Company Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

(iii) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securities.

1) Accounts receivable and other receivables

The Company established a credit policy to obtain the necessary collateral to mitigate risks arising from financial loss due to default risk. The Company will transact with corporations having credit ratings equivalent to investment grade, and such ratings will assess the ratings based on other publicly available financial information and records of transactions with its major customers. The Company continuously monitors the exposure to credit risk and counterparty credit ratings, and establish sales limits based on credit rating for each of its approved customer. The credit limits for each counterparty are approved and reviewed annually by the management.

2) Investments

The exposure to credit risk for the bank deposits and other financial instruments is measured and monitored by the Company's finance department. The Company only deals with banks, other external parties, corporate organizations, government agencies and financial institutions with good credit ratings. The Company expects its counterparties to meet their obligations; hence, there is no significant credit risk arising from these counterparties.

3) Guarantees

The Company' s policy is to provide financial guarantees only to wholly owned subsidiaries. There were no other outstanding guarantees as of December 31, 2025 and 2024.

(iv) Liquidity risk

The objective of the Company's management of liquidity risk is to maintain sufficient cash and cash equivalents for operating purpose, marketable securities with high liquidity and sufficient loan commitments to ensure the Company has adequate financial flexibility.

Bank loans are sources of liquidity of the Company. As of December 31, 2025 and 2024, the Company's unused bank financing limits were $3,643,353 thousand and $3,720,033 thousand, respectively.

(v) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, and equity prices, will affect the Company' s income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

The Company buys and sells derivatives in order to manage market risk. Generally, the Company seeks to apply hedge accounting in order to manage its volatility in profit or loss.

(i) Currency risk

The Company is exposed to currency risk on purchases and leases transactions that are mainly denominated in USD.

The Company primarily uses foreign currency and cash equivalents to offset foreign purchase payables and leases liabilities deriving from the net position of natural hedging; thereafter, the Company buys or sells foreign exchange for hedging. The financial department regularly collects market information in order to keep track of the market trend. It also maintains regular contact with the correspondent bank' s foreign exchange department in order to obtain full market information in response to the risk on exchange rate.

(ii) Interest Rate Risk

The Company's interest rate risk on financial assets and liabilities is described in the liquidity risk management section of this note. The sensitivity analysis below is based on the interest rate risk of the borrowings as of the reporting date. The rate of change used to report changes in interest rates internally to key management personnel is a 0.25% increase or decrease in interest rates, which also represents management's reasonable range of possible changes in interest rates.

If the interest rate on the Company's borrowings had increased or decreased by 0.25%, with all other variables remaining the same, the Company's net income before income taxes would have changed by $6 thousand and $11 thousand for the years ended December 31, 2025 and 2024, respectively.

(iii) Oil price risk

The Company is exposed to risk in international fuel market. Therefore, its management keeps track with the changes in market prices in order to lower the effect on oil price fluctuation.

(u) Capital management

The Company's objectives for managing capital to safeguard the capacity to continue to operate, to maximize shareholders' value by optimizing capital structure. The capital structure of company consists of net debt and equity (included share capital, capital surplus, retained earnings, and other equity), and total capital included whole components of equity plus net debt.

To support the Company's operation, the company needs to maintain sufficient capital. Therefore, capital management which ensure financial resources and operating plan is able to support the future 12 months working capital, capital expenditures, debt repayment and dividend expenses and other needs.

