

L&K Engineering Co., Ltd.
Parent Company Only Financial Statements
and Independent Auditors' Report
for the Years Ended December 31, 2025 and 2024

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The English financial statements were translated from the financial statements originally prepared in Chinese.

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Independent Auditors Report

To the Board of Directors and Stockholders of L&K Engineering Co., Ltd. :

Opinion

We have audited the accompanying parent company only balance sheets of L&K Engineering Co., Ltd. (“the Company”) as of December 31, 2025 and 2024, the related parent company only statements of comprehensive income, statements of changes in equity and cash flows for the years ended December 31, 2025 and 2024.

In our opinion, based on our audits and the reports of the other independent auditors referred to in Other matter section of our report, the parent company only financial statements referred to above present fairly, in all material respects, the financial position of L&K Engineering Co., Ltd. as of December 31, 2025 and 2024, and the results of its operations and cash flows for the years ended December 31, 2025 and 2024, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis of Opinion

We conducted our audit of the parent company only financial statements in accordance with “Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants” and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountants of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2025. These matters were addressed in the context of our audit of the financial statements as a whole and, in forming our opinion thereon, our judgment should be communicated in the audit report on the key check items as follows:

(1) Construction contract revenue and profit recognition

Please refer to Note 4(18) for the accounting policy of the revenue and profit of the construction contract. Please refer to Note 5(2)(A) for estimates and assumptions of the construction contract. Please refer to Note 6(23) for disclosures of construction contracts revenue.

Description:

Construction contract revenue and profit should be recognized with reference to the completion degree of individual contracts at the period end of the financial report, measured by the proportion of cost incurred to the estimated total contract cost. The change in estimate may result in significant adjustments to revenue and profits.

How our audit addressed the matter:

For major construction contracts entered or those with significant changes in total revenue and estimated total cost in the year, review the relevant contract terms and minutes, and understand the rationality of the project manager's assessment of the estimated total cost of construction contracts or the reasons for the changes; assessing whether the Company's accounting policy on revenue recognition is in accordance with the related accounting standards.

(2) Receivable impairment

Please refer to Note 4(6) for the accounting principles of receivable impairment. Please refer to Note 5(2)(B) for accounting estimates and assumptions about receivable impairment. Please refer to Note 6(3)、Note 6(4) and Note 6(24) for the disclosure of receivable impairment.

Description:

The impairment of receivables is recognized by management through various external evidence assessments. Impairment of receivables involves management's judgment and the influence of various factors, which may lead to an increase in the inaccuracy of accounting estimates.

How our audit addressed the matter:

The main auditing procedures include examining whether the receivables evaluation policy is handled in accordance with reporting standards, and for the accounts overdue for a longer period in the aging analysis, understanding the reasons and subsequent collections, and obtaining documents related to management's estimates of the expected credit losses, and impairment of accounts receivable, and assessing their reasonableness and the appropriateness of related disclosures.

Other matter

The financial statements of RSEA Engineering Corporation (privatized 2009), which were accounted for under the equity method on the parent company only balance sheet as of December 31, 2025 and 2024, were audited by other independent auditors. Our audit, insofar as it related to the investment, is based on the other independent auditors' reports. The investment in RSEA Engineering Corporation (privatized 2009) amounted to NT\$5,205,226 thousand and NT\$4,941,183 thousand, which represented 10.67% and 14.18% of the total assets as of December 31, 2025 and 2024, respectively. The related shares of investment income from RSEA Engineering Corporation (privatized 2009) amounted to NT\$511,921 thousand and NT\$424,948 thousand, which represented 5.80% and 7.96% of the income from continuing operations before income tax for the years ended December 31, 2025 and 2024, respectively.

The financial statements of L&K-LCB Joint Venture LLP, which were accounted for under the equity method on the parent company only balance sheet as of December 31, 2025, were audited by other independent auditors. Our audit, insofar as it related to the investment, is based on the other independent auditors' reports. The investment in L&K-LCB Joint Venture LLP amounted to NT\$529,858 thousand, which represented 1.09% of the total assets as of December 31, 2025. The related shares of investment income from L&K-LCB Joint Venture LLP amounted to NT\$526,271 thousand, which represented 5.96% of the income from continuing operations before income tax for the year ended December 31, 2025.

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 Preparations of Financial Report by Securities Issuers and for internal control necessary to enable the preparation of the parent company only financial statements to be 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, are responsible for overseeing the Company's financial reporting process.

Auditor's 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 aggregate, they could reasonably be expected to influence the economic decisions taken by users 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 maintain professional skepticism throughout the audit. We also:

- (1) Identify and assess the risks of material misstatements of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; 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, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's 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.
- (6) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the year ended December 31, 2025 and are therefore the key audit matters. We describe these matters in our auditor's 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.

L.H. CHEN & CO., CPAs.
March 13, 2026

Notice to Readers

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

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

L&K Engineering Co., Ltd.
Parent Company Only Balance Sheets
December 31, 2025 and 2024

Unit : NT\$1,000

	<u>December 31, 2025</u>		<u>December 31, 2024</u>			<u>December 31, 2025</u>		<u>December 31, 2024</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Assets					Liabilities and Equity				
<u>Current Assets</u>					<u>Current Liabilities</u>				
1100	\$ 17,266,842	35	\$ 10,637,645	30	2100	\$ 900,000	2	\$ 150,000	-
1110					2110	49,981	-	-	-
					2130	18,570,849	39	11,911,863	35
	289,534	1	225,935	1	2170	2,727,970	6	4,614,814	13
1140	3,249,851	7	4,041,330	12	2180	3,543,609	7	998,918	3
1150	2,495	-	2,495	-	2200	774,495	2	475,178	1
1170	4,395,343	9	195,550	1	2230	995,982	2	527,372	2
1180	16,222	-	13,917	-	2250	692,501	1	498,737	1
1200	7,430	-	373,308	1	2280	3,717	-	3,925	-
1210	4,024	-	-	-	2320	12,478	-	-	-
1220	951,628	2	181,680	1	2399	81,331	-	38,663	-
130X	688	-	1,666	-	21XX	28,352,913	59	19,219,470	55
1410	5,250,533	11	5,844,971	17					
1476	602,803	1	626,121	2	<u>Noncurrent Liabilities</u>				
1479	39,774	-	44,619	-	2530	-	-	398,232	1
11XX	32,077,167	66	22,189,237	65	2570	918,820	2	611,899	2
					2580	970	-	4,467	-
<u>Noncurrent Assets</u>					2640	19,760	-	19,034	-
1510					2645	12,552	-	11,747	-
					25XX	952,102	2	1,045,379	2
1517	1,368,342	3	49,845	-	2XXX	29,305,015	61	20,264,849	57
	1,107,440	2	845,729	2	<u>Equity Attributable to Shareholders of the Parent</u>				
1550	13,600,769	28	11,229,398	32	3100				
1600	277,510	1	282,023	1	3110	2,353,295	5	2,330,050	7
1755	4,565	-	8,252	-					
1760	90,478	-	91,263	-	3130	1,650	-	134	-
1780	8,375	-	4,893	-	3200	4,136,844	8	3,739,328	11
1840	220,271	-	138,301	-	3300				
1980	13,131	-	12,078	-	3310	2,049,089	4	1,614,818	5
1995	904	-	1,442	-	3320	0	-	5,261	-
15XX	16,691,785	34	12,663,224	35	3350	9,976,201	20	6,447,968	19
					3400	946,858	2	450,053	1
					3XXX	19,463,937	39	14,587,612	43
					<u>Total Liabilities and Equity</u>				
1XXX	\$ 48,768,952	100	\$ 34,852,461	100	3X2X	\$ 48,768,952	100	\$ 34,852,461	100

(The accompanying notes are an integral part of the financial statements)

L&K Engineering Co., Ltd.
Parent Company Only Statements of Comprehensive Income
For the Years Ended December 31, 2025 and 2024

Unit : NT\$1,000
(Except EPS)

	For the Years Ended December 31,			
	2025		2024	
	Amount	%	Amount	%
4000 Operating Revenue (Note 6(23)&7(2))	\$ 38,691,292	100	\$ 26,152,179	100
5000 Operating Costs (Note 6(25)&7(2))	<u>(33,530,641)</u>	<u>(87)</u>	<u>(22,217,303)</u>	<u>(85)</u>
5900 Gross Profit	<u>5,160,651</u>	<u>13</u>	<u>3,934,876</u>	<u>15</u>
6000 Operating Expenses				
6200 General and administrative expenses (Note 6(25)& 7(2))	(825,574)	(2)	(585,589)	(2)
6450 Expected credit loss benefit (Note 6(24))	<u>(256,052)</u>	<u>(1)</u>	<u>(120,143)</u>	<u>-</u>
6900 Net Operating Income (Loss)	<u>4,079,025</u>	<u>10</u>	<u>3,229,144</u>	<u>13</u>
7000 Non-operating Income and Expenses				
7100 Interest income (Note 6(26))	219,656	1	267,024	1
7010 Other income (Note 6(26))	36,926	-	34,666	-
7020 Other gains and losses (Note 6(26))	1,365,542	4	(58,664)	-
7050 Finance costs (Note 6(26))	(20,197)	-	(12,346)	-
7060 Share of profits of subsidiaries, associates and joint venture by using equity method (Note 6(9))	<u>3,144,961</u>	<u>8</u>	<u>1,881,823</u>	<u>7</u>
Total non-operating income and expenses	<u>4,746,888</u>	<u>13</u>	<u>2,112,503</u>	<u>8</u>
7900 Income before Income Tax	8,825,913	23	5,341,647	21
7950 Income Tax Expense (Note 6(27))	<u>(1,680,943)</u>	<u>(5)</u>	<u>(1,006,139)</u>	<u>(4)</u>
8200 Net Income	<u>7,144,970</u>	<u>18</u>	<u>4,335,508</u>	<u>17</u>
8300 Other Comprehensive Income (Loss)				
8310 Items that are not to be reclassified to profit or loss				
8311 Re-measurements from defined benefit plans (Note 6(18))	(2,635)	-	9,004	-
8316 Unrealized loss on investments in instruments at fair value through other comprehensive (Note 6(22))	345,202	1	247,571	1
8349 Income tax relating to the components of other comprehensive income - items that will not be reclassified to profit or loss (Note 6(27))	527	-	(1,801)	-
8361 Exchange differences arising on translation of foreign operations (Note 6(22))	290,520	1	259,698	1
8381 Share of other comprehensive income on subsidiaries and associates (Note 6(22))	29	-	(28)	-
8399 Income tax benefit (expense) related to components of other comprehensive income (Note 6(27))	<u>(58,625)</u>	<u>-</u>	<u>(51,940)</u>	<u>-</u>
Other comprehensive income (loss) for the period, net of income tax	<u>575,018</u>	<u>2</u>	<u>462,504</u>	<u>2</u>
8500 Total Comprehensive Income for the Period	<u>\$ 7,719,988</u>	<u>20</u>	<u>\$ 4,798,012</u>	<u>19</u>
9750 Basic Earnings Per Share (Note 6(28))	<u>\$ 30.51</u>		<u>\$ 18.73</u>	
9850 Diluted Earnings Per Share (Note 6(28))	<u>\$ 30.41</u>		<u>\$ 17.90</u>	

(The accompanying notes are an integral part of the financial statements)

L&K Engineering Co., Ltd.
Parent Company Only Statements of Changes in Equity
For the Years Ended December 31, 2025 and 2024

Unit : NTS1,000

Items	Equity Attributable to Shareholders of the Parent						Other Equity			Total Equity
	Common Stock	Certificate of Entitlement to New Shares form Convertible Bond	Capital Surplus	Retained Earnings			Accumulated Balances of Exchange Differences on Translating Foreign Operations	Unrealized Gain/Loss on Financial Assets Measured at Fair Value through Other Comprehensive Income		
				Legal Reserve	Special reserve	Unappropriated earnings				
Balance, January 1, 2024	\$ 2,255,409	\$ -	\$ 2,861,062	\$ 1,326,100	\$ 133,708	\$ 4,358,396	\$ (273,524)	\$ 268,263	\$ 10,929,414	
Appropriation and distribution of 2023 retained earnings:										
Legal reserve	-	-	-	288,718	-	(288,718)	-	-	-	
Special reserve	-	-	-	-	(128,447)	128,447	-	-	-	
Cash dividends	-	-	-	-	-	(2,092,868)	-	-	(2,092,868)	
Equity Component of Issued Convertible Bonds – Stock Warrants	-	-	27,225	-	-	-	-	-	27,225	
Employee Stock Option Compensation Cost	-	-	37,121	-	-	-	-	-	37,121	
Cash Capital Increase	70,000	-	735,000	-	-	-	-	-	805,000	
Net income for the year ended December 31, 2024	-	-	-	-	-	4,335,508	-	-	4,335,508	
Other comprehensive income for the year ended December 31, 2024, net of income tax	-	-	-	-	-	7,203	207,730	247,571	462,504	
Total comprehensive income for the year ended December 31, 2024	-	-	-	-	-	4,342,711	207,730	247,571	4,798,012	
Conversion of convertible bonds	4,641	134	72,032	-	-	-	-	-	76,807	
From share of changes in equities of subsidiaries	-	-	6,888	-	-	-	13	-	6,901	
Balance, December 31, 2024	<u>\$ 2,330,050</u>	<u>\$ 134</u>	<u>\$ 3,739,328</u>	<u>\$ 1,614,818</u>	<u>\$ 5,261</u>	<u>\$ 6,447,968</u>	<u>\$ (65,781)</u>	<u>\$ 515,834</u>	<u>\$ 14,587,612</u>	

Items	Equity Attributable to Shareholders of the Parent						Other Equity			Total Equity
	Common Stock	Certificate of Entitlement to New Shares form Convertible Bond	Capital Surplus	Retained Earnings			Accumulated Balances of Exchange Differences on Translating Foreign Operations	Unrealized Gain/Loss on Financial Assets Measured at Fair Value through Other Comprehensive Income		
				Legal Reserve	Special reserve	Unappropriated earnings				
Balance, January 1, 2025	\$ 2,330,050	\$ 134	\$ 3,739,328	\$ 1,614,818	\$ 5,261	\$ 6,447,968	\$ (65,781)	\$ 515,834	\$ 14,587,612	
Appropriation and distribution of 2024 retained earnings:										
Legal reserve	-	-	-	434,271	-	(434,271)	-	-	-	
Special reserve	-	-	-	-	(5,261)	5,261	-	-	-	
Cash dividends	-	-	-	-	-	(3,265,940)	-	-	(3,265,940)	
Disposal of equity investment valued at fair value through other comprehensive income	-	-	-	-	-	82,925	-	(82,925)	-	
Net income for the year ended December 31, 2025	-	-	-	-	-	7,144,970	-	-	7,144,970	
Other comprehensive income for the year ended December 31, 2025, net of income tax	-	-	-	-	-	(2,108)	231,924	345,202	575,018	
Total comprehensive income for the year ended December 31, 2025	-	-	-	-	-	7,142,862	231,924	345,202	7,719,988	
Conversion of Convertible Bonds	23,245	1,516	365,634	-	-	-	-	-	390,395	
From share of changes in equities of subsidiaries	-	-	31,882	-	-	(2,604)	2,604	-	31,882	
Balance, December 31, 2025	<u>\$ 2,353,295</u>	<u>\$ 1,650</u>	<u>\$ 4,136,844</u>	<u>\$ 2,049,089</u>	<u>\$ -</u>	<u>\$ 9,976,201</u>	<u>\$ 168,747</u>	<u>\$ 778,111</u>	<u>\$ 19,463,937</u>	

(The accompanying notes are an integral part of the financial statements)

L&K Engineering Co., Ltd.
Parent Company Only Statements of Cash Flows
For the Years Ended December 31, 2025 and 2024

Unit : NT\$1,000

	<u>For the Years Ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
<u>Cash Flows from Operating Activities</u>		
Income before income tax	\$ 8,825,913	\$ 5,341,647
Adjustments for		
Depreciation expense	18,603	29,784
Amortization expense	9,910	9,095
Bad debt expenses (Gain on reversal of bad debts)	256,052	120,143
Loss (gain) on financial assets at fair value through profit and loss	(1,345,524)	(10,496)
Interest expense	20,197	12,346
Interest income	(219,656)	(267,024)
Dividend income	(33,811)	(31,534)
Share of profits of associates and joint venture by using equity method	(3,144,961)	(1,881,823)
Loss (gain) on disposal of property, plant and equipment	(112)	(105)
Loss (gain) on disposal of other noncurrent assets	-	11
Share-based payment	-	37,121
Changes in operating assets and liabilities:		
Decrease (increase) in Financial assets at fair value	(26,431)	(15,641)
Decrease (increase) in current contract assets	539,556	(2,328,907)
Decrease (increase) in accounts and notes receivable	(4,203,923)	5,177,754
Decrease (increase) in accounts receivable - related parties	(2,305)	210,687
Decrease (increase) in other receivables	361,618	160,919
Decrease (increase) in other receivables - related parties	(4,024)	-
Decrease (increase) in inventories, net	979	8,115
Decrease (increase) in prepayments	594,438	(1,035,903)
Decrease (increase) in other current assets	4,845	(12,820)
Increase (decrease) in current contract liabilities	6,658,986	3,632,678
Increase (decrease) in notes and accounts payable	(1,886,846)	(4,845,907)
Increase (decrease) in notes and accounts payable - related parties	2,544,691	994,919
Increase (decrease) in other payables	299,317	88,781
Increase (decrease) in provisions	193,764	126,275
Increase (decrease) in other current liabilities	42,667	(4,867)
Increase (decrease) in accrued pension liabilities	(1,909)	(1,748)
Cash generated from operations	<u>9,502,034</u>	<u>5,513,500</u>

(To be continued)

L&K Engineering Co., Ltd.
Parent Company Only Statements of Cash Flows (Cont'd)
For the Years Ended December 31, 2025 and 2024

Unit : NT\$1,000

	For the Years Ended December 31,	
	2025	2024
Interest received	\$ 223,916	\$ 273,746
Dividend received	1,277,545	620,332
Interest paid	(14,173)	(625)
Income tax paid	(1,815,427)	(928,127)
Net Cash Provided by (Used in) Operating Activities	9,173,895	5,478,826
 <u>Cash Flows from Investing Activities</u>		
Acquisition of financial assets at fair value through other comprehensive income	(15,000)	-
Disposal of financial assets at fair value through other comprehensive income	98,491	-
Acquisition of investments accounted for under the equity method	(479,020)	(1,018,908)
Acquisition of property, plant and equipment	(6,937)	(8,864)
Proceeds from disposal of property, plant and equipment	394	114
Acquisition of intangible assets	(12,845)	(8,458)
Decrease (increase) in other financial assets	22,265	(17,007)
Proceeds from disposal of other noncurrent assets	-	153
Net Cash Provided by (Used in) Investing Activities	(392,652)	(1,052,970)
 <u>Cash Flows from Financing Activities</u>		
Increase (decrease) in short-term debt	750,000	50,000
Increase (decrease) in short-term notes and bills payable	50,000	-
Increase in long-term debt	2,100,000	-
Decrease in long-term debt	(2,100,000)	(130,569)
Increase (decrease) in guarantee deposit received	805	(146)
Repayment of the principal portion of lease liabilities	(4,224)	(15,312)
Cash dividend paid	(3,265,940)	(2,092,868)
Cash Capital Increase	-	805,000
Net Cash Generated by (Used in) Financing Activities	(2,469,359)	(888,895)
Effect of exchange rate changes	317,313	38,988
Net Increase (Decrease) in Cash and Cash Equivalents	6,629,197	3,575,949
Cash and Cash Equivalents at Beginning of Period	10,637,645	7,061,696
Cash and Cash Equivalents at End of Period	\$ 17,266,842	\$ 10,637,645

(The accompanying notes are an integral part of the financial statements)

L&K Engineering Co., Ltd.
Notes to Parent Company Only Financial Statements
For the Years Ended December 31, 2025 and 2024
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

1. Organization and Operations

L&K Engineering Co., Ltd. (“the Company”) was incorporated in 1978. The Company is a professional engineering company that provides fully integrated turnkey engineering services for clean room construction projects, process utility system, electrical and mechanical engineering and other associated engineering projects.

