Kung Sing Engineering Corporation and Subsidiaries

Consolidated Financial Statements and

Review Report of Independent Accountants

March 31, 2026 and 2025

(Stock Code 5521)

*This financial report is only an English translation, and has not been reviewed or checked by an accountant

Address: 8F., No. 102, Sec. 4, Civic Blvd., Da-an Dist.,

Taipei City 106, Taiwan (R.O.C.)

TEL:(02)2751-4188

Contents

Review Report of Independent Auditors Translated from Chinese

To the Boards of Directors and Stockholders of Kung Sing Engineering Corporation

Introduction

We have reviewed the consolidated balance sheets of Kung Sing Engineering Corporation and its subsidiaries (the "Group") as at March 31, 2026 and 2025, as well as the consolidated statements of comprehensive income, the consolidated statement of changes in equity and of cash flows for the three months then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and International Accounting Standard No. 34 "Interim Financial Reporting" as endorsed by the Financial Supervisory Commission. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

Except as explained in the following paragraph, we conducted our reviews in accordance with the Statements of Republic of China Verification Standard No. 2410 " Review of Financial Information Performed by the Independent Auditor of the Entity" in the Republic of China. A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As stated in Note 4 (3) of the consolidated financial statements, the financial statements of certain insignificant subsidiaries were not reviewed by independent accountants. Those statements reflect total assets of NT$625,418 thousand and NT$639,251 thousand constituting 4.5% and 5.6% of the total consolidated assets; the total liabilities of NT$12,558 thousand and NT$17,394 thousand constituting 0.2% and 0.3% of the total consolidated liabilities as at March 31, 2026 and 2025, respectively, and the net loss of total comprehensive income of NT$2,867 thousand and NT$1,988 thousand, constituting (4.5%) and 37.9% of the consolidated total comprehensive income for the three-month periods then ended, respectively.

Qualified Conclusion

Except for the adjustments to the consolidated financial statements, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries been reviewed by independent accountants, that we might have become aware of had it not been for the situation described above, based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2026 and 2025, and of its consolidated financial performance and its consolidated cash flows for the three months then ended in accordance with ”Regulations Governing the Preparation of Financial Reports by Securities Issuers” and International Accounting Standard No. 34 “Interim Financial Reporting” as endorsed by the Financial Supervisory Commission.

Accountant

Wen, Ya-fang

Wang, Fang-Yu

For and on behalf of PricewaterhouseCoopers, Taiwan

May 13, 2026

Kung Sing Engineering Corporation and Subsidiaries

Consolidated Balance Sheets

(Expressed in thousands of New Taiwan dollars)

(The balance sheets as of March 31, 2026 and 2025 are reviewed, not audited)

			March 31, 2026		December 31, 2025		March 31, 2025	
	Assets	Note	Amount	%	Amount	%	Amount	%
	Current assets							
1100	Cash and cash equivalents	6(1)	$ 1,805,939	13	$ 2,193,136	16	$ 1,091,850	10
1136	Financial assets at amortised cost - current	6(2),8	6,999,966	50	6,924,458	50	4,893,304	43
1140	Contract assets-current	6(19)	2,739,376	20	2,281,283	16	3,079,698	27
1170	Accounts receivable, net	6(3)	245,716	2	105,352	1	155,463	1
1200	Other receivables	7	34,140	-	21,141	-	15,031	-
1210	Other receivables - related parties		28,944	-	39,420	-	39,161	-
1220	Current tax assets		4,147	-	4,133	-	2,173	-
130X	Inventories	6(4),8	357,018	3	357,018	3	357,018	3
1410	Prepayments		106,405	1	89,815	1	111,252	1
1479	Other current assets-other	8	-	-	100,000	1	-	-
1482	Fulfilling contract cost-net current	6(5)	599,801	4	737,501	5	696,081	6
11XX	**Total current assets**		12,921,452	93	12,853,257	93	10,441,031	91
	Non-current assets							
1517	Financial assets at fair value through other comprehensive income-non-current	6(6)	85,021	1	84,373	-	91,723	1
1600	Property, plant and equipment	6(7), 8	492,483	3	502,501	4	505,302	5
1755	Right-of-use assets	6(8)	139,444	1	126,275	1	127,306	1
1760	Investment property, net	6(9), 8	149,402	1	149,837	1	151,143	1
1780	Intangible assets		7,138	-	7,991	-	5,726	-
1840	Deferred income tax assets		9,238	-	8,127	-	21,999	-
1900	Other non-current assets	6(10)	105,186	1	83,827	1	67,120	1
15XX	**Total non-current assets**		987,912	7	962,931	7	970,319	9
1XXX	**Total assets**		$13,909,364	100	$ 13,816,188	100	$11,411,350	100