The Company's debt-to-equity ratio at the end of the reporting period as of 2024 and 2023, were as follows:

	December 31, 2025	December 31, 2024
Total liabilities	$ 18,469,292	14,748,436
Less: cash and cash equivalents	10,795,952	11,528,209
Net debt	**$ 7,673,340**	**3,220,227**
Total equity	**$ 7,317,959**	**7,626,671**
Debt-to-equity ratio	**51.19%**	**29.69%**

(v) Financing activities not affecting current cash flow

Reconciliation of liabilities arising from financing activities were as follows:

			Non-cash changes		
	January 1, 2025	Cash flows	New leases	Foreign exchange movement	December 31, 2025
Long-term borrowings (including current portions)	$ 212,727	(94,545)	-	-	118,182
Lease liabilities	8,077,310	(1,786,903)	3,279,968	(217,090)	9,353,285
Total liabilities from financing activities	**$ 8,290,037**	**(1,881,448)**	**3,279,968**	**(217,090)**	**9,471,467**

			Non-cash changes		
	January 1, 2024	Cash flows	New leases	Foreign exchange movement	December 31, 2024
Long-term borrowings (including current portions)	$ 330,909	(118,182)	-	-	212,727
Lease liabilities	8,353,789	(1,576,081)	877,329	422,273	8,077,310
Total liabilities from financing activities	**$ 8,684,698**	**(1,694,263)**	**877,329**	**422,273**	**8,290,037**

(7) Related-party transactions:

(a) Parent company and ultimate controlling company

China Airlines, Ltd. is both the parent company and ultimate controlling party of the Company. It owns 69.09% of all shares outstanding of the Company and has issued the Consolidated Financial Statements Available for Public Use.

TIGERAIR TAIWAN CO., LTD.
Notes to the Financial Statements

(b) Names and relationship with related parties

Name of related party	Relationship with the Company
China Airlines, Ltd. (CAL)	The parent company
Mandarin Airlines Co., Ltd. (AE)	Subsidiary of CAL
China Pacific Laundry Services Ltd.	Equity-method investee of CAL
China Pacific Catering Services Ltd.	Equity-method investee of CAL
Dynasty Aerotech International Corp.	Subsidiary of CAL
Taoyuan International Airport Services Co., Ltd. (TIAS)	Subsidiary of CAL
Taiwan Airport Services Co. Ltd. (TASCO)	Subsidiary of CAL
Cal Hotel Co., Ltd.	Subsidiary of CAL
Taiwan Air Cargo Terminal Ltd.	Subsidiary of CAL
Kaohsiung Airport Catering Services Ltd.	Subsidiary of CAL
Taiwan Aircraft Maintenance and Engineering Co., Ltd.	Subsidiary of CAL

(c) Significant transactions with related parties

(i) Operating revenue

	For the years ended December 31, Operating Revenue	
	2025	2024
Parent company−CAL	$ 9,679	7,565
Other related parties	164	9
	$ 9,843	**7,574**

(ii) Operating expense

	For the years ended December 31, Operating cost	
	2025	2024
Parent company−CAL	$ 621,599	520,300
Other related parties− TIAS	588,173	530,027
Other related parties−TASCO	231,899	205,325
Other related parties	39,796	23,419
	$ 1,481,467	**1,279,071**

(Continued)

The Company signed an aircraft maintenance service contract with its parent company, China Airlines, for operational requirements. Maintenance costs are recorded as "operating costs", "payable to related parties" and "other current assets". Certain maintenance items can be claimed from the leasing company according to the lease agreement and recorded as "Other Current Assets". As of December 31, 2025 and 2024, the balances of "other current assets" were $889 thousand and $582 thousand, respectively. In addition, the Company signed ground service contracts with other related parties and recorded them as "operating costs" and "payable to related parties".

The transactions between the Company and its related parties are within the scope of the air transportation industry, and there are limited counterparties outside the related companies. However, the transactions are based on mutually agreed prices, and the terms of collection are based on contractual agreements and are similar to normal transactions. The collection and payment terms range from one to two months.