The Company’s shares were listed on the Taipei Exchange (TPEX) since 2001.

The Company’s shares were listed on the Taiwan Stock Exchange (TWSE) since August 2003.

2. The authorization of financial statements

The parent company only financial statements were approved and authorized for issuance by the board of directors and issued on March 13, 2026.

3. Application of new and revised International Financial Reporting Standards (IFRS)

(1) The Company applied International Financial Reporting Standards, International Accounting Standards, and Interpretations issued, revised or amended which are recognized by Financial Supervisory Commission (“FSC”) and become effective for annual periods beginning on or after January 1, 2025. The new guidelines and the nature and description of the amendments, the initial application has no significant impact on the Company.

(2) The Company has not adopted the following newly issued, amended, or revised standards or interpretations published by the International Accounting Standards Board (IASB) and endorsed by the Financial Supervisory Commission (FSC):

New Standards or Amendments	The Main Amendments	Effective Date
(A) Amendments to the Classification and Measurement of Financial Instruments Amendments to IFRS 9 and IFRS 7	The amendments include: (a) Clarify that a financial liability is derecognised on the settlement date and describe the accounting treatment for settlement of financial liabilities using an electronic payment system before the settlement date. (b) Clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features.	January 1, 2026

<p>(B) Contracts Related to Reliance on Renewable Electricity (Amendments to IFRS 9 and IFRS 7)</p>	<p>(c) Clarify the treatment of non-recourse assets and contractually linked instruments.</p> <p>(d) Require additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income.</p> <p>This amendment includes:</p> <p>(a) Clarifying the application of the 'own use' exemption.</p> <p>(b) Allowing the application of hedge accounting when the contract is used as a hedging instrument.</p> <p>(c) Enhancing disclosure requirements to help investors understand the impact of such contracts on a company's financial performance and cash flows.</p>	<p>January 1, 2026</p>
<p>(C) Annual Improvements to IFRS Accounting Standards – Volume 11</p>	<p>(a) Amendments to IFRS</p> <p>The amendments mainly improve the consistency in wording between first-time adoption of IFRS and requirements for hedge accounting in IFRS 9.</p> <p>(b) Amendments to IFRS 7</p> <p>The amendments update an obsolete cross-reference relating to gain or loss on derecognition.</p> <p>(c) Amendments to Guidance on implementing IFRS 7</p> <p>The amendments improve some of the wordings in the implementation guidance, including the introduction, disclosure of deferred difference between fair value and transaction price and credit risk disclosures.</p> <p>(d) Amendments to IFRS 9</p> <p>The amendments add a cross-reference to resolve potential confusion for a lessee applying the derecognition requirements and clarify the term “transaction price”</p>	<p>January 1, 2026</p>

(e) Amendments to IFRS 10.

The amendments remove the inconsistency between paragraphs B73 and B74 of IFRS 10.

(f) Amendments to IAS 7

The amendments remove a reference to “cost method” in paragraph 37 of IAS 7.

(D) IFRS 17 “Insurance Contracts”

IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects (including recognition, measurement, presentation, and disclosure requirements). The core of IFRS 17 is the General (building block) Model. Under this model, on initial recognition, an entity shall measure a group of insurance contracts at the total of the fulfilment cash flows and the contractual service margin. The fulfilment cash flows comprise of the following:

January 1, 2023

- (a) Estimates of future cash flows.
- (b) Discount rate: an adjustment to reflect the time value of money and the financial risks related to the future cash flows, to the extent that the financial risks are not included in the estimates of the future cash flows.

(c) A risk adjustment for non-financial risk.

The carrying amount of a group of insurance contracts at the end of each reporting period is the sum of the liability for remaining coverage and the liability for incurred claims. In addition to the general model, the following specific approaches are also provided:

- ① A specific approach for contracts with direct participation features (the Variable Fee Approach, or VFA)
- ② A simplified approach for short-duration contracts (the Premium Allocation Approach, or PAA)

After its initial issuance in May 2017, this

Standard was subsequently amended in June 2020. The amendments not only deferred the effective date by two years in the transition provisions (from January 1, 2021, to January 1, 2023) and provided additional exemptions, but also aimed to reduce the cost of implementing the Standard by simplifying certain requirements. Furthermore, the amendments clarified some provisions to make specific situations easier to interpret. Upon its effective date, this Standard replaces the transitional standard—International Financial Reporting Standard (IFRS) 4 Insurance Contracts.

The Company has assessed that the above standards and interpretations have no material impact on the Company.

- (3) New standards, interpretations and amendments issued by IASB but not yet included in the IFRSs as endorsed by the FSC, but not yet adopted by the Company are as follows:

New Standards or Amendments	The Main Amendments	Effective Date
(A) IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures” — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures	The amendments address the inconsistency between the requirements in IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures”, in dealing with the loss of control of a subsidiary that is contributed to an associate or a joint venture. IAS 28 restricts gains and losses arising from contributions of non-monetary assets to an associate or a joint venture to the extent of the interest attributable to the other equity holders in the associate or joint ventures. IFRS 10 requires full profit or loss recognition on the loss of control of the subsidiary. IAS 28 was amended so that the gain or loss resulting from the sale or contribution of assets that constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized in full. IFRS 10 was also amended so that the gains or loss resulting from the sale or contribution of a	To be determined by IASB

(B) IFRS 18 “Presentation and Disclosure in Financial Statements”

subsidiary that does not constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized only to the extent of the unrelated investors’ interests in the associate or joint venture.

The main changes in the new standards are as follows:

January 1, 2027

(a) Improved comparability in the statement of profit or loss (income statement)

IFRS 18 requires entities to classify all income and expenses within their statement of profit or loss into one of five categories: operating; investing; financing; income taxes; and discontinued operations. The first three categories are new, to improve the structure of the income statement, and requires all entities to provide new defined subtotals, including operating profit or loss. The improved structure and new subtotals will give investors a consistent starting point for analyzing entities’ performance and make it easier to compare entities.

(b) Enhanced transparency of management-defined performance measures

IFRS 18 requires entities to disclose explanations of those entity specific measures that are related to the income statement, referred to as management-defined performance measures.

(c) Useful grouping of information in the financial statements

IFRS 18 sets out enhanced guidance on how to organize information and whether to provide it in the primary financial statements or in the notes. The changes are expected to provide more detailed and useful information. IFRS 18 also requires entities to provide more transparency about operating

	expenses, helping investors to find and understand the information they need.	
(C) Disclosure Initiative – Subsidiaries without Public Accountability: Disclosures (IFRS 19)	This standard permits subsidiaries without public accountability to provide reduced disclosures when applying IFRS Accounting Standards in their financial statements. IFRS 19 is optional for subsidiaries that are eligible and sets out the disclosure requirements for subsidiaries that elect to apply it.	January 1, 2027
(D) Translation to a Hyperinflationary Presentation Currency (Amendment)(IAS 21 and IAS 29)	<p>The amendments include:</p> <p>(a) Clarify that when the entity’s functional currency is that of a non-hyperinflationary economy but its presentation currency is the currency of a hyperinflationary economy, the entity shall translate its results and financial position using the closing rate at the date of the most recent statement of financial position.</p> <p>(b) In the above circumstances, when the presentation currency ceases to be hyperinflationary economy, the entity shall not retranslate amounts that arose before the beginning of the reporting period.</p> <p>(c) When the entity’s functional currency and presentation currency are the currency of a hyperinflationary economy, the entity shall apply the relevant accounting treatment in accordance with paragraph 34 of IAS 29.</p>	January 1, 2027

Except for the newly issued or amended standards and interpretations in item (2), which the company is currently assessing and for which a reasonable estimate of the potential impact cannot yet be made, the other newly issued or amended standards and interpretations have no material impact on the company.

4. Summary of Significant Accounting Policies

(1) Statement of Compliance

The Company’s parent company only financial statements was prepared in accordance with Regulations Governing the preparation of Financial Reports by Securities Issuers.

(2) Basis of Preparation

- (A) Except for financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss, the accompanying parent company only financial statements have been prepared under the historical cost convention.
- (B) When preparing the parent company only financial statements, the Company accounts for subsidiaries and associates by using the equity method. In order to agree with the amount of net income, other comprehensive income and equity attributable to shareholders of the parent in the consolidated financial statements, the investments accounted for using equity method, share of profits of subsidiaries, associates and joint venture, and share of other comprehensive income of subsidiaries, associates and joint venture are adjusted for the differences in the accounting treatment between the parent company only basis and the consolidated basis in the parent company only financial statements.

(3) Foreign Currency Translation

(A) Foreign currency transactions and balances

In preparing the parent company only financial statements, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Such translation differences are recognized in profit or loss in the year in which they arise. Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Translation differences arising from non-monetary items are included in profit or loss for the year except for translation differences arising from non-monetary items on which gains and losses are recognized directly in other comprehensive income, in which case, the translation differences are recognized directly in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in foreign currencies are not retranslated.

(B) Translation of foreign operations

For the purposes of presenting parent company only financial statements, the assets and liabilities of the Company's foreign operations are translated into NTD using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Translation differences arising, if any, are recognized in other comprehensive income and accumulated in equity.

(4) Classification of Current and Noncurrent Assets and Liabilities

As the operating cycle for construction contracts usually exceeds one year, the Company uses the operating cycle as its criteria for classifying current and non-current assets and liabilities related to construction contracts. For other assets and liabilities, the criterion is one year. The Company classifies an asset as current when any one of the following requirements is met. Asset that are not classified as current are non-current assets.

- (A) It expects to realize the asset, or intends to sell or consume it, in its normal operating cycle;
- (B) It holds the asset primarily for the purpose of trading;
- (C) It expects to realize the asset within twelve months after the reporting period;
- (D) The asset is cash and 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.

The Company classifies a liability as current when any one of the following requirements is met. Liabilities that are not classified as current are non-current liabilities.

- (A) It expects to settle the liability in its normal operating cycle;
- (B) It holds the liability primarily for the purpose of trading;
- (C) The liability is due to be settled within twelve months after the reporting period; or
- (D) It 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 the issue of equity instruments do not affect its classification.

(5) Cash and Cash Equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(6) Financial Instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities within the scope of IFRS 9 Financial Instruments are recognized initially at fair value plus or minus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

(A) Financial instruments:

The Company accounts for regular way purchase or sales of financial assets on the trade date. The Company classified financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss on the basis of:

- the Company's business model for managing the financial assets and
- the contractual cash flow characteristics of the financial asset.

(a) Financial assets measured at amortized cost

The Company's investment financial assets are classified as financial assets measured at amortized cost if they meet the following two conditions:

- (i) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- (ii) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets measured by amortized cost (including cash and cash equivalents, accounts receivable measured at amortized cost) are recognized initially at fair value plus or minus

transaction costs, increased by interest income, and reduced by impairment loss subsequently. All foreign currency exchange gains and losses are recognized in profit or loss.

Interest income is calculated by multiplying the effective interest rate by the gross carrying value of the financial assets, except for the following two cases:

(i) purchased or originated credit-impaired financial assets. For those financial assets, the Company applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.

(ii) Financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Company applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

(b) Equity instrument investments measured at fair value through other comprehensive income

The Company is able to make an irrevocable election to present subsequent change in fair value of an equity instrument that is not held for trading or contingent consideration recognized in a business combination in other comprehensive income.

The investment in equity instruments measured at fair value through other comprehensive income is measured at fair value. Subsequent changes in fair value are presented in other comprehensive income and accumulated in other equity. Upon disposal, the accumulated gains and losses are transferred directly to retained earnings and are not reclassified as profit or loss.

The dividends of the equity instruments that are measured at fair value through other comprehensive gains and losses are recognized in profit or loss when the Company's right to collect payments is established, unless the dividend clearly represents a portion of the investment cost.

(c) Financial asset measured at fair value through profit or loss

Financial assets that are neither (a) or (b) are measured at fair value through profit or loss.

(B) Impairment of financial assets

The impairment loss on financial assets (including accounts receivable) measured at amortized cost is based on expected credit losses at each balance sheet date. Loss allowance of accounts receivable is measured at an amount equal to lifetime expected credit losses. Other financial assets are firstly assessed whether the credit risk has increased significantly since initial recognition. If there is no significant increase, the allowance loss is measured at an amount equal to 12-month expected credit loss. If it has increased significantly, it is measured at an amount equal to the lifetime expected credit loss.

The expected credit loss is the average credit loss weighted by the risk of default. The 12-month expected credit loss represents the expected credit loss arising from the possible default on the financial instrument within the 12 months after the reporting date. The lifetime expected credit loss represents the expected credit loss arising from all possible defaults over the expected life of a financial instrument. The impairment loss on all financial assets is reduced through the allowance account.

(C) Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from

the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss.

If the transferred asset is part of a larger financial asset and the part transferred qualifies for derecognition in its entirety, the previous carrying amount of the larger financial asset shall be allocated between the part that continues to be recognized and the part that is derecognized, on the basis of the relative fair values of the parts on the date of the transfer. The difference between the carrying amount allocated to the part derecognized and the consideration received for the part derecognized shall be recognized in profit or loss.

(D) Financial Liabilities and Equity Instruments

(a) Classification as debt or equity

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

(b) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

(c) Financial liabilities

Financial liabilities in the scope of IAS 39 are initially recognized at fair value through profit or loss or at amortized cost.

(d) Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

(e) Convertible bonds

Bonds payable embedded with conversion rights, puttable rights, callable rights, shall be initially recognized as a financial liability, a financial asset or an equity instrument (capital reserve from stock warrants).

These bonds are accounted for as follows:

- (i) The difference between the issue price and face value of convertible corporate bonds is accounted for as premium or discount which is required to be amortized over the period from the date of issuance to maturity date using the interest method and is recorded as "interest expense".
- (ii) The value of any derivative features (such as a call option and put option) embedded in the compound financial instrument is recognized as "financial assets or financial liabilities at fair

value through profit or loss”. These derivative features are subsequently remeasured and stated at fair value on each balance sheet date, and the gain or loss is recognized in “gain or loss on valuation of financial assets or financial liabilities”. At the maturity of redemption period, if the fair value of common stock exceeds the redemption price, the fair value of the put option is recognized as “paid-in capital”; however, if the fair value of common stock is lower than the redemption price, the fair value of the put option is recognized as “gain or loss”.

(iii) A conversion option embedded in the bonds issued by the Company, which is convertible to an equity instrument, is recognized and included in “capital reserve from stock warrants”, net of income tax effects. When a bondholder exercises his/her conversion rights, the liability component of the bonds (including corporate bonds and embedded derivatives) shall be revalued, and the resulting difference shall be recognized as “gain or loss” in the current period. The book value of the common stock issued due to the conversion shall be based on the adjusted book value of the above-mentioned liability component plus the book value of the stock warrants.

(iv) Costs incurred on issuance of convertible bonds are proportionately charged to the liabilities and equities of the underlying instruments based on initial recognition amount.

In the event that the bondholders may exercise put options within the following year, the underlying bonds payable shall be reclassified to current liabilities. The bonds payable whose put options were not exercised during the exercisable period shall be reclassified to noncurrent liabilities.

(f) Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified (whether or not attributable to the financial difficulty of the debtor), such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

(E) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

(F) Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices, without any deduction for transaction costs.

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include using recent arm’s length market transactions, reference to the current fair value of another instrument that is substantially the same, a discounted cash flow analysis or other valuation models.

(7) Inventories

Inventories are stated at the lower of cost or net realizable value using item-by-item approach. Net realizable value represents the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Cost is determined using the weighted-average method.

(8) Investments Accounted for Using Equity Method

(A) Investment in subsidiaries

A subsidiary is an entity that is controlled by the Company.

Under the equity method, an investment in a subsidiary is initially recognized at cost and adjusted thereafter to recognize the Company's share of profit or loss and other comprehensive income of the subsidiary as well as the distribution received. The Company also recognized its share of the changes in the equity of subsidiaries.

Changes in the Company's ownership interests in subsidiaries that do not result in the Company losing control over the subsidiaries are accounted for as equity transactions. Any difference between the carrying amount of the subsidiary and the fair value of the consideration paid or received is recognized directly in equity.

When the Company loses control of a subsidiary, any retained investment of the former subsidiary is measured at the fair value at that date. A gain or loss is recognized in profit or loss and calculated as the difference between (i) the aggregate of the fair value of consideration received and the fair value of any retained interest at the date when control is lost; and (ii) the previous carrying amount of the investments in such subsidiary. In addition, the Company shall account for all amounts previously recognized in other comprehensive income in relation to the subsidiary on the same basis as would be required if the Company had directly disposed of the related assets and liabilities.

The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the cost on initial recognition of an investment in an associate.

When the Company transacts with its subsidiaries, profits and losses resulting from the transactions with the subsidiaries are recognized in the Company's parent company only financial statements only to the extent of interests in the subsidiaries that are not owned by the Company.

(B) Investment in associates

An associate is an entity over which the Company has significant influence and that is neither a subsidiary nor a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The operating results and assets and liabilities of associates are incorporated in these parent company only financial statements using the equity method of accounting. Under the equity method, an investment in an associate is initially recognized in the balance sheet at cost and adjusted thereafter to recognize the Company's share of profit or loss and other comprehensive income of the associate as well as the distribution received. The Company also recognized its share in the changes in the equity of associates.

Any excess of the cost of acquisition over the Company's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of an associate recognized at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment. Any excess of the Company's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognized forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

When the Company transacts with associate, profits and losses resulting from the transactions with the associate are recognized in the Company's parent company only financial statements only to the extent of interests in the associate that are not owned by the Company.

(9) Lease

The Company as a lessor

The Company recognizes lease payments from operating leases as rental income on a straight-line basis over the term of the lease.

The Company as lessee

Except short-term leases and leases for which the underlying asset is of low value are recognized as expenses on a straight-line basis, the Company recognizes right-of-use assets and lease liabilities for all leases at the commencement date of the lease.

Right-of-use assets are measured at cost. The cost of right-of-use assets comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus an estimate of costs needed to restore the underlying assets. Subsequent measurement is calculated as cost less accumulated depreciation and accumulated impairment loss and adjusted for changes in lease liabilities as a result of lease term modifications or other related factors. Right-of-use assets are presented separately in the parent company only balance sheets. Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms. If the lease transfers ownership of the underlying assets to the Company by the end of the lease terms or if the cost of right-of-use assets reflects that the Company will exercise a purchase option, the Company depreciates the right-of-use assets from the commencement dates to the end of the useful lives of the underlying assets.

Lease liabilities are measured at the present value of the lease payments. Lease payments comprise fixed payments, variable lease payments which depend on an index or a rate and the exercise price of a purchase option if the Company is reasonably certain to exercise that option. The lease payments are discounted using the lessee's incremental borrowing rates.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, a change in future lease payments resulting from a change in an index or a rate used to determine those payments, or

a change in the assessment of an option to purchase an underlying asset, the Company remeasures the lease liabilities with a corresponding adjustment to the right-of-use assets. Lease liabilities are presented as a separate line in the parent company only balance sheets. Variable lease payments that do not depend on an index or a rate are recognized as expenses in the periods in which they are incurred.

(10) Property, Plant and Equipment

(A) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributed to the acquisition of the asset, the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, and any borrowing cost that is eligible for capitalization.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item shall be depreciated with a separate depreciation rate or depreciation method.

Property, plant and equipment are derecognized when disposed of or expected to have no future economic benefits generated through usage. The gain or loss arising from the derecognition of an item of property, plant and equipment shall be determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, and it shall be recognized as profit and loss.

(B) Reclassification to investment property

Property is reclassified to investment property at its carrying amount when the use of the property changes from owner-occupied to investment property.

(C) Subsequent cost

Subsequent expenditure is capitalized only when it is probable that the future economic benefits associated with the expenditure will flow to the Company and the amount can be reliably measured. The carrying amount of those parts that are replaced is derecognized. Ongoing repairs and maintenance are expensed as incurred.