(Continued)

<u>Kung Sing Engineering Corporation and Subsidiaries</u>

<u>Consolidated Balance Sheets</u>

(Expressed in thousands of New Taiwan dollars)

(The balance sheets as of March 31, 2026 and 2025 are reviewed, not audited)

			March 31, 2026		December 31, 2025		March 31, 2025	
	Liabilities and Equity	Note	Amount	%	Amount	%	Amount	%
	Current liabilities							
2100	Short-term borrowings	6(11)	$ 1,207,000	9	$ 757,000	6	$ 590,000	5
2130	Contract liabilities-current	6(19)	4,401,854	32	5,009,006	36	3,056,124	27
2150	Notes payable		502,990	4	459,365	3	544,935	5
2170	Accounts payable	6(12)	1,753,584	13	1,543,485	11	1,427,651	12
2200	Other payables		70,474	-	138,601	1	65,308	-
2250	Provisions for liabilities-current	6(14)	5,464	-	600	-	2,946	-
2280	Lease liabilities-current		37,581	-	27,175	-	38,382	-
2320	Long-term liabilities due within one year or one operating cycle	6(13)	5,320	-	21,298	-	81,162	1
2399	Other current liabilities - other		66,447	-	64,219	1	66,344	1
21XX	**Total current liabilities**		8,050,714	58	8,020,749	58	5,872,852	51
	Non-current liabilities							
2540	Long-term borrowings	6(13)	45,836	-	47,171	-	51,147	1
2550	Provisions for liabilities-non-current	6(14)	666	-	666	-	666	-
2570	Deferred income tax liabilities		4,115	-	4,000	-	3,014	-
2580	Lease liabilities-non-current		102,692	1	102,302	1	88,262	1
2600	Other non-current liabilities		13,973	-	13,973	-	25,072	-
25XX	**Total non-current liabilities**		167,282	1	168,112	1	168,161	2
2XXX	**Total liabilities**		8,217,996	59	8,188,861	59	6,041,013	53
	Equity							
	Share capital	6(16)						
3110	Common stock		4,922,802	35	4,922,802	36	4,922,802	43
	Capital surplus	6(17)						
3200	Capital surplus		519	-	519	-	519	-
	Retained earnings	6(18)						
3310	statutory surplus reserve		92,511	1	92,511	1	90,871	1
3350	Undistributed earnings		647,011	5	583,618	4	320,918	3
	Other equity							
3400	Other equity		28,525	-	27,877	-	35,227	-
3XXX	**Total equity**		5,691,368	41	5,627,327	41	5,370,337	47
	Significant contingent liabilities and unrecognized contract commitments	9						
3X2X	**Total liabilities and equity**		$13,909,364	100	$ 13,816,188	100	$11,411,350	100

The accompanying notes are an integral part of these Individual financial statements.