(iii) Accounts receivable due from related parties

Account	Relationship	December 31, 2025	December 31, 2024
Accounts receivable	Parent company-CAL	$ 1,479	1,060
Accounts receivable	Other related parties	-	69
		$ 1,479	**1,129**

(iv) Accounts payable to related parties

Account	Relationship	December 31, 2025	December 31, 2024
Accounts payable	Parent company-CAL	$ 45,480	45,998
Accounts payable	Other related parties-TIAS	50,459	93,753
Accounts payable	Other related parties-TASCO	36,366	35,822
Accounts payable	Other related parties	3,918	725
		$ 136,223	**176,298**

TIGERAIR TAIWAN CO., LTD.
Notes to the Financial Statements

(v) Operating expense

	For the years ended December 31,	
	2025	**2024**
Parent company-CAL	$ 16,497	10,047
Other related parties	2,468	3,096
	$ 18,965	**13,143**

The Company leased an office with its related parties. The lease liabilities as of December 31, 2025 and 2024, were $26,839 thousand and $5,809 thousand, respectively.

(vi) Guarantee

	December 31, 2025		December 31, 2024	
Relationship	**Total Amount**	**guarantee liabilities**	**Total Amount**	**guarantee liabilities**
Parent company-CAL	**$ 2,044,025**	**41,727**	**2,131,148**	**84,907**

1) The Company has signed the memorandum with Airbus company for seven A320-neo aircrafts in October 2019. Please refer to note 9(a) for details on unrecognized commitments. As required by Airbus S.A.S for liability guarantee , the parent company , China Airlines, is providing on endoresement guarantee with a maximum limit of USD 65,000 thousand dollars.

2) The guarantee provided by its parent company resulted in the Company recognizing the service charges of $413 thousand and $904 thousand during January 1 to December 31, 2025 and 2024, respectively, which were accounted in prepayments for equipment and operating expenses.

(d) Key management personnel compensation comprised:

	For the years ended December 31,	
	2025	**2024**
Short-term employee benefits	$ 25,111	28,143
Share-based payment	-	803
	$ 25,111	**28,946**

(Continued)

(8) Pledged assets:

The carrying values of pledged assets were as follows:

Pledged assets	Guarantee object	December 31, 2025	December 31, 2024
Property, plant and equipment	Long-term borrowings	$ 337,130	393,398
Pledged time deposit (classified under Restricted assets)	Fuel contracts & Letter of credit guarantee	115,409	133,689
		$ 452,539	**527,087**

(9) Commitments and contingencies:

(a) In October 2019, the Company entered into a purchase agreement with Airbus S.A.S. for seven A320neo aircraft. The list price per aircraft was approximately US$104,249 thousand, with a total list price of US$729,746 thousand, and two purchase options were also signed. In December 2025, the Company converted two A320neo purchase options into firm orders for A321neo aircraft, with a total list price of approximately US$257,863 thousand. As of December 31, 2025, advance payments of US$65,726 thousand (approximately NT$2,050,443 thousand) have been made for A320neo aircraft and were recorded as prepaid equipment. The aircraft are expected to be delivered progressively between 2026 and 2028.

(b) The Company's Board of Directors approved the procurement of two A321neo aircraft from Airbus S.A.S. on December 3, 2025, with a total catalog price of approximately US$327,764 thousand, and additionally obtained purchase options for four A321neo aircraft. In conjunction with this transaction, the Company converted the purchase options for two A320neo aircraft, originally signed with Airbus S.A.S. in October 2019, into firm orders for A321neo aircraft. As of December 31, 2025, the Company has prepaid US$3,961 thousand for the A321neo aircraft (approximately NT$124,200 thousand, which was recorded as advance payments for equipment.) The aircraft are expected to be delivered progressively between 2032 and 2033.

(c) The Company's Board of Directors approved the leasing of eleven A321neo aircraft on December 3, 2025, comprising seven aircraft leased from Avolon Aerospace Leasing Limited and four aircraft leased from ICBC Aviation Leasing Company Limited. The Company expects to recognize right-of-use assets of approximately US$678,061 thousand in total. Lease payments will be subject to adjustments based on actual annual escalation terms.