(D) Depreciation

The depreciable amount of an asset is determined after deducting its residual amount, and the net amount shall be allocated with the straight-line method over its useful life. Each significant item of property, plant and equipment shall be evaluated and depreciated separately if it possesses a different useful life. The depreciation charge for each period shall be recognized in profit or loss.

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

(a)	Building	3 ~ 50 years
(b)	Machinery and equipment	3 ~ 15 years
(c)	Computer and telecommunication equipment	3 ~ 8 years
(d)	Transportation equipment	3 ~ 5 years
(e)	Office equipment	3~8 years
(f)	Leasehold improvements	5 years
(g)	Other equipment	3~10 years

(11) Investment Properties

Investment property is the property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, for use in the production or supply of goods or services, or for administrative purposes. Investment property is measured at cost on initial recognition and subsequently. The depreciation is computed along with the depreciable amount. The method, the useful life and the residual amount are the same with those of property, plant and equipment. Cost includes expenditure that is directly attributable to the acquisition of the investment property.

When the use of a property changes such that it is reclassified as property, plant and equipment, the carrying amount at the date of reclassification becomes its cost for subsequent accounting. The property estimated useful life of investment property is 50 years.

(12) Intangible Assets

(A) Intangible assets are mainly computer software, which is amortized on a straight-line basis for 3 years.

(B) Intangible assets acquired in a business combination and recognized separately from goodwill are initially recognized at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

(13) Impairment of Non-financial Assets

For inventories, assets arising from construction contracts, deferred income tax assets, assets arising from employee benefits, non-current assets classified as held for sale, and non-financial assets other than biological assets, assess whether impairment has occurred at the end of each reporting period. If any of those indications is present, an estimate of recoverable amount is made. If the recoverable amount of an individual asset cannot be estimated, the recoverable amount of the cash-generating unit to which the asset belongs is estimated to assess impairment.

The recoverable amount is the higher of an individual asset's or cash-generating unit's fair value less costs of disposal and its value in use. If the recoverable amount of an individual asset or cash-generating unit is lower than the carrying amount, the carrying amount of the individual asset or cash-generating unit is adjusted to reduce to the recoverable amount, and an impairment loss is recognized. Impairment losses are recognized immediately in profit or loss for the period. It is reassessed at the end of each reporting period whether there are indications that impairment losses recognized in prior years for non-financial assets other than goodwill may have ceased to exist or have decreased. If there is any change in the estimate used to determine the recoverable amount, the impairment loss is reversed to increase the carrying amount of the individual asset or cash-generating unit to its recoverable amount, but not more than the carrying amount that would have been determined (net of amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

Goodwill, intangible assets with indefinite useful lives and intangible assets not yet available for use are regularly tested for impairment every year, and impairment losses are recognized for the part whose

recoverable amount is lower than the book value.

For the purposes of impairment testing, goodwill arising from a business combination is allocated to each cash-generating unit (or group of cash-generating units) of the Group that is expected to benefit from the synergies of the combination. If the recoverable amount of the cash-generating unit is lower than its book value, the impairment loss is firstly reduced to the book value of the goodwill that has been allocated to the cash-generating unit, and secondly apportioned in proportion to the book value of each asset in the unit. The recognized goodwill impairment loss cannot be reversed in subsequent periods.

(14) Borrowings

(A) Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in profit or loss over the period of the borrowings using the effective interest method.

(B) Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a pre-payment for liquidity services and amortized over the period of the facility to which it relates.

(15) Accounts Payable

Accounts payable are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. They are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

(16) Provision

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(17) Equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.

(18) Revenue Recognition

The Company identifies contracts with customers, allocates the transaction price to the performance obligations, and recognizes revenue when performance obligations are satisfied.

(A) Engineering Service Income

In the real estate construction contract during the construction process, the Company gradually recognizes revenue over time. As the cost of construction is directly related to the completion of the performance obligation, the Company measures the completion rate based on the actual input cost to the expected total cost. The Company gradually recognizes contract assets during the construction process and reclassifies them as accounts receivable when the bill is opened. If the amount of work received exceeds the amount of recognized income, the difference is recognized as a contract liability. The project retentions detained by the customers in accordance with the terms of the contract are intended to ensure that the Company fulfills all contractual obligations and is recognized as contractual assets before the completion of the performance of the Company.

If the outcome of a performance obligation cannot be reliably measured, revenue shall be recognized to the extent of recoverable incurred cost in satisfying the performance obligation.

(B) Merchandise Income

The Company sells merchandise and recognizes revenue when the promised merchandise is delivered to the client and the customer obtains control (ie, the customer's ability to lead the use of the merchandise and obtain almost all of the remaining benefits of the merchandise).

(19) Employee Benefits

(A) Short-term employee benefits:

Short-term employee benefits-related liabilities are measured at non-discounted amounts that are expected to be paid in exchange for employee services.

(B) Post-employment benefits:

For defined contribution plans, the contributions are recognized as pension expense when they are due in that period when the employees render service. For defined benefit plans, the pension expense, including service cost, net interest and rereasurement, is recognized according to actuarial calculation using the projected unit credit method. Service cost (including past service cost) and net interest on net defined benefit liability (asset) are recognized in profit or loss immediately. Rereasurement, including actuarial gain or loss and return on plan asset net of interest expense, is recognized in other comprehensive income as incurred, recorded in retained earnings, and not recycled to profit or loss in the future.

(20) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the funds, from particular borrowings, temporarily invested pending their expenditure on the qualifying asset is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

(21) Share-based payment agreement

Equity-Settled Share-Based Payment Agreements Granted to Employees

Equity-settled share-based payment agreements are recognized as expenses on a straight-line basis over the vesting period, based on the fair value of the equity instruments on the grant date and the best estimate of the expected vested quantity. Simultaneously, an adjustment is made to capital surplus – employee stock options. If the awards are immediately vested on the grant date, the full expense is recognized on that date. The grant date for the company's cash capital increase reserved for employee subscription is the date of approval by the Board of Directors.

(22) Income Tax

(A) The tax expense for the period comprises current and deferred tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or items recognized directly in equity, in which cases the tax is recognized in other comprehensive income or equity.

(B) The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional 5% tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.

(C) Deferred income tax is recognized, using the balance sheet method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax is determined using tax rates (and laws) that have been enacted or

substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

- (D) Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At each balance sheet date, unrecognized and recognized deferred income tax assets are reassessed.
- (E) Deferred tax assets and deferred tax liabilities shall be offset if and only if the company has a legally enforceable right to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled on recovered.
- (F) The interim period income tax expense is recognized based on the estimated average annual effective income tax rate expected for the full financial year applied to the pretax income of the interim period, and the related information is disclosed accordingly.

5. Critical Accounting Judgments, Estimates and Key Sources of Assumption Uncertainty

The preparation of these financial statements requires management to make critical judgments in applying the Company's accounting policies and make critical assumptions and estimates concerning future events. Judgments and estimates are continually evaluated and adjusted based on historical experience and other factors. The above information is addressed below:

(1) Judgments

In the process of applying the Company's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the consolidated financial statements:

(A) Investment property:

Certain properties of the Company comprise a portion that is held to earn rentals or for capital appreciation and another portion that is owner-occupied. If these portions could be sold separately, the Company accounts for the portions separately as investment properties and property, plant and equipment.

(B) Operating lease commitments – Company as the lessor:

The Company has entered into commercial property leases on its investment property portfolio. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, retaining all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

(2) Estimates and Assumptions

The key assumptions concerning the future and other key sources of assumption uncertainty with have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(A) Construction contract revenue:

The Company recognizes the contract revenue and profit by the managements' estimate of the profit of the contract and the completion level. Management reviews and modifies the contractual profits and costs during the contract period, and the actual contract result may be higher or lower than the estimates, which will affect the recognized revenue and profit.

(B) Receivable impairment assessment

The estimated impairment of trade receivables, contracts is based on the Company's assumptions about default rates and expected loss rates. The Company considers historical experience, current market conditions and forward-looking information to make assumptions and select input values for impairment assessments. If the actual cash flow in the future is less than expected, significant impairment losses may occur.

(C) Pension benefits:

The cost of defined benefit pension plans and the present value of the defined benefit obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions, including the discount rate, future salary increase, mortality rates and future pension increases. Please refer to Note 6 (18) for detailed explanation of assumptions used in measuring pension cost and defined benefit obligation.

6. Major Accounts Explanation

(1) Cash and Cash Equivalents

Items	Dec. 31, 2025	Dec. 31, 2024
Cash on hand	\$ 2,332	\$ 1,332
Savings accounts	5,089,058	2,666,069
Time deposits	12,175,452	7,970,244
Total	\$ 17,266,842	\$ 10,637,645

(2) Financial Asset at Fair Value through Profit or Loss – Current

Items	Dec. 31, 2025	Dec. 31, 2024
Financial assets mandatorily measured at fair value through profit or loss		
Listed stocks	\$ 269,811	\$ 204,318
Call and put options of convertible bonds	3	1,757
Convertible bonds issued by listed companies	19,720	19,860
Limited partnership	1,368,342	49,845
Total	\$ 1,657,876	\$ 275,780

Items	Dec. 31, 2025	Dec. 31, 2024
Financial assets at fair value through profit or loss - current	\$ 289,534	\$ 225,935
Financial assets at fair value through profit or loss – non current	\$ 1,368,342	\$ 49,845

Items	For the Years Ended December 31	
	2025	2024
Revaluation profit or (loss) of financial assets mandatorily measured at fair value through profit or loss	\$ 1,345,524	\$ 10,496

(3) Accounts and Notes Receivable, net

(A) Details are as follows:

Items	Dec. 31, 2025	Dec. 31, 2024
Notes receivable	\$ 2,520	\$ 2,520
Accounts receivable	4,401,228	197,266
Accounts receivable - related parties	16,222	13,917
Total	4,419,970	213,703
Less: Loss allowance	(5,910)	(1,741)
Net	\$ 4,414,060	\$ 211,962

The above receivables were not provided for any collateral.

(B) The allowance for the accounts and notes receivable calculated according to the provision matrix are as follows:

	December 31, 2025							Total
	Not past due	0~ 60 day	61~ 90 day	91~ 180 day	181~ 365 day	366~ 730 day	Past due over 731 day	
	Expected credit loss rate	0.1%	-	-	-	-	-	
Total amount	\$ 4,118,554	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,416	\$ 4,419,970
Loss allowance	(4,494)	-	-	-	-	-	(1,416)	(5,910)
Amortized cost	\$ 4,414,060	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,414,060

December 31, 2024								
	Not past due	0~ 60 day	61~ 90 day	91~ 180 day	181~ 365 day	366~ 730 day	Past due over 731 day	Total
Expected credit								
loss rate	0.1%	-	-	-	-	-	100%	-
Total amount	\$ 212,287	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,416	\$ 213,703
Loss allowance	(325)	-	-	-	-	-	(1,416)	(1,741)
Amortized cost	\$ 211,962	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 211,962

The Company applies the simplified approach to providing expected credit losses prescribed under IFRS 9, which permits the use of lifetime expected loss provision for all trade receivables. The lifetime expected losses are estimated using an allowance matrix with reference to debtors' default records in the past and current financial position, economic conditions of the industry as well as the forecasted GDP and outlook of the industry. As the Company's historic experience of credit loss shows no significantly different loss patterns for different customer segments, the allowance matrix does not differentiate by customer group. The expected credit loss rates are estimated based on the number of days that a trade receivable is past due.

(C) Aging analysis of accounts and notes receivable that is individually determined to be impaired:

Items	Dec. 31, 2025	Dec. 31, 2024
Neither past due nor impaired	\$ 4,414,060	\$ 211,962
Past due but not impaired		
Past due 0~60 days	-	-
Past due 61~90 days	-	-
Past due 91~180 days	-	-
Past due 181~365 days	-	-
Past due over 366 days	-	-
Total	\$ 4,414,060	\$ 211,962

(4) **Other Receivables, net**

(A) Details are as follows:

Items	Dec. 31, 2025	Dec. 31, 2024
Other receivables	\$ 10,310	\$ 376,188
Less: Loss allowance	(2,880)	(2,880)
Net	\$ 7,430	\$ 373,308

(B) Movement in the provision for impairment of other receivables:

Items	For the Years Ended December 31,	
	2025	2024
Beginning balance	\$ 2,880	\$ 2,880
The amount charged or reversed for the period	-	-
The amount written-off for the period	-	-
Ending balance	<u>\$ 2,880</u>	<u>\$ 2,880</u>

(5) Inventories, net

Items	Dec. 31, 2025	Dec. 31, 2024
Merchandise inventories	\$ 9,801	\$ 10,779
Less: allowance to reduce inventory to market value	(9,113)	(9,113)
Net	<u>\$ 688</u>	<u>\$ 1,666</u>

The market price decline and obsolete loss for inventories amounted to \$0 for the years ended December 31, 2025 and 2024, respectively.

(6) Prepayments

Items	Dec. 31, 2025	Dec. 31, 2024
Prepaid expenses	\$ 5,218	\$ 3,666
Advance payments	4,844,570	5,836,366
Other prepayments	400,745	4,939
Total	<u>\$ 5,250,533</u>	<u>\$ 5,844,971</u>

(7) Other Financial Assets

Items	Dec. 31, 2025	Dec. 31, 2024
Time deposits with maturity of more than three months	\$ 299,032	\$ 327,429
Restricted assets	303,771	298,692
Guarantee deposits paid	13,131	12,078
Total	<u>\$ 615,934</u>	<u>\$ 638,199</u>

Items	Dec. 31, 2025	Dec. 31, 2024
Other financial assets - current	<u>\$ 602,803</u>	<u>\$ 626,121</u>
Other financial assets - noncurrent	<u>\$ 13,131</u>	<u>\$ 12,078</u>

For the collateral information of other financial assets, please refer to Note 8.

(8) Financial Asset at Fair Value Through Other Comprehensive Income- Noncurrent

Items	Dec. 31, 2025	Dec. 31, 2024
Equity instrument investments		
Listed companies stocks	\$ 952,315	\$ 689,122
Unlisted companies stocks	155,125	156,607
Total	\$ 1,107,440	\$ 845,729

(A) The Company's investments in equity instruments are classified as medium and long-term strategic investments and are designated at fair value through other comprehensive income.

(B) The fair value fluctuation through other comprehensive income - financial assets (FVTOCI) was summarized as follows:

Items	For the Years Ended December 31,	
Equity instrument at Fair Value Through Other Comprehensive Income	2025	2024
The gain or loss in recognized in other comprehensive income	\$ 345,202	\$ 247,571
The reclassification of accumulated gain or loss into retained earnings upon derecognition	\$ 82,925	\$ -

(9) Investment Accounted for Using Equity Method

Items	Dec. 31, 2025	Dec. 31, 2024
Subsidiaries	\$ 13,600,769	\$ 11,229,398
Associates	-	-
Total	\$ 13,600,769	\$ 11,229,398

(A) Subsidiaries:

Investee companies	December 31, 2025		
	Cost	Ownership percentage	Carrying amount
RSEA Engineering Corporation (privatized 2009)	\$ 4,028,475	82.64%	\$ 5,205,226
L&K Engineering Co., Ltd. (BVI)	1,615	100.00%	695,428
L&K Engineering (Suzhou) Co., Ltd.	508,104	53.99%	5,647,860
Unique Grand Limited	1,821,916	49.80%	1,033,419
L&K ENGINEERING PTE.LTD.	479,020	100%	488,978
L&K-LCB Joint Venture LLP	-	70%	529,858
Total	\$ 6,839,130		\$ 13,600,769

Investee companies	December 31, 2024		
	Cost	Ownership percentage	Carrying amount
RSEA Engineering Corporation (privatized 2009)	\$ 4,028,475	82.64%	\$ 4,941,183
L&K Engineering Co., Ltd. (BVI)	1,615	100.00%	729,533
L&K Engineering (Suzhou) Co., Ltd.	508,104	53.99%	4,534,669
Unique Grand Limited	1,821,916	51.71%	1,024,013
Total	<u>\$ 6,360,110</u>		<u>\$ 11,229,398</u>

(a) Share of the profit or loss of the Company's subsidiaries were recognized using the equity method are as follows:

Investee companies	For the Years Ended December 31,	
	2025	2024
RSEA Engineering Corporation (privatized 2009)	\$ 511,921	\$ 424,948
L&K Engineering Co., Ltd. (BVI)	29,071	32,665
L&K Engineering (Suzhou) Co., Ltd.	2,103,832	1,466,823
Unique Grand Limited	(26,152)	(42,613)
L&K ENGINEERING PTE.LTD.	18	-
L&K-LCB Joint Venture LLP	526,271	-
Total	<u>\$ 3,144,961</u>	<u>\$ 1,881,823</u>

Share of the profit of RSEA Engineering Corporation (privatized 2009) recognized for the years ended December 31, 2025 and 2024, are based on the investee's financial statements audited by other auditors for the relevant periods. Share of the profit of L&K-LCB Joint Venture LLP recognized for the years ended December 31, 2025, is based on the investee's financial statements audited by other auditors for the relevant periods.

(b) The company invested in the stock of L&K Engineering (Suzhou) Co., Ltd. with the permission issued by Investment Commission, MOEA in July, 2003. 51% of stock amounting to 56,680 thousand (USD1,632 thousand) were acquired on August 5, 2003 and the difference between the acquisition price and carrying amounts was \$4,124 thousand which was amortized on a straight-line basis for 5 years. The amortization ceased on January 1, 2006. The remaining difference were \$2,041 thousand and unimpaired on December 31, 2025 and 2024.

(B) Associates:

Investee company	December 31, 2025		
	Cost	Ownership percentage	Carrying amount
Formosa Medical Devices Inc.	\$ 49,036	40.88%	\$ 8,776
Accumulated impairment	-		(8,776)
Net	<u>\$ 49,036</u>		<u>\$ -</u>

Investee companies	December 31, 2024		
	Cost	Ownership percentage	Carrying amount
Formosa Medical Devices Inc.	\$ 49,036	40.88%	8,776
Accumulated impairment	-		(8,776)
Net	<u>\$ 49,036</u>		<u>\$ -</u>

(C) No associate company is material to the Company. The share of profit or loss of associates and joint ventures accounted for under equity method is based on reports unaudited certified from associate companies, of which the management of the Company expected no material impact. The Company did not recognize the share of profit or loss from Formosa Medical Devices Inc, of which the carrying amount were \$0 on December 31, 2025 and 2024.

(D) Changes in Subsidiaries:

- (a) Cash capital increase of RSEA Engineering Corporation(privatized 2009) was resolved in the board of directors' meeting held on March 25, 2024, to issue 127,159 thousand shares with a par value \$10 dollars per share issuance price of \$10.5 per share. The registration was completed on July 1, 2024. The board of directors of the Company approved participating in the cash capital increase of RSEA Engineering Corporation(privatized 2009) on April 9, 2024. The Company unproportionally subscribed 97,039 thousand shares, at \$1,018,908 thousand, causing the shareholding ratio changed from 84.79% to 82.64%. RSEA Engineering Corporation(privatized 2009) completed the change registration on July 1, 2024.
- (b) Registration of L&K ENGINEERING PTE.LTD. was resolved in the board of directors' meeting of the Company held on August 8, 2025. The procedure was completed on September 15, 2025, and partial capital injection was completed in December 2025.
- (c) L&K-LCB Joint Venture LLP was registered on August 22, 2025.
- (d) Cash capital increase of Unique Grand Limited, amounting to USD 4,397 thousand, was held in December, 2025. The Company did not subscribe and reduced its shareholding ratio from 51.71% to 49.80%.