Kung Sing Engineering Corporation and Subsidiaries

Consolidated Statements of Comprehensive Income

(Expressed in thousands of New Taiwan dollars, except earnings per share amounts)

(Unaudited)

			Three months ended March 31		
			2026		2025	
	Items	Note	Account	%	Account	%
4000	Operating revenue	6(19)	$ 2,612,835	100	$ 2,153,534	100
5000	Operating cost	6(24)(25)	(2,474,911)	(95)	(2,051,032)	(95)
5900	Gross profit		137,924	5	102,502	5
	Operating expenses	6(24)(25)				
6100	Selling expenses		(1,969)	-	(730)	-
6200	General and administrative expenses		(84,472)	(3)	(67,819)	(3)
6450	expected credit impairment losses	6(19),12(2)	-	-	(49,403)	(3)
6000	Total operating expenses		(86,441)	(3)	(117,952)	(6)
6900	Operating income		51,483	2	(15,450)	(1)
	Non-operating income and expenses					
7100	Interest income	6(20)	13,292	-	9,415	-
7010	Other income	6(21),7	1,536	-	2,055	-
7020	Other gains and losses	6(22)	3,605	-	13,341	1
7050	Financial costs	6(23)	(7,519)	-	(6,252)	-
7000	Total non-operating income and expenses		10,914	2	18,559	1
7900	**Net profit before tax**		62,397	-	3,109	-
7950	Income tax expenses	6(26)	996	-	(10,729)	-
8200	**Net profit for the period**		$ 63,393	2	($ 7,620)	-
	Other comprehensive income (net) **Components of other comprehensive income that will not be reclassified to profit or loss**					
8316	Unrealized gains and losses from investments in equity instruments measured at fair value through other comprehensive income	6(6)	$ 648	-	$ 2,374	-
8300	**Other comprehensive income (net)**		$ 648	-	$ 2,374	-
8500	**Total comprehensive income for the period**		$ 64,041	2	($ 5,246)	-
	Net profit (loss) attributable to:					
9750	Basic earnings per share	6(27)	$ 0.13		($ 0.02)	
9850	Diluted earnings per share	6(27)	$ 0.13		($ 0.02)	

The accompanying notes are an integral part of these Individual financial statements.

<u>Kung Sing Engineering Corporation and Subsidiaries</u>

<u>Consolidated Statements of Changes in Equity</u>

<u>For the Three Months Ended March 31, 2026 and 2025</u>

(Expressed in thousands of New Taiwan dollars)
(Unaudited)

		Equity attributable to owners of the parent					
				Retained earnings			
	Note	Common stock	Capital surplus	statutory surplus reserve	Undistributed earnings	Unrealized gains and losses from finical assets at fair value through other comprehensive income	Total equity
For the three months ended March 31, 2025							
Balance at January 1, 2025		$4,922,802	$ 519	$ 90,871	$ 328,538	$ 32,853	$ 5,375,583
Net loss for the current period		-	-		(7,620)	-	(7,620)
Other comprehensive income for the period	6(6)	-	-	-	-	2,374	2,374
Total comprehensive income for the period		-	-	-	(7,620)	2,374	(5,246)
Balance at March 31, 2025		$4,922,802	$ 519	$ 90,871	$ 320,918	$ 35,227	$ 5,370,337
For the three months ended March 31, 2026							
Balance at January 1, 2026		$4,922,802	$ 519	$ 92,511	$ 583,618	$ 27,877	$ 5,627,327
Net loss for the current period		-	-	-	63,393	-	63,393
Other comprehensive income for the period	6(6)	-	-	-	-	648	648
Total comprehensive income for the period		-	-	-	63,393	648	64,041
Balance at March 31, 2026		$4,922,802	$ 519	$ 92,511	$ 647,011	$ 28,525	$ 5,691,368

The accompanying notes are an integral part of these individual financial statements.