(d) On October 31 and December 3, 2025, the Board of Directors approved the leasing of two PW1127GA-JM spare engines from ICBC Aviation Leasing Company Limited and two PW1127GA-JM spare engines from Aviation Capital Group, respectively. The total right-of-use assets are expected to amount to approximately US$26,268 thousand. As of December 31, 2025, one engine has been delivered, with the remaining engines delivered in January, 2026.

(e) The details of the letter credit that the Company has issued but not used are as follows :

Account item	December 31, 2025	December 31, 2024
Unused letter credit that has been issued	**$ 621,679**	**544,595**

TIGERAIR TAIWAN CO., LTD.
Notes to the Financial Statements

(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 function / By item	For the years ended December 31,					
	2025			2024		
	Cost of Sale	Operating Expense	Total	Cost of Sale	Operating Expense	Total
Employee benefits						
Salary	1,075,562	665,559	1,741,121	986,886	729,579	1,716,465
Labor and health insurance	78,251	18,636	96,887	66,898	18,427	85,325
Pension	47,516	5,809	53,325	40,679	5,494	46,173
Remuneration of directors	-	9,844	9,844	-	8,959	8,959
Others	31,235	14,382	45,617	3,628	9,543	13,171
Depreciation	2,046,368	16,569	2,062,937	1,775,115	14,886	1,790,001
Amortization	-	19,521	19,521	-	19,143	19,143

Additional information on the number of employees and employee benefit expenses for the years ended December 31, 2025 is as follows:

	2025	2024
Number of employees	**881**	**835**
Number of directors who are not employees	**8**	**9**
Average Employee Benefit Costs	**$ 2,219**	**2,250**
Average Employee Salaries Costs	**$ 1,994**	**2,076**
Adjustments to average employee salaries and wages	**(3.95)%**	**32.31 %**

The Company's compensation policy (including directors, managers, and employees) is as follows:

According to the Company's Article of Incorporation, if the Company incurs profit for the year , the profit shall first be used to offset against any accumulated deficits. Thereafter, not less than 1% of the remainder shall be allocated as employee remuneration, including a minimum of 30% to those entry-level employees. The aforementioned employee remuneration shall be passed with the attendance of more than two-thirds of the directors and the approval of more than half of the attending directors, and shall be reported to the shareholders' meeting. The remuneration of directors and other key management personnel is determined by the Compensation Committee based on individual performance and by reference to the industry standards.

(Continued)

TIGERAIR TAIWAN CO., LTD.
Notes to the Financial Statements

(13) Other disclosures:

(a) Information on significant transactions:

The following is the information on significant transactions required by the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" for the Company:

(i) Loans to other parties:None

(ii) Guarantees and endorsements for other parties:None

(iii) Securities held as of December 31, 2025 (excluding investment in subsidiaries, associates and joint ventures):None

(iv) Related-party transactions for purchases and sales with amounts exceeding the lower of NT$100 million or 20% of the capital stock:

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/ Sale	Amount	Percentage of total purchases/ sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
The Company	CAL	The parent company	Purchase	621,599	5.09 %	30 days	-		(45,480)	(4.03)%	
The Company	TIAS	Subsidiary of CAL	Purchase	588,173	4.81%	30 days	-		(50,459)	(4.48)%	
The Company	TASCO	Subsidiary of CAL	Purchase	231,899	1.90 %	30 days	-		(36,366)	(3.23)%	

(v) Receivables from related parties with amounts exceeding the lower of NT$100 million or 20% of the capital stock:None

(b) Information on investees:None

(c) Information on investment in mainland China:None

(14) Segment information:

(a) Geographic information

In presenting information on the basis of geography, segment revenue is based on the geographical location of customers and segment non-current assets are based on the geographical location of the non-current assets.

Geographical information	2025	2024
Non-current assets		
Taiwan	$ 13,320,151	9,420,206

(Continued)

Non-current assets include property, plant and equipment, right-of-use assets, intangible assets and prepayment for equipment, excluding financial instruments, prepaid for equipment, and deferred tax assets.

The segment revenue in 2025 and 2024 please refer to note 6(p).