(10) Property, Plant and Equipment

Changes in property, plant and equipment of the Company for the years ended December 31, 2025 and 2024 were as follows:

For the Year Ended December 31, 2025:

<u>Cost</u>	<u>Beginning balance</u>	<u>Additions</u>	<u>Reclassification</u>	<u>Disposal / Transfer</u>	<u>Effect of exchange rate changes</u>	<u>Ending balance</u>
Land	\$ 75,993	\$ -	\$ -	\$ -	\$ -	\$ 75,993
Buildings	287,524	1,540	-	-	2,944	292,008
Machinery and equipment	29,641	-	-	-	-	29,641
Computer equipment	40,659	3,660	-	(2,582)	25	41,762
Transportation equipment	6,329	1,638	-	(435)	38	7,570
Office equipment	11,497	-	-	(142)	47	11,402
Leasehold improvements	9,467	99	-	-	-	9,566
Other equipment	14,793	-	-	(30)	77	14,840
Total	<u>\$ 475,903</u>	<u>\$ 6,937</u>	<u>\$ -</u>	<u>\$ (3,189)</u>	<u>\$ 3,131</u>	<u>\$ 482,782</u>

<u>Accumulated depreciation</u>	<u>Beginning balance</u>	<u>Additions</u>	<u>Reclassification</u>	<u>Disposal / Transfer</u>	<u>Effect of exchange rate changes</u>	<u>Ending balance</u>
Buildings	\$ (99,019)	\$ (6,113)	\$ -	\$ -	\$ (377)	\$ (105,509)
Machinery and equipment	(29,437)	(60)	-	-	-	(29,497)
Computer equipment	(28,658)	(5,847)	-	2,582	(16)	(31,939)
Transportation equipment	(4,833)	(565)	-	163	(35)	(5,270)
Office equipment	(10,284)	(322)	-	132	(41)	(10,515)
Leasehold improvements	(7,781)	(433)	-	-	-	(8,214)
Other equipment	(13,868)	(416)	-	30	(74)	(14,328)
Total	<u>\$ (193,880)</u>	<u>\$ (13,756)</u>	<u>\$ -</u>	<u>\$ 2,907</u>	<u>\$ (543)</u>	<u>\$ (205,272)</u>

For the Year Ended December 31, 2024:

<u>Cost</u>	<u>Beginning balance</u>	<u>Additions</u>	<u>Reclassification</u>	<u>Disposal / Transfer</u>	<u>Effect of exchange rate changes</u>	<u>Ending balance</u>
Land	\$ 75,993	\$ -	\$ -	\$ -	\$ -	\$ 75,993
Buildings	280,653	668	-	(205)	6,408	287,524
Machinery and equipment	30,660	-	-	(1,019)	-	29,641
Computer equipment	39,059	6,910	-	(5,367)	57	40,659
Transportation equipment	7,012	796	-	(1,583)	104	6,329
Office equipment	11,983	138	-	(728)	104	11,497
Leasehold improvements	9,467	-	-	-	-	9,467
Other equipment	14,446	352	-	(175)	170	14,793
Total	\$ 469,273	\$ 8,864	\$ -	\$ (9,077)	\$ 6,843	\$ 475,903

<u>Accumulated depreciation</u>	<u>Beginning balance</u>	<u>Additions</u>	<u>Reclassification</u>	<u>Disposal / Transfer</u>	<u>Effect of exchange rate changes</u>	<u>Ending balance</u>
Buildings	\$ (91,894)	\$ (6,647)	\$ -	\$ 205	\$ (683)	\$ (99,019)
Machinery and equipment	(30,324)	(131)	-	1,018	-	(29,437)
Computer equipment	(28,210)	(5,793)	-	5,367	(22)	(28,658)
Transportation equipment	(6,026)	(298)	-	1,583	(92)	(4,833)
Office equipment	(10,562)	(359)	-	720	(83)	(10,284)
Leasehold improvements	(7,339)	(442)	-	-	-	(7,781)
Other equipment	(13,542)	(350)	-	175	(151)	(13,868)
Total	\$ (187,897)	\$ (14,020)	\$ -	\$ 9,068	\$ (1,031)	\$ (193,880)

Carrying amount	Dec. 31, 2025	Dec. 31, 2024
Land	\$ 75,993	\$ 75,993
Buildings	186,499	188,505
Machinery and equipment	144	204
Computer equipment	9,823	12,001
Transportation equipment	2,300	1,496
Office equipment	887	1,213
Leasehold improvements	1,352	1,686
Other equipment	512	925
Total	\$ 277,510	\$ 282,023

(A) For the collateral information of the property, plant and equipment, please refer to Note 8.

(B) The significant part of the Company's buildings included main buildings, renovation (reconstruction) projects and electrical power equipment, and the related depreciation was calculated using the estimated useful lives of 50 years, 10 years and 10 to 35 years, respectively.

(11) Right-of-use Assets

Changes in the cost and depreciation of right-of-use assets of the Company for the years ended December 31, 2025 and 2024 were as follows:

For the Year Ended December 31, 2025:

<u>Cost</u>	<u>Beginning balance</u>	<u>Additions</u>	<u>Reclassification</u>	<u>Disposal/ Transfer</u>	<u>Effect of change in exchange rate</u>	<u>Ending balance</u>
Buildings	\$ 8,304	\$ -	\$ -	\$ -	\$ -	\$ 8,304
Transportation equipment	6,646	375	-	-	-	7,021
Total	<u>\$ 14,950</u>	<u>\$ 375</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,325</u>

<u>Accumulated depreciation</u>	<u>Beginning balance</u>	<u>Additions</u>	<u>Reclassification</u>	<u>Disposal / Transfer</u>	<u>Effect of change in exchange rate</u>	<u>Ending balance</u>
Buildings	\$ (4,079)	\$ (1,690)	\$ -	\$ -	\$ -	\$ (5,769)
Transportation equipment	(2,619)	(2,372)	-	-	-	(4,991)
Total	<u>\$ (6,698)</u>	<u>\$ (4,062)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (10,760)</u>

For the Year Ended December 31, 2024:

<u>Cost</u>	<u>Beginning balance</u>	<u>Additions</u>	<u>Reclassification</u>	<u>Disposal/ Transfer</u>	<u>Effect of change in exchange rate</u>	<u>Ending balance</u>
Buildings	\$ 46,842	\$ -	\$ -	\$ (39,608)	\$ 1,070	\$ 8,304
Transportation equipment	6,646	-	-	-	-	6,646
Total	<u>\$ 53,488</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (39,608)</u>	<u>\$ 1,070</u>	<u>\$ 14,950</u>

<u>Accumulated depreciation</u>	<u>Beginning balance</u>	<u>Additions</u>	<u>Reclassification</u>	<u>Disposal/ Transfer</u>	<u>Effect of change in exchange rate</u>	<u>Ending balance</u>
Buildings	\$ (30,033)	\$ (12,764)	\$ -	\$ 39,608	\$ (890)	\$ (4,079)
Transportation equipment	(404)	(2,215)	-	-	-	(2,619)
Total	<u>\$ (30,437)</u>	<u>\$ (14,979)</u>	<u>\$ -</u>	<u>\$ 39,608</u>	<u>\$ (890)</u>	<u>\$ (6,698)</u>

<u>Carrying amount</u>	<u>Dec. 31, 2025</u>	<u>Dec. 31, 2024</u>
Buildings	\$ 2,535	\$ 4,225
Transportation equipment	2,030	4,027
Total	<u>\$ 4,565</u>	<u>\$ 8,252</u>

The above right-of-use assets were not pledged as any collateral.

(12) Investment Property

Changes in the investment property for the years ended December 31, 2025 and 2024 were as follows:

For the Year Ended December 31, 2025:

<u>Items</u>	<u>Beginning balance</u>	<u>Additions</u>	<u>Reclassification</u>	<u>Disposal/ Transfer</u>	<u>Effect of change in exchange rate</u>	<u>Ending balance</u>
Land	\$ 68,001	\$ -	\$ -	\$ -	\$ -	\$ 68,001
Building	40,064	-	-	-	-	40,064
Accumulated depreciation	(16,802)	(785)	-	-	-	(17,587)
Net value	<u>\$ 91,263</u>	<u>\$ (785)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 90,478</u>

For the Year Ended December 31, 2024:

<u>Items</u>	<u>Beginning balance</u>	<u>Additions</u>	<u>Reclassification</u>	<u>Disposal/ Transfer</u>	<u>Effect of change in exchange rate</u>	<u>Ending balance</u>
Land	\$ 68,001	\$ -	\$ -	\$ -	\$ -	\$ 68,001
Building	40,064	-	-	-	-	40,064
Accumulated depreciation	(16,017)	(785)	-	-	-	(16,802)
Net value	<u>\$ 92,048</u>	<u>\$ (785)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 91,263</u>

(A) Rental revenue of investment property	For the Years Ended December 31,	
	2025	2024
	\$ 3,114	\$ 3,132

(B) The above invest properties were not pledged as any collateral.

(C) The fair value of investment properties was \$230,146 thousand both on December 31, 2025 and 2024, respectively. The valuation was based on independent experts' reports, which adopted the market value method.

(13) Intangible Assets

For the year ended December 31, 2025:

Items	Beginning balance	Additions	Reclassification	Disposal/ Transfer	Effect of change in exchange rate	Ending balance
Computer software	\$ 54,370	\$ 12,845	\$ -	\$ -	\$ 359	\$ 67,574
Accumulated amortization	(49,477)	(9,366)	-	-	(356)	(59,199)
Net value	<u>\$ 4,893</u>	<u>\$ 3,479</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3</u>	<u>\$ 8,375</u>

For the year ended December 31, 2024:

Items	Beginning balance	Additions	Reclassification	Disposal/ Transfer	Effect of change in exchange rate	Ending balance
Computer software	\$ 45,692	\$ 8,458	\$ -	\$ -	\$ 220	\$ 54,370
Accumulated amortization	(40,999)	(8,275)	-	-	(203)	(49,477)
Net value	<u>\$ 4,693</u>	<u>\$ 183</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17</u>	<u>\$ 4,893</u>

(14) Short-Term Borrowings

Items	Dec. 31, 2025	Dec. 31, 2024
Unsecured bank loan	\$ 900,000	\$ 150,000
Interest rate	1.88%~1.89%	1.99%

For the Company's unused credit for loan, please refer to Note 9(4).

(15) Provisions

Items	For the Years Ended December 31,	
	2025	2024
Balance, January 1	\$ 498,737	\$ 372,462
Increase in the period	193,839	130,545
Use in the period	(75)	(4,270)
Balance, December 31	\$ 692,501	\$ 498,737

Items	Dec. 31, 2025	Dec. 31, 2024
Current	\$ 692,501	\$ 498,737
Noncurrent	-	-
Total	\$ 692,501	\$ 498,737

These liability reserves are warranty and repair works estimated by historical experience, management's judgment and other known causes.

(16) Lease Liability

Items	Dec. 31, 2025		
	Future minimum lease payments	Interest	Present value of future minimum lease payments
Current	\$ 3,773	\$ 56	\$ 3,717
Noncurrent	975	5	970
Total	\$ 4,748	\$ 61	\$ 4,687

Items	Dec. 31, 2024		
	Future minimum lease payments	Interest	Present value of future minimum lease payments
Current	\$ 4,065	\$ 140	\$ 3,925
Noncurrent	4,525	58	4,467
Total	\$ 8,590	\$ 198	\$ 8,392

(A) The information of lease agreements of the Company were as follows:

Items in statement of comprehensive income	For the Years Ended December 31,	
	2025	2024
Interest expense on lease liabilities	\$ 144	\$ 281
Expense related to short-term leases	\$ 35,444	\$ 23,555
Expense related to low-value assets	\$ -	\$ -

(B) For the years ended December 31, 2025 and 2024, the Company's total cash outflow for leases was \$39,812 thousand and \$39,148 thousand, respectively.

(C) Some office equipment, transportation equipment, and staff dormitory were short-term leases or the leases of low-value assets. The Company applied an exemption not to recognize its lease assets and lease liability.

(17) Bonds payable

Items	Dec. 31, 2025	Dec. 31, 2024
Secured convertible bonds payable	\$ 12,800	\$ 418,400
Less: Discount on bonds payable	(322)	(20,168)
Less: current portion due in one year or one operating cycle	(12,478)	-
Net amount	\$ -	\$ 398,232

Items	For the Years Ended December 31,	
	2025	2024
Gain (Loss) on Valuation of Put/Call Option(Recognized in profit or loss as gain/loss on financial assets measured at fair value through profit or loss)	\$ (497)	\$ (1,574)
Interest expense (effective interest rate 2.05718%)	\$ 5,898	\$ 9,353

(A) The issuance terms of the fourth domestically issued unsecured convertible corporate bonds are as follows:

(a) The company has been approved by the competent authority to raise and issue the fourth domestically issued unsecured convertible corporate bonds, with a total issuance amount of NT\$500,000 thousand. The bonds have a coupon rate of 0% and a maturity period of three years, with a circulation period from January 25, 2024, to January 25, 2027. These convertible bonds were listed and traded on the Taipei Exchange on January 25, 2024.

- (b) Convertible bondholders may request to convert the bonds into the company's common shares at any time starting from the day following the three-month anniversary of the bond issuance date until the maturity date, except during periods when transfers are suspended in accordance with regulations or legal requirements. The rights and obligations of the converted common shares will be the same as those of the previously issued common shares.
 - (c) The initial conversion price of these convertible bonds was set at \$172.5 at the time of issuance and was subsequently adjusted in accordance with the provisions of the conversion terms. As of December 31, 2025, the conversion price was \$157.6. Bondholders had applied to convert bonds with a total face value of \$487,200 thousand into 2,954 thousand common shares of the company. As of December 31, 2025, 165 thousand of these shares had not yet completed the change in registration and were recorded under bond-to-stock conversion rights certificates.
 - (d) Starting from the day following the three-month anniversary of the issuance date until 40 days before the maturity date, if the closing price of the company's common shares exceeds 130% of the then-applicable conversion price for 30 consecutive trading days, or if the outstanding balance of these convertible bonds falls below 10% of the original total issuance amount during the same period, the company may redeem all outstanding bonds at face value in cash at any time thereafter.
 - (e) In accordance with the conversion terms, all convertible bonds that the company redeems (including those repurchased from the secondary market), repays, or have been converted shall be canceled and may not be resold or reissued. The associated conversion rights shall be extinguished simultaneously.
 - (f) Bondholders may request the company to redeem their convertible bonds at face value plus an interest compensation of 1.0025% upon the second anniversary of the bond issuance.
 - (g) After separation, the effective interest rate of the host debt contract is 2.05718%.
- (B) When issuing the fourth domestically issued unsecured convertible corporate bonds, the company, in accordance with International Accounting Standard (IAS) 32, separated the equity component of the conversion right from the liability components and recognized \$27,225 thousand under capital surplus – stock warrants. As of December 31, 2025, bondholders had exercised their conversion rights under the conversion terms, resulting in the derecognition of \$26,529 thousand from capital surplus – stock warrants based on the number of shares converted, leaving a remaining balance of \$696 thousand. Additionally, the embedded call and put options were separated in accordance with IAS 39, as their economic characteristics and risks were not closely related to those of the host debt instrument. These options were recognized separately at their net value of \$3 thousand under 'financial assets measured at fair value through profit or loss.'"

(18) Retirement Benefit Plans

(A) Defined contribution plans:

The pension plan under the Labor Pension Act of R.O.C (the “LPA”) is considered as a defined contribution plan. Based on the LPA, the Company makes monthly contributions to employees’ individual pension accounts at 6% of monthly salaries and wages.

The total expense recognized in the statement of comprehensive income of \$22,578 thousand and \$20,443 thousand for the years ended December 31, 2025 and 2024 represents contributions made to the plan by the Company.

(B) Defined benefit plans:

(a) The Company’s pension plan according to Labor Standard Law is a defined benefit plan. The pension payment is calculated based on the base units of service years and the average salary of the last 6 months before retirement. Two base units are accrued for each service year for the first 15 years and one base unit for each additional year thereafter, subject to a maximum of 45 units. The Company distributed 3% of salary to a pension fund in a designated account under the name of the independent retirement fund committee in Bank of Taiwan.

The total expense recognized in the statement of comprehensive income of \$849 thousand and \$861 thousand for the years ended December 31, 2025 and 2024 represents contributions made to these plans by the Company.

(b) Pension cost of the defined benefit plan recognized in the statement of comprehensive income is as follows:

Items	For the Years Ended December 31,	
	2025	2024
Current service cost	\$ 453	\$ 519
Settlement gains and losses	103	-
Net interest expense	293	342
Components of defined benefit costs recognized in profit or loss	849	861
Remeasurement on the net defined benefit liability:		
Return on plan assets (excluding amounts included in net interest expense)	(4,765)	(5,810)
Actuarial gains and losses arising from experience adjustments	5,024	399
Actuarial gains and losses arising from changes in financial assumptions	2,353	(3,592)
Actuarial gains and losses arising from change in demographics assumption	23	(1)
Components of defined benefit costs recognized in other comprehensive income	2,635	(9,004)
Total	\$ 3,484	\$ (8,143)

(c) Adjustment of fair value of defined benefit obligation and plan assets were as follows:

Items	Dec. 31, 2025	Dec. 31, 2024
Present value of defined benefit obligation	\$ 91,651	\$ 86,747
Fair value of plan assets	(71,891)	(67,713)
Net defined benefit liability	\$ 19,760	\$ 19,034

(d) Changes in the present value of defined benefit obligation were as follows:

Items	For the Years Ended December 31,	
	2025	2024
Beginning balance	\$ 86,747	\$ 94,437
Current service cost	453	519
Interest expense	1,400	1,119
Benefit paid from plan assets	(3,103)	(6,134)
Actuarial gains and losses arising from experience adjustments	5,024	399
Actuarial gains and losses arising from change in demographics assumption	23	(1)
Actuarial gains and losses arising from changes in financial assumptions	2,353	(3,592)
Effect of plan settlement	(1,246)	-
Ending balance	\$ 91,651	\$ 86,747

(e) Changes in the fair value of plan assets were as follows:

Items	For the Years Ended December 31,	
	2025	2024
Beginning balance	\$ 67,713	\$ 64,651
Expected return of plan assets	1,107	777
Contributions from employer	2,758	2,609
Benefit paid from plan assets	(4,452)	(6,134)
Return on plan assets	4,765	5,810
Ending balance	\$ 71,891	\$ 67,713

(f) Defined benefit obligations payable in future years are as follows:

Year	Amount
2026	\$ 4,156
2027	4,142
2028	3,282
2029	16,368
2030	4,945
Over 2031	69,920

The Company expects to make a contribution of \$2,740 thousand to the defined benefit pension plan within one year from December 31, 2025.

The weighted average duration of the defined benefit plan was 8 years on December 31, 2025.

(g) The percentage for each major category of plan assets were as follows:

Items	Pension plan	
	Dec. 31, 2025	Dec. 31, 2024
Cash	100%	100%
Equity instruments	-	-
Debt instruments	-	-
Others	-	-

The actual reward of the plan assets in 2025 and 2024 were \$5,872 thousand and \$6,587 thousand.

(h) According to relevant rules subject to custody and use of labor pension fund, profit of the fund will distribute based on performance every year. And it shall not be lower than interest rate of two-year deposit of the local bank. The government finance will make up the balance if a deficit occurs. Employer cannot decide the investment target of fund. According to the report issued by Labor Pension Fund Supervisory Committee, the pension reserve fund was allocated on December 31, 2025 and 2024 as follows:

Items	Dec. 31, 2025	Dec. 31, 2024
Deposit in financial institutions	12.29%	14.43%
Loan to government and government-owned enterprises	-	-
Investment of stock and beneficiary certificate	11.69%	11.57%
Short-term bills	3.45%	5.49%
Government bonds, financial bonds, and corporate bond	8.37%	7.39%
Overseas investment	50.39%	49.50%
Others	13.81%	11.62%

(i) The principal assumptions used for the Company's defined benefit plans:

Items	Dec. 31, 2025	Dec. 31, 2024
Discount rate	1.35%	1.65%
Expected rates of salary increase	3.00%	3.00%

(j) 0.25% change in the assumed discount rate would have the following effects:

	For the Year Ended December 31, 2025	
	Increase	Decrease
Effect on the defined benefit obligation	\$ (1,934)	\$ 1,997

	For the Year Ended December 31, 2024	
	Increase	Decrease
Effect on the defined benefit obligation	\$ (1,904)	\$ 1,969

(k) 0.25% change in the assumed expected rates of salary increase would have the following effects:

	For the Year Ended December 31, 2025	
	Increase	Decrease
Effect on the defined benefit obligation	\$ 1,984	\$ (1,933)

	For the Year Ended December 31, 2024	
	Increase	Decrease
Effect on the defined benefit obligation	\$ 1,961	\$ (1,908)

The sensitivity analysis described above is based on a one actuarial assumption (e.g. discount rate or expected rates of salary increase) which changed in a reasonable and probable range while the other assumptions remained unchanged. Since some of the actuarial assumptions are related to each other, in practice it is rare that only one assumption changes. Thus the analysis has its limitations.