Kung Sing Engineering Corporation and Subsidiaries
Consolidated Statements of Cash Flows
For the Three Months Ended March 31, 2026 and 2025
(Expressed in thousands of New Taiwan dollars)
(Unaudited)

	Note	For the three months ended March 31 2026		For the three months ended March 31 2025	
Cash Flows from Operating Activities					
Net profit before tax for the period		$	62,397	$	3,109
Adjustments					
Adjustments to reconcile profit					
Depreciation (including right-of-use assets and investment property)	6(22)(24)		22,240		31,358
Amortization	6(24)		853		666
Expected credit impairment losses	12(2)		-		49,403
Interest expense	6(23)		7,519		6,252
Interest income	6(20)	(	13,292)	(	9,415)
Loss on loss-making contracts	6(14)		4,864		
Lease Modification Benefit	6(8),(22)	(	890)	(	12,885)
Changes in operating assets and liabilities					
Net changes in operating assets					
Contract assets		(	458,093)	(	436,300)
Accounts receivable		(	140,364)		197,226
Other receivables			136		19,747
Other receivables - related parties			10,476	(	428)
Prepayments		(	16,590)	(	35,529)
Other current assets			100,000		
Cost of fulfilling contracts			137,700	(	135,840)
Net defined benefit assets		(	575)	(	1,949)
Net changes in operating liabilities					
Contract liabilities		(	607,152)	(	368,245)
Notes payable			49,847	(	25,000)
Accounts payable			210,099		184,805
Other payables		(	68,587)	(	35,469)
Other current liabilities			2,391		2,228
Cash outflows generated from operations		(	697,021)	(	566,266)
Interest received			157		506
Interest paid		(	7,059)	(	6,692)
Income tax paid		(	14)	(	38)
Net cash outflows from operating activities		(	703,937)	(	572,490)

(Continued)

Kung Sing Engineering Corporation and Subsidiaries

Consolidated Statements of Cash Flows

For the Three Months Ended March 31, 2026 and 2025

(Expressed in thousands of New Taiwan dollars)
(Unaudited)

	Notes	For the three months ended March 31 2026	2025
Cash Flows from Investing Activities			
To acquire financial assets at amortised cost		(\$ 105,508)	(\$ 909,010)
Disposal of financial assets at amortised cost		30,000	1,103,530
Proceeds from acquisition of property, plant and equipment	6(28)	(9,119)	(5,555)
Proceeds from acquisition of intangible assets	6(28)	(1,738)	(320)
Increased margin deposit		(20,817)	(2,308)
Decreased deposits		2,453	370
Net cash inflows(outflows) from investing activities		(104,729)	186,707
Cash Flows from Financing Activities			
Borrow short-term borrowings	6(29)	837,000	150,425
Repayment of short-term borrowings	6(29)	(387,000)	(400,425)
Repayment of long-term borrowings	6(29)	(17,313)	(101,414)
Increase in deposits received	6(29)	-	2,001
Decrease in deposits received	6(29)	(163)	(75,621)
Lease liability principal payments	6(29)	(11,055)	(9,755)
Net cash inflows(outflow) from financing activities		421,469	(434,789)
Increase (decrease) in cash and cash equivalents during the period		(387,197)	(820,572)
Cash and cash equivalents balance at beginning of the period		2,193,136	1,912,422
Cash and cash equivalents balance at end of the period		\$ 1,805,939	\$ 1,091,850

The accompanying notes are an integral part of these individual financial statements.

Kung Sing Engineering Corporation and Subsidiaries

Notes to the Consolidated Financial Statements

March 31, 2026 and 2025

(Expressed in thousands of New Taiwan dollars, unless otherwise indicated)

(Unaudited)

1. History of the Company

(1) Kung Sing Engineering Corporation (the "Company") was established in February 1947. The main business activities of the Company and its subsidiaries (the "Group") are the construction and repairing of roads and bridges as well as development of house and building.

(2) The Company's shares had been listed and traded on Taipei Exchange since November 18, 1999 and was officially terminated on December 18, 2012 then have been listed and traded on the Taiwan Stock Exchange.

2. The Date and Procedure of Authorization for Issuance of the Financial Statements

The consolidated financial statements were reported to and issued by the Board of Directors on May 13, 2026.