(b) Important customer information

The Company is engaged in the international air transportation business, and the customers are mainly the public.

TIGERAIR TAIWAN CO., LTD.

Statement of cash and cash equivalents

December 31, 2025

(Expressed in thousands of New Taiwan Dollars)

Item	Summary	Amount
Cash in hand		$ 225
Demand deposits	NTD	1,524,715
	Thousands of foreign currency:	1,824,225
	USD 53,825@31.44654	
	SGD 733@24.44988	
	THB 12,483@0.99552	
	JPY 443,956@0.20108	
	CNY 514@4.48632	
	HKD 1,334@4.03389	
	KRW 125,456@0.02170	
	PHP 2,946@0.53322	
	Other Foreign currency	
		3,348,940
Time deposits (Note 1)	NTD	56,850
	Foreign currency (USD 235,000@31.44654)	7,389,937
		7,446,787
		$ 10,795,952

Note 1：The time deposit interest rate range from 1.225%~4.600%。

Statement of accounts receivable, please refer to note 6(c)
Statement of other current assets, please refer to note 6(g)
Statement of changes in plant, property and equipment, please refer to note 6(d)
Statement of changes in Right-of-use assets, please refer to note 6(e)
Statement of deferred tax assets, please refer to note 6(l)
The detail of current financial assets and liabilities for hedging, please refer to note 6(b)

TIGERAIR TAIWAN CO., LTD.

Statement of trade payables

December 31, 2025

(Expressed in thousands of New Taiwan Dollars)

Item	Amount
A firm	$ 145,924
B firm	114,537
C firm	100,154
D firm	55,756
E firm	54,272
F firm	49,701
Other company (each amount percentage less than 5%)	470,727
Total	**$ 991,071**

TIGERAIR TAIWAN CO., LTD.

Statement of other payables

December 31, 2025

(Expressed in thousands of New Taiwan Dollars)

Item	Amount
Salary and bonus payables	$ 605,611
Expense payables	70,669
Total	**$ 676,280**

Statement of other current liabilities

Item	Amount
Collecting for stations or national taxed	$ 610,536
Advance received	262,897
Other	14,719
Total	**$ 888,152**

TIGERAIR TAIWAN CO., LTD.

Statement of long-term borrowings

December 31, 2025

(Expressed in thousands of New Taiwan Dollars)

Item	Bank	Interest rate	Contract period	The borrowing amount
Mortgage on aircrafts	Bank of Taiwan	2.09800 %	2015/3/31~2027/3/31	$ 118,182
Less: the amount within one year				(94,545)
Total				**$ 23,637**

The detail of non-current provisions, please refer to note 6(j)

The detail of lease liabilities, please refer to note 6(i)

The detail of operating revenue, please refer to note 6(p)

The detail of operating income and expenses, please refer to note 6(r)

TIGERAIR TAIWAN CO., LTD.

Statement of operating costs

For the year ended December 31, 2025

(Expressed in thousands of New Taiwan Dollars)

Item	Amount
Air transporting cost	$ 7,230,358
Stations and transportation cost	2,299,162
Passenger service cost	378,045
Maintenance cost	1,974,866
Other operating cost	341,181
Total	**$ 12,223,612**

TIGERAIR TAIWAN CO., LTD.

Statement of selling expenses

For the year ended December 31, 2025

(Expressed in thousands of New Taiwan Dollars)

Item		Operating expense
Service expense	$	429,673
Advertising expense		103,426
Salaries expense		30,340
Other expense (each amount percentage less than 5%)		63,201
	$	**626,640**

TIGERAIR TAIWAN CO., LTD.

Statement of administrative expenses

For the year ended December 31, 2025

(Expressed in thousands of New Taiwan Dollars)

Item	Selling expense
Salaries expense	$ 653,973
Other services expense	47,904
Depreciation and amortized expense	36,090
Postage expense	35,832
Other expense (each amount percentage less than 5%)	67,071
	$ 840,870