The methods and assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

(19) Capital - Common Stock

Items	Dec. 31, 2025	Dec. 31, 2024
Authorized shares (thousands)	350,000	350,000
Authorized share capital	\$ 3,500,000	\$ 3,500,000
Issued and fully paid-up shares (thousands)	235,330	233,005
Issued share capital	\$ 2,353,295	\$ 2,330,050

(A) A holder of issued common shares with par value of T\$10 per share is entitled to vote and to receive dividends.

(B) On November 30, 2023, the Board of Directors of the company resolved to conduct a cash capital increase by issuing 7,000 thousand common shares with a par value of \$10 per share, increasing the share capital by \$70,000 thousand. The issuance price per share was \$115. This capital increase plan was approved by the Financial Supervisory Commission, with March 13, 2024, set as the capital increase base date. After the capital increase, the paid-in capital amounted to \$2,325,409 thousand, and the change in registration was completed on April 19, 2024.

(C)As of December 31, 2025, holders of the company's fourth domestically issued convertible corporate bonds had requested the conversion of NT\$487,200 thousand in face value into 2,954 thousand common shares. Among these, 165 thousand converted shares have yet to complete the change in registration and are recorded under bond-to-stock conversion rights certificates. The registration change will be duly processed in accordance with the law.

(20) Capital Surplus

Capital surplus can only be used to offset a deficit under the Company Law. However, the capital surplus generated from donations and the excess of the issuance price over the par value of capital stock (including the stock issued for new capital, mergers, convertible bonds and the surplus from treasury stock transactions) may be appropriated as stock dividends. Unless the legal reserve has been used to offset the retained loss and there remains a deficit, capital surplus is not allowed to be used to offset. In addition, the capital surplus from long-term investments may not be used for any purpose.

Items	Dec. 31, 2025	Dec. 31, 2024
Additional paid-in capital - common stock	\$ 2,141,429	\$ 2,141,429
Additional paid-in capital - bond conversion	1,844,000	1,456,281
Additional paid-in capital in excess of par - treasury stock	16,924	16,924
Net assets from merger	10,645	10,645
Employee stock options	37,121	37,121
Stock options embedded in bonds payable	696	22,781
Expired stock option	34,132	34,132
Changes in share of ownership of subsidiaries	51,897	20,015
Total	\$ 4,136,844	\$ 3,739,328

(21) Legal Reserve and Accumulated Earnings

(A) Pursuant to the Company's Articles of Incorporation, current year's earnings, if any, shall be appropriated in the following order:

- (a) Payments of all taxes, if any
- (b) To offset deficit in prior years, if any
- (c) To set aside 10% of the remaining amount as legal reserve after deducting items (a) and (b)
- (d) To set aside special reserve, if required
- (e) The remaining amount (the "appropriable earnings"), if any, combined with prior year's unappropriated earnings in prior years is appropriated based on the resolution dividend proposal drafted by the board of directors in a shareholders' meeting.

(B) According to the regulations of the competent authority, if the Company's other equity has negative balance, it shall provide the same amount of special surplus reserve within the statutory limit. When the other equity is reversed, the special surplus reserve can be used to be distributed as dividends or offset a deficit.

- (C) The appropriations of earnings for 2024 had been resolved in the shareholders' meeting held on May 16, 2025. The appropriations of earnings for 2023 had been resolved in the shareholders' meeting held on June 26, 2024. The appropriations and dividends per share were as follows:

Items	For the Years Ended December 31,			
	2024		2023	
	Amount	Per share (dollar)	Amount	Per share (dollar)
Legal reserve	\$ 434,271		\$ 288,718	
Cash dividends	3,265,940	\$ 14	2,092,868	\$ 9
Total	\$ 3,700,211	\$ 14	\$ 2,381,586	\$ 9

The appropriations of earnings of 2025 was resolved in the board of directors' meeting held on March 13, 2026. The appropriation included legal reserve \$722,579 thousand and cash dividends \$5,417,344 thousand (\$23 dollars per share).

- (D) The proportion of cash dividends distributed shall not be less than 10% of the total dividends.
- (E) The appropriation for legal reserve is made until the reserve equals the aggregate par value of the Company's paid-in capital stock. The reserve can only be used to offset an accumulated deficit or, if the Company has no accumulated deficit, be distributed as dividends in cash or stock for the portion in excess of 25% of the paid-in capital.

(22) Other Equity

- (A) Exchange differences on translation of foreign operations :

Items	For the Years Ended December 31,	
	2025	2024
Beginning balance	\$ (65,781)	\$ (273,524)
Increase (decrease) in the period	290,520	259,698
Share of other comprehensive income of subsidiaries and associates	29	(28)
Income tax	(58,625)	(51,940)
Changes in share of ownership of subsidiaries	2,604	13
Ending balance	\$ 168,747	\$ (65,781)

The exchange difference of converting net assets of foreign operations to the Company's presentation currency New Taiwan dollar is directly recorded to exchange difference arising on translation of foreign operations, which is under other comprehensive income.

(B) Unrealized gains and losses on financial assets measured at fair value through other comprehensive income

Items	For the Years Ended December 31,	
	2025	2024
Beginning balance	\$ 515,834	\$ 268,263
Valuation of profit (loss) for the period	345,202	247,571
Disposal of financial assets	(82,925)	-
Income tax	-	-
Ending balance	\$ 778,111	\$ 515,834

Unrealized gain/loss on fair value through other comprehensive income represents the cumulative gains or losses arising from the financial assets at fair value through other comprehensive income that are recognized in other comprehensive income. When those financial assets at fair value through other comprehensive income have been disposed, the related cumulative gains or losses in other comprehensive income are reclassified to retained earnings.

(23) Operating Revenue

Items	For the Years Ended December 31,	
	2025	2024
Construction contract revenue	\$ 38,622,649	\$ 26,113,045
Sales revenue	68,643	39,134
Total	\$ 38,691,292	\$ 26,152,179

(A) Segmentation of customer contract revenue :

The revenue can be subdivided into the following major regional markets:

Item	For the Year Ended December 31, 2025		
	Taiwan	Other countries	Total
Customer contract revenue	\$ 8,129,587	\$ 30,561,705	\$ 38,691,292

Item	For the Year Ended December 31, 2024		
	Taiwan	Other countries	Total
Customer contract revenue	\$ 5,076,796	\$ 21,075,383	\$ 26,152,179

(B) Contract assets and contract liabilities :

Items	Dec. 31, 2025	Dec. 31, 2024
Contract assets		
Retainables for receivables	\$ 1,752,335	\$ 451,453
Retainables for receivables – related parties	371,598	407,850
Real estate construction	1,503,924	3,308,110
Subtotal	\$ 3,627,857	\$ 4,167,413
Less: loss allowance	(378,006)	(126,083)
Net value	\$ 3,249,851	\$ 4,041,330

Items	Dec. 31, 2025	Dec. 31, 2024
Contract liabilities		
Real estate construction	\$ 18,570,849	\$ 11,911,863

(24) **Expected credit impairment loss (benefit)**

	For the Years Ended December 31,	
	2025	2024
(A) Expected credit impairment loss (benefit)	\$ 256,052	\$ 120,143

(B) The information on the changes in allowances for the Company's receivables and other receivables is as follows:

Items	For the Year Ended December 31, 2025				
	Notes receivable	Accounts receivable	Contract assets	Other receivables	Total
Beginning balance	\$ 25	\$ 1,716	\$ 126,083	\$ 2,880	\$ 130,704
Amount incurred in the current period	-	4,129	251,923	-	256,052
Write-off in the current period	-	-	-	-	-
Exchange rate impact	-	40	-	-	40
Ending balance	\$ 25	\$ 5,885	\$ 378,006	\$ 2,880	\$ 386,796

Items	For the Year Ended December 31, 2024				
	Notes receivable	Accounts receivable	Contract assets	Other receivables	Total
Beginning balance	\$ 25	\$ 7,166	\$ 490	\$ 2,880	\$ 10,561
Amount incurred in the current period	-	(5,450)	125,593	-	120,143
Write-off in the current period	-	-	-	-	-
Ending balance	\$ 25	\$ 1,716	\$ 126,083	\$ 2,880	\$ 130,704

(25) Employee Benefits Expense, Depreciation and Amortization

Employee benefits expense:

Items	For the Years Ended December 31,					
	2025			2024		
	Classified as operating costs	Classified as operating expenses	Total	Classified as operating costs	Classified as operating expenses	Total
Employee benefits						
expense	\$ 639,937	\$ 717,241	\$ 1,357,178	\$ 639,673	\$ 484,440	\$ 1,124,113
Salary	573,258	532,488	1,105,746	541,257	344,808	886,065
Labor and health						
insurance	31,935	17,475	49,410	28,616	15,670	44,286
Pension	17,534	5,893	23,427	15,960	5,344	21,304
Remuneration						
to directors	-	130,523	130,523	-	90,146	90,146
Others	17,210	30,862	48,072	53,840	28,472	82,312
Depreciation	9,021	9,582	18,603	19,787	9,997	29,784
Amortization	2,303	7,607	9,910	2,927	6,168	9,095

As of December 31, 2025 and 2024, the Company had 508 and 487 employees, respectively. There was both 8 non-employee directors.

The average employee benefits expense for 2025 and 2024 was \$2,453 thousand and \$2,159 thousand, respectively.

The average employee salary for 2025 and 2024 was \$2,211 thousand and \$1,850 thousand, respectively.

The average employee salary increased by 19.51% from 2024 to 2025.

The salary policies of the company (including director, manager and employee) were as follow:
The director's remuneration was evaluated based on the attendance and contribution of each director.
The manager's remuneration was evaluated based on the performance indicators. In addition to the basic salary, employees also had year-end bonuses and performance bonuses, and salary adjustments were made annually based on performance and price levels.

The Articles of Association of the Company stipulates that if there is a surplus in the year, the employees' compensation and directors' remuneration will be paid at the rate from 3% to 5% and less than 3% of the pre-tax profit before distribution of employees' compensation and directors' remuneration. The aforementioned employee compensation percentage should include at least one percent allocated to frontline employees. However, when the Company has accumulated losses, it should cover the deficit first.

The Company accrued employees' compensation and directors' remuneration on a percentage of net income before income tax, profit-sharing bonus to employees and compensation to directors during the period, which amounted to \$375,447 thousand and \$187,723 thousand, \$227,137 thousand and \$113,569 thousand for the years ended December 31, 2025 and 2024, respectively. If there is a change in the proposed amounts after the annual company-only financial statements are authorized for issue, the differences are recorded in next fiscal year as a change in accounting estimate.

The Board of Directors of the Company held on March 13, 2026 approved the employees' compensation and directors' remuneration in the amounts of \$375,447 thousand and \$187,723 thousand in cash for 2025. The Board of Directors of the Company held on March 14, 2025 approved the employees' compensation and directors' remuneration in the amounts of \$227,137 thousand and \$113,569 thousand in cash for 2024. There is no difference between the aforementioned approved amounts and the accrual amounts of 2024 and 2023.

The information on the earnings appropriation as resolved by the board of directors and approved by the shareholders' meeting is available at the "Market Observation Post System" of the Taiwan Stock Exchange.

Employee Stock Option Plan in Cash Capital Increase

The company has the following share-based payment transactions :

	Cash capital increase reserved for employee subscription
Grant date	<u>January 30, 2024</u>
Granted quantity	700 thousand shares
Grantees	Current employees of the parent company
Vesting conditions	Immediately vested
Grant fair value	\$53.03

The company recognized a share-based payment employee compensation cost of \$37,121 thousand arising from the reserved employee stock subscription in the cash capital increase in 2024.

(26) Non-operating Income and Expenses

(A) Interest income:

Items	<u>For the Years Ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
Bank interest	\$ 219,600	\$ 266,931
Others	56	93
Total	<u>\$ 219,656</u>	<u>\$ 267,024</u>

(B) Other income:

Items	<u>For the Years Ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
Rental income	\$ 3,115	\$ 3,132
Dividend income	33,811	31,534
Total	<u>\$ 36,926</u>	<u>\$ 34,666</u>

(C) Other gains and losses, net:

Items	For the Years Ended December 31,	
	2025	2024
Foreign exchange gain (loss)	\$ (622)	\$ (99,622)
Gain (Loss) from disposal of property, plant and equipment	112	105
Gain (Loss) from disposal of other non-current assets	-	(11)
Gain (loss) on financial assets at fair value through profit and loss	1,345,524	10,496
Others	20,528	30,368
Net	<u>\$ 1,365,542</u>	<u>\$ (58,664)</u>

(D) Finance costs:

Items	For the Years Ended December 31,	
	2025	2024
Bank loan interest	\$ 14,134	\$ 2,705
Lease liabilities interest	144	281
Corporate bond interest allocation	5,898	9,353
Other liabilities interest	21	7
Total	<u>\$ 20,197</u>	<u>\$ 12,346</u>

(27) Income Tax

(A) A reconciliation between tax expense and the product of accounting profit and applicable tax rate was as follows:

Items	For the Years Ended December 31,	
	2025	2024
Profit from continuing operations	<u>\$ 8,825,913</u>	<u>\$ 5,341,647</u>
Income tax expense at the statutory rate	1,765,184	1,068,329
Effect from items disallowed by tax regulation	(116,832)	(93,411)
Tax effect of deferred income tax assets / liabilities	<u>(166,815)</u>	<u>(135,728)</u>
Current income tax payable	1,481,537	839,190
Current income tax payable in prior years	165	(481)
Tax on undistributed surplus earnings	32,388	31,702
Current income tax expense	1,514,090	870,411
Deferred income tax expense (income)	166,853	135,728
Income tax expense	<u>\$ 1,680,943</u>	<u>\$ 1,006,139</u>

(B) Components of income tax expense (income) were as follows:

Items	For the Years Ended December 31,	
	2025	2024
Current income tax expense :		
Current income tax payable	\$ 1,481,537	\$ 839,190
Current income tax payable in prior years	165	(481)
Tax on undistributed surplus earnings	32,388	31,702
Deferred income tax expense (income) :		
Temporary differences relating to the origination and reversal of deferred income tax	166,815	135,728
Unrecognized deferred income tax expense (income) of previous period	38	-
Income tax expense	<u>\$ 1,680,943</u>	<u>\$ 1,006,139</u>

(C) Income tax recognized in other comprehensive income was as follows:

Items	For the Years Ended December 31,	
	2025	2024
Exchange differences on translation of foreign operations	\$ 58,625	\$ 51,940
Actuarial gain (loss) on defined benefit plans	(527)	1,801
Income tax relating to components of other comprehensive income	<u>\$ 58,098</u>	<u>\$ 53,741</u>

(D) Deferred income tax assets (liabilities) was as follows:

For the Year Ended December 31, 2025

Items	Beginning balance	Recognized in profit or loss	Recognized in other comprehensive income	Income and expense recognized in equity	Exchange differences on translation	Ending balance
Temporary difference :						
Inventory valuation and obsolescence losses	\$ 1,822	\$ -	\$ -	\$ -	\$ -	\$ 1,822
Foreign investment recognized under equity method	(616,556)	(223,086)	-	-	-	(839,642)
Impairment loss	6,957	-	-	-	-	6,957
Provision - repair warranty	99,747	38,753	-	-	-	138,500
Loss Allowance	24,034	40,238	-	-	-	64,272
Accrued pension liability	5,253	-	527	-	-	5,780
Foreign exchange gains and losses	(3,858)	(21,352)	-	-	-	(25,210)
Gross loss of engineering	4,346	(1,406)	-	-	-	2,940
Exchange differences on translation of foreign operations	4,657	-	(58,625)	-	-	(53,968)
Deferred income tax (expense) income		<u>\$ (166,853)</u>	<u>\$ (58,098)</u>	<u>\$ -</u>	<u>\$ -</u>	
Deferred income tax assets (liabilities), net	<u>\$ (473,598)</u>					<u>\$ (698,549)</u>
Presentation in the balance sheet:						
Deferred income tax assets	<u>\$ 138,301</u>					<u>\$ 220,271</u>
Deferred income tax liabilities	<u>\$ (611,899)</u>					<u>\$ (918,820)</u>

For the Year Ended December 31, 2024

Items	Beginning balance	Recognized in profit or loss	Recognized in other comprehensive income	Income and expense recognized in equity	Exchange differences on translation	Ending balance
Temporary difference :						
Inventory valuation and obsolescence losses	\$ 1,822	\$ -	\$ -	\$ -	\$ -	\$ 1,822
Foreign investment recognized under equity method	(433,849)	(182,707)	-	-	-	(616,556)
Impairment loss	6,957	-	-	-	-	6,957
Provision - repair warranty	74,492	25,255	-	-	-	99,747
Loss Allowance	5	24,029	-	-	-	24,034
Accrued pension liability	7,054	-	(1,801)	-	-	5,253
Foreign exchange gains and losses	(2,124)	(1,734)	-	-	-	(3,858)
Gross loss of engineering	4,917	(571)	-	-	-	4,346
Exchange differences on translation of foreign operations	56,597	-	(51,940)	-	-	4,657
Deferred income tax (expense) income		<u>\$ (135,728)</u>	<u>\$ (53,741)</u>	<u>\$ -</u>	<u>\$ -</u>	
Deferred income tax assets (liabilities), net	<u>\$ (284,129)</u>					<u>\$ (473,598)</u>
Presentation in the balance sheet:						
Deferred income tax assets	<u>\$ 93,124</u>					<u>\$ 138,301</u>
Deferred income tax liabilities	<u>\$ (377,253)</u>					<u>\$ (611,899)</u>

(E) The Company's income tax returns for the years through 2023 have been examined by the tax authority.

(28) Earnings Per Share

	For the Year Ended December 31, 2025		
	Amount	Number of shares (thousand)	Earnings per share (NT\$)
Basic earnings per share:			
Net income available to common shareholders	\$ 7,144,970	234,211	<u>\$ 30.51</u>
Assumed conversion of all dilutive potential ordinary shares:			
-Employee compensation (Note)	-	855	
-Convertible bonds	<u>5,216</u>	<u>81</u>	
Net income available to shareholders (including effect of dilutive potential common shares)	<u>\$ 7,150,186</u>	<u>235,147</u>	<u>\$ 30.41</u>

	For the Year Ended December 31, 2024		
	Amount	Number of shares (thousand)	Earnings per share (NT\$)
Basic earnings per share:			
Net income available to common shareholders	\$ 4,335,508	231,473	<u>\$ 18.73</u>
Assumed conversion of all dilutive potential ordinary shares:			
-Employee compensation (Note)	-	1,261	
-Convertible bonds	<u>3,636</u>	<u>9,631</u>	
Net income available to shareholders (including effect of dilutive potential common shares)	<u>\$ 4,339,144</u>	<u>242,365</u>	<u>\$ 17.90</u>

Note: The Company presumes that the entire amount of employees' compensation will be settled in shares and the resulting potential shares should be included in the weighted average number of outstanding shares used in the calculation of diluted EPS. The number of shares is estimated by dividing the entire amount of employees' compensation by the closing price of the shares at the balance sheet date.

The dilutive effects of the potential ordinary shares need to be included in the calculation of diluted EPS until the board of directors resolves the number of shares to be distributed to employees at their meeting in the following year.

(29) Supplemental cash flow information

The Company recognized the right-of-use assets and the lease liability concurrently increased by \$375 thousand and \$0 in 2025 and 2024, respectively.