3. Application of New Standards, Amendments and Interpretations

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards ("IFRS") as endorsed by the Financial Supervisory Commission ("FSC")

New standards, interpretations and amendments endorsed by the FSC effective from 2026 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 9 and IFRS 7, "Revision of Classification and Measurement of Financial Instruments"	January 1, 2026
Amendments to IFRS 9 and IFRS 7, "Contracts involving natural electricity"	January 1, 2026
IFRS 17, "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17, "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17, " Initial application of IFRS 17 and IFRS 9 - comparative information"	January 1, 2023
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026

The Company has assessed that the above standards and interpretations have no material impact on the Company's financial condition and financial performance.

(2) The impact of the newly released and revised IFRS accounting standards approved by the Financial Supervisory Commission has not yet been adopted

None

(3) The impact of IFRS accounting standards that have been issued by the International Accounting Standards Board but have not yet been endorsed by the FSC

The following table summarizes the newly issued, revised and revised standards and interpretations of IFRS accounting standards that have been issued by the International Accounting Standards Board but have not yet been incorporated into the IFRS accounting standards approved by the FSC.

(3) IFRSs issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRSs as endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 10 and IAS 28, “Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture”	To be determined by International Accounting Standards Board
Amendments to IFRS 18, “Presentation and Disclosure of Financial Statements”	January 1, 2027(Note)
Amendments to IFRS 19, “Subsidiaries without public responsibility: disclosure”	January 1, 2027
Amendments to IAS 21, “Converted to highly inflationary currency”	January 1, 2027

Note: In a press release dated September 25, 2025, the Financial Supervisory Commission (FSC) announced that publicly traded companies will be subject to International Financial Reporting Standard 18 (IFRS 18) starting in 2028. Furthermore, if a company has a need to apply IFRS 18 ahead of schedule, it may choose to do so after the FSC approves IFRS 18.

Except for the following IFRS No. 18 "Presentation and Disclosure of Financial Statements" which is yet to be evaluated, the Group has assessed that the above standards and interpretations have no significant impact on the Group's financial position and financial performance.

IFRS 18 "Presentation and Disclosures in Financial Statements" replaces IFRS 1 and updates the structure of the consolidated income statement, adds disclosures on management performance measurement, and strengthens the summary applied to the main financial statements and notes. and segmentation principles.

4. Summary of Significant Accounting Policies

Except for the following explanations of the compliance statement, basis of preparation, basis of consolidation and new additions, the significant accounting policies are the same as Note 4 of the 2025 consolidated financial statements. Unless otherwise stated, these policies apply consistently throughout all reporting periods.

(1) Compliance statement

A. The consolidated financial statements of the Group have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and the International Accounting Standards 34, "Interim financial reporting" as endorsed by the FSC.

B. This consolidated financial report should be read in conjunction with the 2025 consolidated financial report.

(2) Basis of preparation

A. Except for the following items, the consolidated financial statements have been prepared under the historical cost convention:

a. Financial assets at fair value through other comprehensive income.

b. Certain welfare assets recognized at the net amount of retirement funds less the present value of certain welfare obligations.

B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the FSC (collectively referred herein as the "IFRSs"), requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. Basis for preparation of the consolidated financial statements

The preparation principles of this consolidated financial report are the same as the 2025 consolidated financial report.

B. Subsidiaries included in the consolidated financial statements

			Ownership (%)			
Investor	Subsidiary	Business nature	March 31, 2026	December 31, 2025	March 31, 2025	Note
As above	Kung Sing Development Co., Ltd.	Houses and buildings development and leasing	100	100	100	Note1
The Company	Chan Pang Industrial Co., Ltd.	Houses and buildings development, leasing and general investment	-	-	100	Note1、2

Note 1: Does not meet the definition of a material subsidiary, so the financial statements at March 31, 2026 and 2025 were not reviewed by accountants.