(30) Reconciliation of liabilities with financing activities

(A) Reconciliation information on liabilities in 2025:

<u>Items</u>	<u>Beginning balance</u>	<u>Cash flow</u>	<u>Change in non-cash</u>	<u>Exchange rate changes</u>	<u>Ending balance</u>
Short-term borrowings	\$ 150,000	\$ 750,000	\$ -	\$ -	\$ 900,000
Short-term notes and bills payable	-	50,000	(19)	-	49,981
Bonds payable	398,232	-	(385,754)	-	12,478
Guarantee deposits received	11,747	805	-	-	12,552
Lease liability (including the portion expiring within one year)	8,392	(4,224)	519	-	4,687

(B) Reconciliation information on liabilities in 2024:

<u>Items</u>	<u>Beginning balance</u>	<u>Cash flow</u>	<u>Change in non-cash</u>	<u>Exchange rate changes</u>	<u>Ending balance</u>
Short-term borrowings	\$ 100,000	\$ 50,000	\$ -	\$ -	\$ 150,000
Bonds payable	-	495,000	(96,768)	-	398,232
Long-term borrowings (including the portion expiring within one year)	130,569	(130,569)	-	-	-
Guarantee deposits received	11,893	(146)	-	-	11,747
Lease liability (including the portion expiring within one year)	23,241	(15,312)	281	182	8,392

7. Significant Transactions with Related Parties

Transactions between the Company and other related parties were as follows:

(1) Related Parties and Relationship:

<u>Related parties</u>	<u>Relationship</u>
RSEA Engineering Corporation (privatized 2009)	Subsidiary
Unique Grand Limited	Subsidiary
L&K Engineering (Suzhou) Co., Ltd.	Subsidiary
L&K Engineering Vietnam Co., Ltd.	Indirect Subsidiary
Yao, Chu-Shiang	Chairman of the Company
St. John's University	Same Chairman as The Company
Takenaka-L&K Joint Venture LLP	Substantive related party
L&K-LCB Joint Venture LLP	Subsidiary

(2) Significant Transactions with Related Parties

(A) Operating Revenues:

	<u>For the Years Ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
Subsidiaries	<u>\$ 1,147,305</u>	<u>\$ 2,182,396</u>

The Company's project income from related parties and non-related parties is based on general engineering contract or agreed conditions. In addition, there is no material difference in the Company's credit term between related parties and unrelated customers, which depends on the Company's engineering contract or individual agreed conditions.

(B) Project cost :

	<u>For the Years Ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
Other related parties	<u>\$ 19,968,231</u>	<u>\$ 997,535</u>
Subsidiaries	<u>5,351,750</u>	<u>-</u>
Total	<u>\$ 25,319,981</u>	<u>\$ 997,535</u>

The Company's project cost from related parties and non-related parties is based on general engineering contract or agreed conditions. In addition, there is no material difference in the Company's credit term between related parties and unrelated customers, which depends on the Company's engineering contract or individual agreed conditions.

(C) Operating Leases:

The Company's key management leased land and offices to the Company. The rent is paid monthly. For the years ended December 31, 2025 and 2024, \$2,400 thousand per year were recognized as rental expenses.

(D) Contract Assets - Current:

	<u>Dec. 31, 2025</u>	<u>Dec. 31, 2024</u>
Retainables for receivables - related parties		
Subsidiaries	\$ 371,598	\$ 407,850

(E) Accounts Receivable - Related Parties:

	<u>Dec. 31, 2025</u>	<u>Dec. 31, 2024</u>
Subsidiaries	\$ 16,222	\$ 13,917
Less: loss allowance	-	-
Net	\$ 16,222	\$ 13,917

(F) Other Receivables - Related Parties, Net:

	<u>Dec. 31, 2025</u>	<u>Dec. 31, 2024</u>
Other related parties	\$ 4,024	\$ -

(G) Prepayments:

	<u>Dec. 31, 2025</u>	<u>Dec. 31, 2024</u>
Other related parties	\$ 974,420	\$ 5,707,952
Subsidiaries	3,108,970	-
Total	\$ 4,083,390	\$ 5,707,952

(H) Accounts Payable - Related Parties:

	<u>Dec. 31, 2025</u>	<u>Dec. 31, 2024</u>
Subsidiaries	\$ 1,230,635	\$ 1,383
Other related parties	2,312,974	997,535
Total	\$ 3,543,609	\$ 998,918

The above accounts payable - related parties occurred because the subsidiaries were subcontracted by the Company.

(I) Other Intercompany Debts:

	<u>Items</u>	<u>Dec. 31, 2025</u>	<u>Dec. 31, 2024</u>
Key management	Refundable deposits	\$ 500	\$ 500
Subsidiaries	Contract Liability		
	– Real Estate Construction	\$ 6,224,424	\$ 4,586,021

(J) Donation expenses:

	<u>Dec. 31, 2025</u>	<u>Dec. 31, 2024</u>
Other related parties	\$ 20,000	\$ 20,000

In order to implement the Company's multiple-value concepts, fulfill social responsibilities, strengthen human resources inheritance management and enhances market's competitiveness, starting from 2023, the Group planned to donate to other related parties for four consecutive years. The amount shall be no more than 5% of the pre-tax surplus of the previous year, and the total amount shall not exceed \$20,000 thousand dollars.

(K) Endorsement / Guarantee provided:

	For the Years Ended December 31,			
	<u>2025</u>		<u>2024</u>	
	Maximum balance	Ending balance	Maximum balance	Ending balance
Subsidiaries	\$ 1,863,000	\$ 1,863,000	\$ 1,863,000	\$ 1,863,000
Indirect Subsidiaries	25,458	25,458	26,560	26,560
Total	<u>\$ 1,888,458</u>	<u>\$ 1,888,458</u>	<u>\$ 1,889,560</u>	<u>\$ 1,889,560</u>

(L) Joint Venture:

(a) On November 12, 2011, the Company together with RSEA Engineering Corporation (privatized 2009) undertook a construction project of underground railway – Kaohsiung station section from Railway Reconstruction Bureau, Ministry of Transportation. The Company would furnish water, electrical and air conditioning installment and RESA Engineering Corporation (privatized 2009) would take the structural construction. A joint-venture agreement was signed on November 23, 2011 to specify the earnings (or losses) and relative rights, responsibilities and obligations were 40% to be taken by the Company and the rest 60% by RSEA Engineering Corporation (privatized 2009). The assets, liabilities, revenues and cost for the joint control engineering, and the Company's recognized portion represented on financial statements for the years ended December 31, 2025 and 2024 were as below :

	<u>December 31, 2025</u>		<u>December 31, 2024</u>	
	Amount	The amount of company by percentage	Amount	The amount of company by percentage
Joint control of operating assets	<u>\$ 1,245,023</u>	<u>\$ 498,009</u>	<u>\$ 572,610</u>	<u>\$ 229,044</u>
Joint control of operating liabilities	<u>\$ 1,245,023</u>	<u>\$ 498,009</u>	<u>\$ 572,610</u>	<u>\$ 229,044</u>

	For the Years Ended December 31,			
	2025		2024	
Operating income from joint control engineering	\$ 1,024,398	\$ 409,760	\$ 1,843,337	\$ 737,335
Operating cost from joint control engineering	\$ 1,024,398	\$ 409,760	\$ 1,843,337	\$ 737,335
Cumulative operating income that has been recognized from joint control engineering	\$ 18,177,106	\$ 7,270,843	\$ 17,152,708	\$ 6,861,083
Cumulative operating cost that has been recognized from joint control engineering	\$ 18,177,106	\$ 7,270,843	\$ 17,152,708	\$ 6,861,083

(b) On March 27, 2017, the Company and RSEA Engineering Corporation (privatized 2009) jointly contracted the Kaohsiung station ceiling (arch vault) project from the Bureau of Railway Reconstruction Engineering of the Ministry of Transport. The two parties sponsored the project in which the Company was responsible for the electrical, mechanical, and lighting projects, and RSEA Engineering Corporation (privatized 2009) was responsible for civil and construction projects. In response to the above-mentioned contract between the two parties, the two sides signed a joint contract agreement on March 24, 2017, stating that the surplus or loss and the relative rights, responsibilities and obligations arising from the execution of the principal contract between the two parties are 10% allocated to the Company and the rest 90% to RSEA Engineering Corporation (privatized 2009). The details of the assets, liabilities, income, and costs of joint project acquisitions in December 31, 2025 and 2024 are listed in the financial statements together with the Company's joint contracting ratios are as follows:

	December 31, 2025		December 31, 2024	
	Amount	The amount of company by percentage	Amount	The amount of company by percentage
Joint control of operating assets	\$ 1,518,181	\$ 151,819	\$ 1,153,000	\$ 115,300
Joint control of operating liabilities	\$ 405,976	\$ 40,598	\$ 480,284	\$ 48,028

	For the Years Ended December 31,			
	2025		2024	
Operating income from joint control engineering	\$ 564,996	\$ 56,500	\$ 784,598	\$ 78,460
Operating cost from joint control engineering	\$ 125,507	\$ 12,551	\$ 495,600	\$ 49,560
Cumulative operating income that has been recognized from joint control engineering	\$ 3,845,877	\$ 384,588	\$ 3,280,881	\$ 328,088
Cumulative operating cost that has been recognized from joint control engineering	\$ 2,733,672	\$ 273,367	\$ 2,608,165	\$ 260,816

(M) The Remuneration of Directors, Supervisors and Management Personnel Information:

The remuneration of directors and members of key management were as follows:

Items	For the Years Ended December 31,	
	2025	2024
Short-term benefits	\$ 80,926	\$ 63,090

The remuneration of directors and members of key management was determined by the compensation committee based on to the performance of individual and market trend.

8. Pledged Assets

The Company offered the following assets as collateral of bank loans, performance bonds and retention bonds:

Items	Dec. 31, 2025	Dec. 31, 2024
Restricted assets:		
Time deposits	\$ 303,771	\$ 298,692
Property, plant and equipment	53,417	55,413
Total	\$ 357,188	\$ 354,105

9. Significant Contingent Liabilities and Unrecognized Commitments

- (1)As of December 31, 2025 and December 31, 2024, the Company entered into unfinished construction contracts of \$203,310,612 thousand and \$120,300,551 thousand, respectively (recognized revenue and orders on hand included).
- (2)As of December 31, 2025 and December 31, 2024, the Company had guarantee notes payable for performance bonds, advance payment, warranty, and bid bonds of \$10,208,375 thousand and \$24,649,596 thousand, respectively.
- (3)As of December 31, 2025 and December 31, 2024, the Company had guarantee notes receivable for performance bonds and warranty of \$8,233,410 thousand and \$7,296,476 thousand, respectively.
- (4)As of December 31, 2025 and December 31, 2024, the Company had unused loan credits amounted to \$7,290,898 thousand and \$4,227,376 thousand, respectively.
- (5)As of December 31, 2025 and December 31, 2024, utilized endorsement and guarantee provided by banks for performance bonds were \$1,009,346 thousand and \$645,248 thousand, respectively.
- (6)On March 7, 2017, Feng-Tian Construction Engineering Co., Ltd. requested the Company to pay construction costs of NT\$24,887 thousand, together with default interest calculated at an annual rate of 5% from the day following the service of the duplicate of the complaint to the date of settlement. This case is currently under review by the Taiwan Taipei District Court. Feng-Tian filed for a payment order with the Shilin District Court on January 2, 2020, requesting that the Company be ordered to pay the retention of NT\$4,392 thousand, together with default interest calculated at an annual rate of 5% from December 28, 2017 to the date of settlement. The Company filed an objection with the court on January 9, 2020. On April 11, 2025, the Company received the court's judgment against it, and L&K Engineering filed an appeal in accordance with the law. On June 25, 2025, the Company received notice from the

court that both parties were willing to pursue mediation. Following the mediation hearing on September 18, 2025, no settlement was reached, and the case reverted to litigation proceedings. The case is currently under review by the Taiwan High Court.

(7) Hung Bao Engineering Co., Ltd. undertook the Company's projects "TSMC F15 P7 MEP Package - Firefighting Machine Room Environmental Control System Works" and "TSMC F15P7 FAB B3G-B1F Sprinkler Piping (Including Hydrant Boxes) Installation Works." There were contract breaches, such as an insufficient number of workers and early withdrawal from the site without reason, causing damage to the Company, including the need to hire substitute workers for the projects. Therefore, the Company set off such damages against the payments for the works completed by Hung Bao, as well as against the claims against Hung Bao assigned to the Company by RSEA Engineering Corporation in relation to the Kaohsiung Station project. Afterwards, on March 18, 2021, Hung Bao filed a lawsuit with the Taiwan Shilin District Court, requesting that the Company pay construction costs of NT\$5,000 thousand. However, because Hung Bao's affiliated company is currently undertaking the Company's works for the Kaohsiung Station project, there is still a possibility for both parties to settle. Accordingly, the Company's director and Hung Bao's responsible person are currently engaged in private settlement negotiations, and the court has separately ruled to refer the matter to mediation. However, at the mediation session on August 2, 2023, the parties failed to reach a consensus on the settlement items and quantities. Following the mediation, the Company, after consulting with its appointed counsel, submitted a written statement to the court on August 16, 2023, indicating that it would not proceed with mediation and that the matter should revert to litigation proceedings. On January 8, 2025, Hung Bao expressed its intention to reach a settlement with the Company; however, after internal discussions, the Company did not agree to mediation, and the litigation therefore continued. On December 24, 2025, in connection with the second-instance mediation of the Kaohsiung Station Hung Bao case, both parties agreed that RSEA Engineering Corporation would pay Hung Bao NT\$5,000 thousand to achieve a global settlement of both this case and the TSMC project litigation involving L&K Engineering, and this case was thereby concluded.

10. Significant Loss from Natural Disaster: None.

11. Significant Subsequent Events:

Purchase of land and buildings from Jun fu International Development Co., Ltd. was resolved in the board of directors' meeting of the Company held on January 16, 2026, amounting to 602,800 thousands.

12. Others

(1) Capital Management

The Company manages its capital to ensure its ability to continue as a going concern while maximizing the returns to shareholders by optimizing debt and equity balance. The Company has maintained a consistent policy for the year 2025.

The capital structure of the Company consists of the Company's equity attributable to the shareholders (including capital, capital surplus, retained earnings, and other equities).

The Company is not subject to any externally imposed capital requirements.

The Company periodically reviews its capital structure by taking into consideration cost of capital and related risk.

The Company pays dividends, issues new shares, repurchases shares, issues and redeems convertible bonds to adjust its capital structure according to key management's advice.

(2) Financial Instruments

(A) Fair value of financial instruments:

(a) The management considers that the carrying amounts of financial instruments not measured at fair value approximate to their fair value or the fair value can not be measured reliably.

(b) Fair value measurements recognized in the parent company only balance sheets:

The following table provides an analysis of financial instruments that are measured at fair value subsequent to initial recognition, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- (i) Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- (ii) Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- (iii) Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Assets and liabilities at recurring fair value are reassessed their classifications to determine whether transfers between levels of the fair value hierarchy have occurred.

(c) Financial instruments measured at fair value:

December 31, 2025

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets at fair value through profit or loss - domestic listed stocks	<u>\$ 269,811</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 269,811</u>
Financial assets at fair value through profit or loss - call and put options	<u>\$ -</u>	<u>\$ 3</u>	<u>\$ -</u>	<u>\$ 3</u>
Financial assets at fair value through profit or loss - Convertible corporate bond	<u>\$ 19,720</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,720</u>
Financial assets at fair value through profit or loss – foreign bank debentures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,368,342</u>	<u>\$ 1,368,342</u>
Financial assets at fair value through other comprehensive income-noncurrent	<u>\$ 952,315</u>	<u>\$ -</u>	<u>\$ 155,125</u>	<u>\$ 1,107,440</u>

December 31, 2024

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets at fair value through profit or loss - domestic listed stocks	<u>\$ 204,318</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 204,318</u>
Financial assets at fair value through profit or loss - call and put options	<u>\$ -</u>	<u>\$ 1,757</u>	<u>\$ -</u>	<u>\$ 1,757</u>
Financial assets at fair value through profit or loss - Convertible corporate bond	<u>\$ 19,860</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,860</u>
Financial assets at fair value through profit or loss – foreign bank debentures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 49,845</u>	<u>\$ 49,845</u>
Financial assets at fair value through other comprehensive income-noncurrent	<u>\$ -</u>	<u>\$ 689,122</u>	<u>\$ 156,607</u>	<u>\$ 845,729</u>

There was a transfer from Level 2 to Level 1 in fair value measurement during the year ended December 31, 2025 because of the privately-placed shares of listed company, held by the Company, was converted to public issuance.

There was no transfer between Level 1 and 2 for the year ended December 31, 2024.

(d) Valuation techniques and assumptions used to measure fair value:

The fair values of financial instruments are determined as follows:

- (i) The fair values of financial instruments with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices. In addition, the fair value of an equity instrument placed privately by a listed company is measured by its market value, taking its non-active-market liquidity discount into consideration by adjusting its market value using its put option. The main assumption is that when an investor holds such a restricted equity instrument, the investor can buy a put option, with the strike price equivalent to the market value of such restricted equity instrument, to ensure the investor can still see its instrument at current market price after termination of restricted trading period. Therefore, the value of its put option, which is measured by using the Black-Scholes model, stands for the cost that investor is willing to pay in order to ensure liquidity of equity security market.

If markets prices are not available, estimates and assumptions used in valuation techniques are consistent with the information used by market participants in determining the prices of financial instruments.

- (ii) The fair values of derivative instruments use, if available, quoted prices in active markets. Where such prices are not available, a discounted cash flow analysis is performed using the applicable yield curve for the duration of the instruments for non-optional derivatives, and

option pricing models for optional derivatives. Estimates and assumptions used in valuation techniques are consistent with the information use by market participants in determining the prices of financial instruments.

- (e) The changes of financial assets measured at fair value through other comprehensive income - non-current equity instruments without public quotation in level 3 items:

	For the Years Ended December 31,	
	2025	2024
Beginning balance	\$ 206,452	\$ 148,125
Recognized in other comprehensive income	1,317,015	58,327
Obtained in current period	-	-
Ending balance	<u>\$ 1,523,467</u>	<u>\$ 206,452</u>

- (f) The quantitative information of the significant unobservable inputs and the sensitivity analysis of significant unobservable inputs to valuation model in Level 3 fair value measurement are as follows:

Dec.31,2025

Non-derivative equity instruments:	Fair value	Evaluation technique	Major unobservable input value	Interval (weighted average)	Input value and fair value relationship
Unlisted company stock	<u>\$ 1,523,467</u>	Net asset value method	Not applicable	-	Not applicable
Unlisted company stock		Comparable listed companies	<ul style="list-style-type: none"> •Price to book multiplier •Discount for lack of marketability 	-	<ul style="list-style-type: none"> •The higher the multiplier, the higher the fair value •The higher the discount for lack of marketability, the lower the fair value
	<u>\$ -</u>				

Dec.31,2024

Non-derivative equity instruments:	Fair value	Evaluation technique	Major unobservable input value	Interval (weighted average)	Input value and fair value relationship
Unlisted company stock	\$ 206,452	Net asset value method	Not applicable	-	Not applicable
Unlisted company stock		Comparable listed companies	<ul style="list-style-type: none"> •Price to book multiplier •Discount for lack of marketability 	-	<ul style="list-style-type: none"> •The higher the multiplier, the higher the fair value •The higher the discount for lack of marketability, the lower the fair value
	\$ -				

(g) The sensitivity of Level 3 fair value to reasonable possible alternative assumptions: use of different valuation models or valuation parameters may result in different valuation results. For financial instruments classified within Level 3, if the valuation inputs change, the impact on other comprehensive income in the current period is as follows:

			December 31, 2025	
	input value	Change up or down	Favorable change	Unfavorable change
Financial assets - equity instruments	Net asset value method	±10%	\$ 152,347	\$ (152,347)
	Price to book multiplier	±10%	\$ -	\$ -
	Discount for lack of marketability	±10%	\$ -	\$ -
			December 31, 2024	
	input value	Change up or down	Favorable change	Unfavorable change
Financial assets - equity instruments	Net asset value method	±10%	\$ 20,645	\$ (20,645)
	Price to book multiplier	±10%	\$ -	\$ -
	Discount for lack of marketability	±10%	\$ -	\$ -

(B) Categories of financial instruments:

	Dec. 31, 2025	Dec. 31, 2024
<u>Financial assets</u>		
Financial assets at fair value through profit or loss	\$ 1,657,876	\$ 275,780
Financial assets at fair value through other comprehensive income	1,107,440	845,729
Financial assets at amortized cost:		
Cash and cash equivalents	17,266,842	10,637,645
Accounts receivable	4,425,514	585,270
Assets of contract - current	2,121,871	733,220
Other financial assets	615,934	638,199
	<u>\$ 27,195,477</u>	<u>\$ 13,715,843</u>
<u>Financial liabilities</u>		
Financial liabilities at amortized cost:		
Short-term borrowings, notes and bills payable	\$ 949,981	\$ 150,000
Accounts payables	7,046,074	6,088,910
Bonds payable	12,478	398,232
Lease liability	4,687	8,392
Total	<u>\$ 8,013,220</u>	<u>\$ 6,645,534</u>

(3) Financial Risk Management Objectives and Policies

The Company's financial risk management objects focus on: market risk, credit risk and liquidity risk. The identification, measurement and management of these risks are in accordance with the Company's policy and risk preference.

The Company has established appropriate and internal control to manage these financial risks. Significant financial activities are reviewed by audit committees and/or board of directors in accordance with procedures required by relevant regulations or internal controls. In performing treasury management, relevant requirement of financial risk management shall be followed.

(A) Market risk

(a) Foreign currency risk

The Company's businesses involve some non-functional currency operations. The information on assets and liabilities denominated in foreign currencies of which values would be materially affected by the exchange rate fluctuations was as follows:

December 31, 2025			
	Foreign currency amount (in thousands)	Exchange rate	Book value
<u>Financial assets</u>			
<u>Monetary items</u>			
USD : NTD	\$ 147,682	31.430	\$ 4,641,677
RMB : NTD	192,951	4.498	867,894
SGD : NTD	3,290	24.448	80,437
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : NTD	\$ 15,540	31.430	\$ 488,422

December 31, 2024			
	Foreign currency amount (in thousands)	Exchange rate	Book value
<u>Financial assets</u>			
<u>Monetary items</u>			
USD : NTD	\$ 87,635	32.790	\$ 2,873,552
RMB : NTD	213	4.477	954
SGD : NTD	3,284	24.117	79,200
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : NTD	\$ 54,891	32.790	\$ 1,799,876

For the Year Ended December 31, 2025					
	Degree of variation		Impact of profit and loss		Impact of comprehensive profit and loss
<u>Financial assets</u>					
<u>Monetary items</u>					
USD : NTD	1%	\$	46,417	\$	-
RMB : NTD	1%		8,679		-
SGD : NTD	1%		804		-
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD : NTD	1%	\$	4,884	\$	-

For the Year Ended December 31, 2024					
	Degree of variation		Impact of profit and loss		Impact of comprehensive profit and loss
<u>Financial assets</u>					
<u>Monetary items</u>					
USD : NTD	1%	\$	28,736	\$	-
RMB : NTD	1%		10		-
SGD : NTD	1%		792		-
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD : NTD	1%	\$	18,000	\$	-

In the management's opinion, the sensitivity analysis did not reflect the inherent foreign exchange risk because the exposure at the balance sheet date did not reflect the exposure during the period. The Company's foreign exchange gain (loss) for the years ended December 31, 2025 and 2024 were \$(622) thousand and \$(99,622) thousand, respectively.

(b) Equity Price risk

The Company is exposed to equity securities price risk because of investments at fair value through profit or loss and those at fair value through other comprehensive income in balance sheet. The Company will diversify investment portfolio to control the risk. The Company invests primarily in publicly-traded and private equity instruments, convertible corporate bond and the price of those equity instruments will be affected by the uncertainty of future value of the investment. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, post-tax profit for the years ended December 31, 2025 and 2024 would have increased/decreased by \$2,895 thousand and \$2,241 thousand as a result of gains/losses on equity securities classified as at fair value through profit or loss, and other comprehensive income would have increased/decreased by \$11,074 thousand and \$8,457 thousand, respectively.

(c) Interest rate risk

The Company's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Company to cash flow interest rate risk, which is partially offset by cash and cash equivalents held at variable rate.

Borrowings issued at fixed rates expose the Company to fair value interest rate risk. During the years ended December 31, 2025 and 2024, the Company's long-term borrowings were mainly issued at variable rate, denominated in NTD.

At December 31, 2025 and 2024, if interest rates on borrowings had been 1% higher/lower with all other variables held constant, post-tax profit for the years ended December 31, 2025 and 2024 would have been increased/decreased by \$0.

(B) Credit risk

The Company's primary inherent credit risk arises from cash, cash equivalent, and receivables. The Company's cash and cash equivalent is deposited with various financial institutions. The Company control its credit risk exposure to each financial institution and considers that cash and cash equivalent are not subject to significant concentration of credit risk.

In order to minimize credit risk, the Company evaluates the financial conditions of its customers and when necessary, requests for collateral or guarantee. The Company also evaluates the collectability of its receivables on a regular basis and provide allowance for doubtful accounts. Loss from doubtful accounts has been within management's estimate.

As of December 31, 2025 and 2024, the Company's ten largest customers accounted for 99.76% and 99.12% of accounts receivable, respectively.

(C) Liquidity risk

The Company maintains financial liquidity by cash, cash equivalents, and bank borrowing. The following table sets forth the Company's liquidity analysis for its non-derivative financial liabilities. The table is based on the undiscounted contractual cash outflows assuming the earliest maturity date.

<u>Non-derivative financial tool</u>	<u>Less than 1 year</u>	<u>Between 1 and 2 years</u>	<u>Between 2 and 5 years</u>	<u>More than 5 years</u>	<u>Total</u>
<u>December 31, 2025</u>					
Short-term borrowings (including short-term notes and bills payable)	\$ 949,981	\$ -	\$ -	\$ -	\$ 949,981
Accounts payable	7,046,074	-	-	-	7,046,074
Bonds payable (including portion expiring within one year)	12,800	-	-	-	12,800
Lease liability (including portion expiring within one year)	3,773	975	-	-	4,748

Non-derivative financial tool	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years	Total
<u>December 31, 2024</u>					
Short-term borrowings (including short-term notes and bills payable)	\$ 150,000	\$ -	\$ -	\$ -	\$ 150,000
Accounts payable	6,088,910	-	-	-	6,088,910
Bonds payable	-	-	418,400	-	418,400
Lease liability (including portion expiring within one year)	4,065	4,525	-	-	8,590

13. Additional Disclosures

(1) Information on significant transactions:

- (A) Lending funds to others: Please see Table A attached.
- (B) Providing endorsements or guarantees for others: Please see Table B attached.
- (C) Holding of securities at the end of the period: Please see Table C attached.
- (D) Purchases or sales of goods from or to related parties reaching NT\$100 million or 20 percent of paid-in capital or more: Please see Table D attached.
- (E) Accounts receivable from related parties reaching NT\$100 million or 20 percent of paid-in capital or more: Please see Table E attached.
- (F) Trading in derivative instruments: Please refer to Note 12.

(2) Information on investees: Please see Table F attached.

(3) Information on investments in the Mainland Area:

- (A) The name of the investee in Mainland China, the main businesses and products, its issued capital, method of investment, information on inflow or outflow of capital, percentage of ownership, equity in the net gain or net loss, ending balance, amount received as dividends from the investee, and the limitation on investee: Please see Table G attached.
- (B) Significant direct or indirect transactions with the investee, its prices and terms of payment, unrealized gain or loss, and other related information which is helpful to understand the impact of investment in Mainland China on financial reports: Please see Table G attached.

14. Segment Information:

The Company has provided the segments disclosure in the consolidated financial statements.

Table A : Lending funds to others

Unit: thousands of NTD(RMB)

No. (Note 1)	Financing Company	Counter - party	Financial Statement Account (Note 2)	Related Party	Maximum Balance for the Period (RMB in Thousands) (Note 3&9)	Ending Balance (RMB in Thousands) (Note 8&9)	Amount Actually Drawn (RMB in Thousands) (Note 9)	Interest Rate	Nature for Financ - ing (Note 4)	Total Transsac - tion Amount (Note 5)	Reason for Financing (Note 6)	Allowance for Bad Debt	Collateral		Financing Limits for Each Borrowing Company (Note 7&9)	Financing Company's Total Financing Amount Limits (Note 7&9)
													Item	Value		
1	Unique Grand Limited	Sunshine (China) Inc.	Other receivable - related parties	Yes	\$ 702,682 (RMB 156,221)	\$ 702,682 (RMB 156,221)	\$ 702,682 (RMB 156,221)	3.5%	2	\$ -	Operating turnover	\$ -	None	\$ -	\$ 830,055	\$ 830,055
2	Sunshine (China) Inc.	Sunshine Investment Co., Ltd.	Other receivable - related parties	Yes	\$ 642,408 (RMB 142,821)	\$ 642,408 (RMB 142,821)	\$ 642,408 (RMB 142,821)	3.5%~ 4.75%	2	\$ -	Operating turnover	\$ -	None	\$ -	816,517	816,517

Note 1: The number means:

- (1) The securities issuer is coded "0".
- (2) The subsidiaries are coded in order starting from "1".

Note 2: Accounts receivable from related parties, other receivables from related parties, shareholder loans, prepayments, temporary payments, etc.

Note 3: The highest balance with others in this year.

Note 4: The code represents the nature of financing activities as follow:

- (1) Trading partners.
- (2) Short-term financing.

Note 5: Total transaction amount refers to the business trading value between the borrower and lender in this year.

Note 6: Reason for financing refers to the purpose for short-term financing.

Note 7: The maximum amount for individual enterprise is 40% of the lender's net worth as disclosed in the latest financial statement. The maximum amount for total loan is 40% of the lender's net worth as disclosed in the latest financial statements. If borrowers are foreign companies whose voting rights are directly and indirectly wholly-owned by the Company, the limit is 50% of the lender's net worth as disclosed in the latest financial statement

Note 8: The ending balance for the period represents the amounts approved by the Board of Directors.

Note 9: The above amounts were translated into New Taiwan dollars at the exchange rate of December 31, 2025.

Table B : Providing endorsements or guarantees for others

Unit : thousands of NTD(USD/RMB)

No. (Note1)	Endorsement/ Guarantee Provider	Guaranteed Party		Limits on Endorsement/ Guarantee Amount Provided to Each Guaranteed Party	Maximum Balance for the Period (USD and RMB in Thousands) (Note 5)	Ending Balance (USD and RMB in Thousands) (Note 5)	Amount Actually Drawn (Note 5)	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Equity per Latest Financial Statements	Maximum Endorsement/ Guarantee Amount Allowable	(Note 8) Guarantee Provided by Parent Company	(Note 8) Guarantee Provided by A Subsidiary	(Note 8) Guarantee Provided to Subsidiaries in Mainland China
		Name	Nature of Relationship (Note 2)										
0	L&K Engineering Co., Ltd.	L&K Engineering Vietnam Co., Ltd.	Note 2 (2)	\$ 19,463,937 (Note 3)	\$ 25,458 (USD810)	\$ 25,458 (USD 810)	\$ -	\$ -	0.13%	\$38,927,874 (Note 3)	Y		
0	"	RSEA Engineering Corporation (privatized 2009)	Note 2 (2)	19,463,937 (Note 3)	1,863,000 (Note 4)	1,863,000 (Note 4)	1,226,127	-	9.57%	38,927,874 (Note 3)	Y		
1	L&K Engineering (Suzhou) Co., Ltd.	L&K Engineering Company Limited	Note 2 (2)	10,456,529 (Note 8)	112,450 (RMB25,000)	112,450 (RMB25,000)	-	-	1.08%	20,913,060 (Note 7&8)			

Note 1: The number means:

- (1) The securities issuer is '0'.
- (2) The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between the endorser/guarantor and the party being endorsed/guaranteed is classified into the following six categories:

- (a) Having business relationship.
- (b) The endorser/guarantor parent company owns directly more than 50% voting shares of the endorsed/guaranteed subsidiary.
- (c) The endorser/guarantor parent company and its subsidiaries jointly own more than 50% voting shares of the endorsed/guaranteed company.
- (d) The endorsed/guaranteed parent company directly or indirectly owns more than 50% voting shares of the endorser/guarantor subsidiary.
- (e) Mutual guarantee of the trade as required by the construction contract.
- (f) Due to joint venture, each shareholder provides endorsements/guarantees to the endorsed/guaranteed company in proportion to its ownership.

Note 3: The guarantee amount provided by the Company to a single guaranteed party shall not exceed one hundred percent (100%) of the net worth of L&K Engineering Co., Ltd. The ceiling for total guaranteed amount provided by the Company shall not exceed two hundred percent (200%) of the net worth of L&K Engineering Co., Ltd. The guarantee amount provided by the Company and subsidiaries to a single guaranteed party shall not exceed one hundred percent (150%) of the net worth of L&K Engineering Co., Ltd. The ceiling for total guaranteed amount provided by the Company and subsidiaries shall not exceed two hundred percent (200%) of the net worth of L&K Engineering Co., Ltd. The net worth is based the latest audited or reviewed financial statements.

Note 4: As of December 31, 2025, L&K Engineering Co., Ltd. has endorsed secured promissory note of \$ 1,863,000 thousand for RSEA Engineering Corporation (privatized 2009) for operating needs.

Note 5: The above amounts were translated into New Taiwan dollars at the exchange rate at December 31, 2025.

Note 6: For guarantee provided by parent company, guarantee provided by a subsidiary, and guarantee provided to subsidiaries in mainland China, filled in Y.

Note 7: The amount is based on net worth of the endorsement/guarantee provider.

Note 8: The maximum endorsement/ guarantee amount policy of L&K Engineering (Suzhou) Co., Ltd. is the same with the Company.

Table C: Holding of securities at the end of the period

Unit: thousands of NTD

Holding Company Name	Marketable Securities Type	Marketable Securities Name	Relationship with the Company	Financial Statement Account	Shares/Units (In Thousands)	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	Remark
L&K Engineering Co., Ltd.	Listed stock	United Microelectronics Corporation	None	Financial assets at fair value through profit or loss	4,550	\$ 224,072	-	\$ 224,072	
"	"	Hua Nan Financial Holdings Co., Ltd.	"	"	326	10,121	-	10,121	
"	"	King Yuan Electronics Co., Ltd.	"	"	120	29,700	-	29,700	
"	"	Macronix International Co., Ltd.	"	"	150	5,918	-	5,918	
"	Unlisted stock	A2peak Power Co., Limited	"	"	2,000	-	5.44%	-	
"	Corporate bond	Convertible bond redemption / Putable Bond	"	"	-	3	-	3	
"	Corporate bond	TCC Group Holdings Co., Ltd.- Convertible bond	"	"	200	19,720	-	19,720	
						\$ 289,534			
"	Limited partnership	Takenaka-L&K Joint Venture LLP	None	Financial assets at fair value through profit or loss - non current	-	\$ 1,368,342	30.00%	\$ 1,368,342	
RSEA Construction Engineering (Chongqing) Co., Ltd.	"	Xiamen United Phase III Integrated Circuit Industry Equity Investment Fund Partnership	"	"	-	96,861	3.96%	96,861	
L&K Engineering (Suzhou) Co., Ltd.	"	Xiamen United Phase IV Integrated Circuit Industry Equity Investment Fund Partnership	"	"	-	89,559	3.83%	89,559	
						\$ 1,554,762			

Holding Company Name	Marketable Securities Type	Marketable Securities Name	Relationship with the Company	Financial Statement Account	Shares/Units (In Thousands)	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	Remark
L&K Engineering Co., Ltd.	Unlisted stock	Bestample Investments Limited	None	Financial assets at fair value through other comprehensive income	-	\$ 146,638	15.00%	\$ 146,638	
"	"	United BioPharma Inc.	"	"	806	-	0.42%	-	
"	"	ProMOS TECHNOLOGIES Inc.	"	"	507	8,487	1.13%	8,487	
"	Listed stock	Cica-Huntek Chemical Technology Taiwan Co., Ltd.	"	"	2,500	727,500	6.73%	727,500	
"	"	PharmaEssentia Corporation	"	"	444	208,835	0.11%	208,835	
"	"	Meribank Biotech Co., Ltd.	"	"	1,000	15,980	1.04%	15,980	
						\$ 1,107,440			

Table D: Purchases or sales of goods from or to related parties reaching NT\$100 million or 20 percent of paid-in capital or more

Unit: thousands of NTD

Purchases and sales company	Counterparty	Relationships with the counterparty	Transaction situation				Circumstances and reasons why trading conditions are different from ordinary trading		Notes and accounts receivable (paid)	
			Purchase and sale	Amount	Percentage of total purchases and sales	Credit period	Unit price	Credit period	Balance	Percentage of total bills and accounts receivable (paid)
L&K Engineering Co., Ltd.	RSEA Engineering Corporation (privatized 2009)	Subsidiary	Sales	\$(1,147,305)	(2.97%)	30 days	\$ -	-	\$ 16,222	0.37%
L&K Engineering Co., Ltd.	Takenaka-L&K Joint Venture LLP	Substantive related party	Purchases	19,968,231	60%	30 days	-	-	(2,312,974)	(36.88%)
L&K Engineering Co., Ltd.	L&K-LCB Joint Venture LLP	Subsidiary	Purchases	5,351,750	16%	30 days	-	-	(1,230,188)	(19.62%)

Table E: Accounts receivable from related parties reaching NT\$100 million or 20 percent of paid-in capital or more

Unit: thousands of NTD(RMB)

Creditor	Counterparty	Counterparty's relationships to the creditor	Balance as at December 31,2025		Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance of doubtful account
			Characteristics	Amount		Amount	Action taken		
Unique Grand Limited	Sunshine (China) Inc.	Subsidiary	Other receivables	\$ 702,682 (RMB156,221)	-	\$ -	-	\$ -	\$ -
Sunshine (China) Inc.	Sunshine Investment Co., Ltd.	Subsidiary	Other receivables	642,408 (RMB142,821)	-	-	-	-	-

Table F: Information on investees (not including investees in Mainland China)

Unit: thousands of NTD(USD/RMB/SGD)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of December 31, 2025			Net Income (Losses) of the Investee (Foreign Currencies in Thousands)	Equity in the Earnings (Losses) (Foreign Currencies in Thousands)(Note 1)
				December 31, 2025 (Foreign Currencies in Thousands) (Note 1)	December 31, 2024 (Foreign Currencies in Thousands)	Shares (In Thousands)	Percentage of Ownership	Carrying Value (Foreign Currencies in Thousands) (Note 1)		
L&K Engineering Co., Ltd.	RSEA Engineering Corporation (privatized 2009)	13 F, No.175, Sec. 1, Datong Rd., Xizhi Dist., New Taipei City 221, Taiwan	Note 2	\$ 4,028,475	\$ 4,028,475	413,179	82.64%	\$ 5,205,226	\$ 619,490	\$ 511,921
"	L&K Engineering Co., Ltd. (BVI)	Tortola, British Virgin Islands.	Investment Company	1,615	1,615	-	100%	695,428	29,071 (USD 905)	29,071 (USD 905)
"	Unique Grand Limited	Wanchai, HK	Holding Company	1,821,916	1,821,916	-	49.80%	1,033,419	(50,731) (USD (1,580))	(26,152) (USD (787))
"	L&K ENGINEERING PTE.LTD.	Singapore	Note 6	479,020	-	20,000	100%	488,978 (SGD 20,001)	18 (SGD 1)	18 (SGD 1)
"	L&K-LCB Joint Venture LLP	Singapore	Note 3	-	-	-	70%	529,858 (SGD 21,673)	751,815 (SGD 30,961)	526,271 (SGD 21,673)
"	Formosa Medical Devices Inc.	16F, No.182, Sec. 2, Dunhua S. Rd., Da'an Dist., Taipei City 106, Taiwan	Note 4	49,036	49,036	4,904	40.88%	-	-	-
L&K Engineering (Suzhou) Co., Ltd.	L&K Engineering Company Limited	Wanchai, HK	Note 5	62,248 (RMB13,839)	61,957 (RMB 13,839)	-	100%	184,094 (RMB 40,928)	(31,396) (RMB (6,996))	(31,396) (RMB (6,996))
"	LIMK ENGINEERING PTE.LTD.	Singapore	Note 3	1,222 (SGD50)	-	1	100%	975 (SGD 40)	(247) (SGD (10))	(247) (SGD (10))
L&K Engineering Company Limited	L&K Engineering Vietnam Co., Ltd.	Binh Thanh, Ho Chi Minh City Vietnam	Note 3	80,147 (USD 2,550)	83,615 (USD 2,550)	-	51%	62,677 (USD 1,994)	(61,847) (USD (1,926))	(31,542) (USD (982))

Note 1 : The above amounts were translated into New Taiwan dollars at the exchange rate of December 31, 2025.