Note 2 : In order to simplify its investment structure, the Group resolved to cease operations on December 13, 2024 in accordance with Article 128-1 of the Company Law and to dissolve and liquidate its subsidiary, Chan Pang Industrial Co., Ltd., in accordance with the law. The company completed its liquidation process and deregistration in September 2025.

C. Subsidiaries not included in the consolidated financial statements
None.

D. Adjustments for subsidiaries with different balance sheet dates
None.

E. Significant restrictions on subsidiaries' ability to transfer funds to parent company
None.

F. Subsidiaries that have non-controlling equity that are material to the Group
None.

(4) Pension

Pension costs during the interim period are based on the pension cost rate determined by actuarial calculations at the end of the previous financial year. Calculated from the beginning of the year to the end of the current period. If there are major market changes and major reductions, liquidations or other major one-time events after the closing date, adjustments will be made and relevant information will be disclosed in accordance with the aforementioned policies.

(5) Income tax

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 Judgements, Estimates and Key Sources of Assumption Uncertainty

The preparation of the consolidated financial statements requires management to make critical judgements in applying the Group’s accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The related information is addressed below:

Construction contract

Engineering revenue and costs are primarily generated from construction works undertaken and when the outcome of the construction contracts can be estimated reliably, revenue is recognised progressively over time based on the proportion of construction costs incurred to date to the estimated total costs.

The estimated total cost is obtained through evaluation and judgment by management based on the nature of different projects, estimated contract amounts, construction periods, construction works and construction methods. As it involves subjective judgment, it has a high degree of estimation uncertainty, which may affect the recognition of project revenue. Please refer to Note 6(19) for details of the transaction price for the Group's construction contracts for which performance obligations have not yet been fulfilled.

6. Details of Significant Accounts

(1) Cash and cash equivalents

	March 31, 2026		December 31, 2025		March 31, 2025	
Check deposits and demand deposits	$	1,795,414	$	2,182,631	$	1,079,411
Cash on hand and revolving funds		10,525		10,505		12,439
	$	1,805,939	$	2,193,136	$	1,091,850

A. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. The Group's deposits whose use is restricted due to providing performance guarantees as collateral have been transferred to "Financial assets measured at amortized cost – Current". Please refer to Notes 6(2) and 8 for details.

C. There has no cash and cash equivalents pledged to others.

(2) Financial assets at amortised cost – current

	March 31, 2026		December 31, 2025		March 31, 2025	
Reserve account deposits	$	6,847,699	$	6,787,699	$	4,740,331
pledged time deposit		152,267		136,759		152,973
	$	6,999,966	$	6,924,458	$	4,893,304

A. The breakdown of financial assets measured at amortised cost recognised in profit or loss is as follows:

	For the three months ended March 31, 2026		For the three months ended March 31, 2025	
interest income	$	10,879	$	7,870

B. Without considering other credit enhancements, the exposure amount that best represents the Group's holdings of financial assets with the greatest credit risk measured at amortized cost is its book value.

C. Please refer to Note 8 for details of the circumstances in which the Group provides financial assets measured at amortized cost as pledges.

D. Please refer to Note 12(2) for information on the credit risk of financial assets measured by amortized cost.

(3) Accounts Receivable

	March 31, 2026		December 31, 2025		March 31, 2025	
Project receivable	$	245,500	$	105,352	$	155,463
Accounts Receivable		216		-		-
	$	245,716	$	105,352	$	155,463

A. The project receivables of the Group are from government agencies, public enterprises and private institutions, etc., and the receivables have not been overdue or impaired. Please refer to Note 12 (2) for the credit risk information of related accounts receivable.

B. The accounts receivable balances on March 31, 2026, December 31, 2025 and March 31, 2025 are all due to customer contracts, and the accounts receivable of customer contracts on January 1, 2025 are new NT$352,689.