Note 2 : Metal architectural components manufacturing, machinery and equipment manufacturing, cybernation equipment construction, machinery installation construction, integrated construction, public works construction and investment, and all business items that are not prohibited or restricted by law, except those that are subject to special approval.

Note 3 : Engaged in engineering, purchase, construction, and related business.

Note 4 : Engaged in medical equipment wholesale and retail.

Note 5 : Engaged in the business of imports and exports, customer development and after-sales services.

Note 6 : Engaged in the installation of pipeline, heating and air conditioning systems.

Table G : Information on the investees in Mainland China

Unit: thousands of NTD(USD/RMB)

Investee Company	Main Businesses and Products	Total Amount of Paid-in Capital (Foreign Currencies in Thousands) (Note 1)	Method of Investment (Note 2)	Accumulated Outflow of Investment from Taiwan as of January 1, 2025 (USD in Thousands)	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2025 (USD in Thousands)	Net Income (Losses) of the Investee	Percentage of Ownership	Share of Profit /Losses (Foreign currencies in Thousands) (Note 3)	Carrying Amount as of December 31, 2025 (Foreign currencies in Thousands)	Accumulated Inward Remittance of Earnings as of December 31, 2025
					Outflow	Inflow						
L&K Engineering (Suzhou) Co., Ltd.	Note 5	\$ 959,693 (RMB213,360)	(a)	\$ 490,905 (USD15,619)	\$ -	\$ -	\$ 490,905 (USD15,619)	\$ 3,896,473	53.99%	\$ 2,103,832 (RMB333,104) (b)	\$ 5,647,860 (RMB1,255,185)	\$ 2,431,151
Suzhou Xiang Sheng Trade Company Ltd.	Note 6	89,960 (RMB20,000)	(c)	Note 11	-	-	Note 11	(907)	53.99%	(490) (RMB109) (B)	94,174 (RMB20,937)	-
Suzhou Xiangxin Fire-Fighting Engineering Co., Ltd.	Note 7	-	(c)	Note 11	-	-	Note 11	131	53.99%	71 (RMB16) (B)	-	-
RSEA Construction Engineering (Chongqing) Co., Ltd.	Note 8	580,764 (USD18,478)	(c)	195,275 (USD6,213)	-	-	195,275 (USD6,213)	(23,596)	53.99% Note 15	(12,740) (RMB(2,839)) (B)	308,406 (RMB68,565)	-
Sunshine (China) Inc.	Note 9	3,136,714 (USD99,800)	(b)	1,643,789 (USD52,300)	-	-	1,643,789 (USD52,300)	(60,020)	49.80% Note 12	(29,890) (USD(931)) (B)	813,251 (USD25,875)	-
Sunshine Investment Co., Ltd.	Note 10	2,527,066 (RMB561,820)	(c)	Note 13	-	-	Note 13	(41,022)	49.80%	(20,429) (RMB(4,550)) (B)	912,948 (RMB202,967)	-

Investor Company	Accumulated Investment in Mainland China as of December 31, 2025	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
L & K Engineering Co., Ltd.	\$ 2,476,527 (USD78,795) (Note 1&14&15)	\$ 2,449,906 (USD77,948) (Note 1&14)	(Note 4)

Note 1: The above amounts were translated into New Taiwan dollars at the exchange rate of December 31, 2025.

Note 2: (a) L&K Engineering Co., Ltd. directly invested.

(b) L&K Engineering Co., Ltd. indirectly invested in China company through a third region.

(c) Other

Note 3: (1) It should be indicated if the investee was still in the incorporation arrangements and had not yet any profit during this period.

(2) Indicate the basis for investment income (loss) recognition in the number of one of the following three categories:

(a) The financial statements that were audited and attested by an international accounting firm which has cooperative relationship with an accounting firm in R.O.C.

(b) The financial statements were audited by the same CPA as L&K Engineering Co., Ltd.

(c) Other

Note 4: The Company complies with the operating document of the operating headquarters issued by Ministry of Economic Affairs, so there is no investment limit.

Note 5: Engaged in the business of manufacturing and sales of air conditioners, ceilings, and compartments.

Note 6: Providing service of environmental sanitation, anti-pollution, constructional contract, and management consultation.

Note 7: Fire engineering construction, fire engineering maintenance and fire equipment sales.

Note 8: Engaged in the business of manufacturing and sales of air conditioners, ceilings, and compartments.

Note 9: Engaged in land consolidation, construction of traveling and related facilities, sanitation and pollution prevention service, recreational service, construction and technical service, management consulting service.

Note 10: Engaged in investment of ecological touring business, property, and construction management consultation.

Note 11: Invested by L&K Engineering (Suzhou) Co., Ltd.

Note 12: Invested by Unique Grand Limited.

Note 13: Invested by Sunshine (China) Inc.

Note 14: The investment authorized by Investment Commission, MOEA includes the Company's indirect investment \$159,067 thousand (USD \$5,061 thousand) in 7.023% of Zhongao Plaza Management Co., Ltd., on which the Company does not have significant influence. The accumulated in Mainland China as of December 31,2025 includes investment \$146,558 thousand (USD \$4,663 thousand) in Zhongao Plaza Management Co., Ltd.

Note 15: The Company disposed of RSEA Construction Engineering (Chongqing) Co., Ltd. to L&K Engineering (Suzhou) Co., Ltd in July,2020. The proceeds amount was \$319,180 thousand (RMB76,304 thousand). As of December 31, 2025, The Company has collected part of the proceeds and obtained the approval letter from the Investment Commission, MOEA..

L&K Engineering Co., Ltd.
Cash and cash equivalents schedule
December 31, 2025

Unit: thousands of NTD (Foreign currency)

Items	Summary				Amount
Cash on hand					\$ 2,332
Cash in bank					
— Check deposit					80
— Demand deposits					201,825
— Foreign currency demand deposits	U S D	33,610	Foreign Exchange Rates	31.40	1,055,465
	J P Y	7,593		0.2009	1,525
	S G D	156,476		24.45	3,825,690
	E U R	9		36.90	336
	S E K	444		3.41	1,518
	G B P	1		42.28	46
	A U D	1		21.03	31
	C N Y	540		4.49	2,425
	H K D	6		4.04	26
	C H F	3		39.66	91
— Time deposits					251,307
— Foreign currency time deposits	U S D	93,037	Foreign Exchange Rates	31.40	2,922,899
	S G D	332,897		24.45	8,136,962
	C N Y	192,411		4.49	864,284
Total					\$ 17,266,842

L&K Engineering Co., Ltd.
Financial assets at fair value through profit or loss - current
December 31, 2025

Unit: thousands of NTD

Items	Summary	Shares/Units (In Thousands)	Face value	Total	Interest rate	Cost of an acquisition	Fair value		Remark
							Unit price	Total	
Financial assets at fair value through profit or loss									
United Microelectronics Corporation	Listed stock	4,550	\$ 10	\$ 45,500	-	\$ 76,044	\$ 49.25	\$ 224,072	
Hua Nan Financial Holdings Co., Ltd.	"	326	10	3,260	-	3,213	31.00	10,121	
King Yuan Electronics Co., Ltd.	"	120	10	1,200	-	25,276	245.50	29,700	
Macronix International Co., Ltd.	"	150	10	1,500	-	5,175	39.45	5,918	
A2peak Power Co., Limited	Unlisted stock	2,000	-	-	-	-	-	-	
L&K Engineering Co., Ltd.-the fourth domestically issued unsecured convertible corporate bond	Convertible bond redemption/ Putable Bond	-	-	-	-	-	-	-	3
TCC Group Holdings Co., Ltd.-The first domestically issued unsecured convertible corporate bond	Convertible bond	200	100	20,000	-	20,000	98.60	19,720	
Total				\$ 71,460		\$ 129,708		\$ 289,534	

L&K Engineering Co., Ltd.
Accounts and Notes Receivable
December 31, 2025

Unit: thousands of NTD

Name of clients	Summary	Amount	Remark
Clients B		\$ 2,641,046	The amount of individual client included in others does not exceed 5% of the account balance.
Clients C		358,435	
Clients F		962,379	
Others		439,368	
Total		4,401,228	
Less: Loss allowance		(5,885)	
Net		\$ 4,395,343	(If past due over 1 year, it will be calculated as \$0)

L&K Engineering Co., Ltd.
Contract Assets - Current
December 31, 2025

Unit: thousands of NTD

Engineering/ Customer	Summary	Amount	Remark	
Property:				
P-TD017		\$ 284,984	The amount of individual client included in others does not exceed 5% of the account balance.	
P-TF006		522,105		
P-TM002		96,690		
P-TQ008		214,265		
P-TQ009		83,114		
Others		302,766		
Total		1,503,924		
Retainable for receivables:				
V Company		1,388,138		The amount of individual client included in others does not exceed 5% of the account balance.
T Company		243,584		
R Company		371,598		
D2 Company		105,721		
Others		14,892		
Less: Loss allowance		(378,006)		
Total		1,745,927		
Net		\$ 3,249,851		

L&K Engineering Co., Ltd.

Financial assets at fair value through other comprehensive income

For the Year Ended December 31, 2025

Unit: thousands of NTD

Company name	Beginning balance		Additions		Reductions		Reclassification		Ending balance		Provide guarantee or pledge situation	Remark
	Shares/Units (In Thousands)	Value	Shares/Units (In Thousands)	Value	Shares/Units (In Thousands)	Value	Shares/Units (In Thousands)	Value	Shares/Units (In Thousands)	Value		
Bestample Investments Limited	-	\$ 153,000	-	\$ -	-	\$ (6,362)	-	\$ -	-	\$ 146,638	None	
United BioPharma Inc.	806	-	-	-	-	-	-	-	806	-	None	
ProMOS TECHNOLOGIES Inc.	507	3,607	-	4,880	-	-	-	-	507	8,487	None	
PharmaEssentia Corporation	581	301,622	44	5,704	181	(98,491)	-	-	444	208,835	None	
Cica-Huntek Chemical Technology Taiwan Co., Ltd.	2,500	387,500	-	340,000	-	-	-	-	2,500	727,500	None	
Meribank Biotech Co., Ltd.	-	-	1,000	15,980	-	-	-	-	1,000	15,980	None	
Total		\$ 845,729		\$ 366,564		\$ (104,853)		\$ -		\$ 1,107,440		

L&K Engineering Co., Ltd.
Investments accounted for using equity method
For the Year Ended December 31, 2025

Unit: thousands of NTD

Company name	Beginning balance		Additions		Reductions		Ending balance			Market Value or Net Assets Value		Provide guarantee or pledge situation	Remark
	Shares/Units (In Thousands)	Value	Shares/Units (In Thousands)	Value	Shares/Units (In Thousands)	Value	Shares/Units (In Thousands)	Percentage of Ownership	Value	Shares/Units (In Thousands)	Value		
RSEA Engineering Corporation (privatized 2009)	413,179	\$ 4,941,183	-	\$ 264,043	-	\$ -	413,179	82.64%	\$ 5,205,226	-	\$ 5,205,226	None	
L & K Engineering Co., Ltd.(BVI)	-	729,533	-	-	-	(34,105)	-	100.00%	695,428	-	695,428	None	
L&K Engineering (Suzhou) Co., Ltd.	115,200	4,534,669	-	1,113,191	-	-	115,200	53.99%	5,647,860	-	5,647,860	None	
Unique Grand Limited	-	1,024,013	-	9,406	-	-	-	49.80%	1,033,419	-	1,033,419	None	
L&K ENGINEERING PTE.LTD.	-	-	20,000	488,978	-	-	20,000	100%	488,978	-	488,978	None	
L&K-LCB Joint Venture LLP	-	-	-	529,858	-	-	-	70%	529,858	-	529,858	None	
Formosa Medical Devices Inc.	4,904	8,776	-	-	-	-	4,904	40.88%	8,776	-	-	None	
Total		11,238,174		2,405,476		\$ (34,105)			\$13,609,545		\$13,600,769		

L&K Engineering Co., Ltd.
Investments accounted for using equity method – accumulated impairment
For the Year Ended December 31, 2025

Unit: thousands of NTD

Item	Beginning balance	Additions	Reductions	Ending balance	Remark
Investee company	\$ 8,776	-	-	\$ 8,776	Note

Note : The accumulated impairment \$8,776 thousand related to the investment in an associate company – Formosa Medical Devices Inc.

L&K Engineering Co., Ltd.
Property, plant and equipment
For the Year Ended December 31, 2025

Unit: thousands of NTD

Items	Beginning balance	Additions (Note)	Reductions	Reclassification	Ending balance	Provide guarantee mortgage	Remark
Land	\$ 75,993	\$ -	\$ -	\$ -	\$ 75,993	Yes	Long-Term Loans
Buildings	287,524	4,484	-	-	292,008	Yes	Long-Term Loans
Machinery and equipment	29,641	-	-	-	29,641	None	
Computer equipment	40,659	3,685	(2,582)	-	41,762	None	
Transportation equipment	6,329	1,676	(435)	-	7,570	None	
Office equipment	11,497	47	(142)	-	11,402	None	
Leasehold improvements	9,467	99	-	-	9,566	None	
Other equipment	14,793	77	(30)	-	14,840	None	
Total	\$ 475,903	\$ 10,068	\$ (3,189)	\$ -	\$ 482,782		

Note : Including the impact of changes in exchange rate due to the merger of the Singapore branch \$3,131 thousand.

L&K Engineering Co., Ltd.
Property, plant and equipment - accumulated depreciation
For the Year Ended December 31, 2025

Unit: thousands of NTD

Items	Beginning balance	Additions (Note)	Reductions	Reclassification	Ending balance	Remark
Buildings	\$ 99,019	\$ 6,490	\$ -	\$ -	\$ 105,509	
Machinery and equipment	29,437	60	-	-	29,497	
Computer equipment	28,658	5,863	(2,582)	-	31,939	
Transportation equipment	4,833	600	(163)	-	5,270	
Office equipment	10,284	363	(132)	-	10,515	
Leasehold improvements	7,781	433	-	-	8,214	
Other equipment	13,868	490	(30)	-	14,328	
Total	\$ 193,880	\$ 14,299	\$ (2,907)	\$ -	\$ 205,272	

Note : Including the impact of changes in exchange rate due to the merger of the Singapore branch \$543 thousand.

L&K Engineering Co., Ltd.
Right-of-use assets
For the Year Ended December 31, 2025

Unit: thousands of NTD

Items	Beginning balance	Additions	Reductions	Reclassification	Ending balance	Provide guarantee mortgage	Remark
Buildings	\$ 8,304	\$ -	\$ -	\$ -	\$ 8,304	None	
Transportation equipment	6,646	375	-	-	7,021	None	
Total	\$ 14,950	\$ 375	\$ -	\$ -	\$ 15,325		

L&K Engineering Co., Ltd.
Right-of-use assets - accumulated depreciation
For the Year Ended December 31, 2025

Unit: thousands of NTD

Items	Beginning balance	Additions	Reductions	Reclassification	Ending balance	Remark
Buildings	\$ 4,079	\$ 1,690	\$ -	\$ -	\$ 5,769	
Transportation equipment	2,619	2,372	-	-	4,991	
Total	\$ 6,698	\$ 4,062	\$ -	\$ -	\$ 10,760	

L&K Engineering Co., Ltd.
Investment property
For the Year Ended December 31, 2025

Unit: thousands of NTD

Items	Beginning balance		Additions		Reductions		Reclassification		Ending balance		Remark
	Book value	Fair value	Book value	Fair value	Book value	Fair value	Book value	Fair value	Book value	Fair value	
Land	\$ 68,001	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 68,001	\$ -	Note
Buildings	40,064	-	-	-	-	-	-	-	40,064	-	
Total	\$ 108,065	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 108,065	\$ -	

Note : The Company's investment property uses the straight-line method to recognize depreciation over a useful life of 50 years.

L&K Engineering Co., Ltd.
Investment property - accumulated depreciation
For the Year Ended December 31, 2025

Unit: thousands of NTD

Items	Beginning balance	Additions	Reductions	Reclassification	Ending balance	Remark
Buildings	\$ 16,802	\$ 785	\$ -	\$ -	\$ 17,587	

L&K Engineering Co., Ltd.

Short-term borrowings

December 31, 2025

Unit: thousands of NTD

Items	Ending balance	Contract period	Interest rate	Financing amount	Mortgage or guarantee	Remark
Short-term borrowings	\$ 900,000	2025.10.31~2026.03.24	1.88%~1.89%	\$ 900,000	None	Note

Note : The Company's short-term borrowings were borrowed from financial institutions.

L&K Engineering Co., Ltd.

Accounts payable

December 31, 2025

Unit: thousands of NTD

Name of clients	Summary	Amount	Remark
A Company		\$ 537,579	The amount of individual client included in others does not exceed 5% of the account balance.
B Company		289,423	
C Company		323,279	
Other		1,577,689	
		\$ 2,727,970	

L&K Engineering Co., Ltd.
Contract Liability - Current
December 31, 2025

Unit: thousands of NTD

Engineering	Summary	Amount	Remark
P-SQ005		\$ 1,681,008	The amount of individual client included in others does not exceed 5% of the account balance.
P-SR007		11,726,529	
Other		5,163,312	
		\$ 18,570,849	

L&K Engineering Co., Ltd.
Operating revenue
For the Year Ended December 31, 2025

Unit: thousands of NTD

Name of clients	Summary	Amount	Remark
A Company		\$ 22,404,549	The amount of individual client included in others does not exceed 5% of the account balance.
B Company		8,087,665	
C Company		4,835,815	
Other		\$ 3,363,263	
		38,691,292	

L&K Engineering Co., Ltd.
Operating Costs
For the Year Ended December 31, 2025

Unit: thousands of NTD

Items	Summary	Amount	Remark
Cost of Sales		\$ 59,675	
Cost of engineering sales			
-Construction contracts		30,121,579	
-Materials and equipment used in construction projects		2,150,675	
-Labor expenses for construction		417,931	
-Other construction expenses		780,781	
Cost of engineering sales total		33,470,966	
Total		\$ 33,530,641	

L&K Engineering Co., Ltd.
General Expenses
For the Year Ended December 31, 2025

Unit: thousands of NTD

Items	Summary	Amount	Remark
Salary		\$ 663,011	Including overtime The amount of subjects included in others does not exceed 5% of the account balance.
Other Expenses		162,563	
Total		\$ 825,574	

L&K Engineering Co., Ltd.
Employee Benefits Expense, Depreciation and Amortization
For the Years Ended December 31, 2025 and 2024

Unit: thousands of NTD

Function Nature	For the Years Ended December 31					
	2025			2024		
	Classified as operating costs	Classified as operating expenses	Total	Classified as operating costs	Classified as operating expenses	Total
Employee benefits expense Salary Labor and health insurance Pension Remuneration to directors Others Depreciation Amortization	Refer to Notes 6(25) of this financial report.			Refer to Notes 6(25) of this financial report.		