(4) Inventory

	March 31, 2026	December 31, 2025	March 31, 2025
Buildings and land held for sale	$ 226,513	$ 226,513	$ 226,513
Construction in progress	130,505	130,505	130,505
	$ 357,018	$ 357,018	$ 357,018

A. The inventory cost recognized as expense for the three months ended March 31, 2026 and 2025 was NT$0.

B. For information on the guarantee provided by the Group's inventory, please refer to Note 8 for details.

(5) Cost of fulfilling contracts

	March 31, 2026	December 31, 2025	March 31, 2025
Prepayment for materials and construction	$ 421,326	$ 478,527	$ 430,651
Prepayment for construction insurance	178,475	258,974	265,430
	$ 599,801	$ 737,501	$ 696,081

(6) Financial assets at fair value through other comprehensive income–non-current

Items	March 31, 2026	December 31, 2025	March 31, 2025
Equity instruments			
Non-listed stocks	$ 85,021	$ 84,373	$ 91,723

A. The Group chooses to classify the equity instruments of strategic investment as financial assets at fair value through other comprehensive income.

B. The details of financial assets measured at fair value through other comprehensive profit and loss recognized in profit and loss and comprehensive profit and loss are as follows:

	For the three months ended March 31	
	2026	2025
Fair value recognized in other comprehensive income		
Holders still holding at the end of this period	$ 648	$ 2,374

C. The credit risk related information of the financial assets at fair value through other comprehensive income is described in Note 12 (2).

(7) Property, plant and equipment

	2026				
	Land	Buildings and structures	Machinery equipment	Others	Total
January 1					
Cost	$ 343,816	$ 268,519	$ 113,860	$ 102,292	$ 828,487
Accumulated depreciation and impairment	(93,917)	(143,301)	(45,035)	(43,733)	(325,986)
	$ 249,899	$ 125,218	$ 68,825	$ 58,559	$ 502,501
January 1	$ 249,899	$ 125,218	$ 68,825	$ 58,559	$ 502,501
Additions	-	-	1,638	577	2,215
Depreciation expense	-	(2,917)	(5,229)	(4,087)	(12,233)
March 31	$ 249,899	$ 122,301	$ 65,234	$ 55,049	$ 492,483
March 31					
Cost	$ 343,816	$ 268,519	$ 115,498	$ 102,869	$ 830,702
Accumulated depreciation and impairment	(93,917)	(146,218)	(50,264)	(47,820)	(338,219)
	$ 249,899	$ 122,301	$ 65,234	$ 55,049	$ 492,483

	2025				
	Land	Buildings and structures	Machinery equipment	Others	Total
January 1					
Cost	$ 342,826	$ 247,869	$ 105,157	$ 80,764	$ 776,616
Accumulated depreciation and impairment	(81,980)	(123,941)	(26,018)	(29,848)	(261,787)
	$ 260,846	$ 123,928	$ 79,139	$ 50,916	$ 514,829
January 1	$ 260,846	$ 123,928	$ 79,139	$ 50,916	$ 514,829
Additions	-	-	365	649	1,014
Depreciation expense	-	(2,401)	(4,652)	(3,488)	(10,541)
March 31	$ 260,846	$ 121,527	$ 74,852	$ 48,077	$ 505,302
March 31					
Cost	$ 342,826	$ 247,869	$ 105,522	$ 81,413	$ 777,630
Accumulated depreciation and impairment	(81,980)	(126,342)	(30,670)	(33,336)	(272,328)
	$ 260,846	$ 121,527	$ 74,852	$ 48,077	$ 505,302

A. The real estate, plant and equipment held by the Group are based on the evaluation results of independent evaluation experts. The evaluation is based on the comparative method and the cost method or the income method, which is a third-level fair value. The main assumptions of the income approach are as follows:

	March 31, 2026	December 31, 2025	March 31, 2025

Income capitalization rate	1.37%	1.37%	1.32%

B. Please refer to Note 8 for the information on the Group's collateral provided by property, plant and equipment.

(8) Leasing arrangements-lessee

A. The Group leases various assets, including lands, buildings and transportation equipment. Lease contracts are typically made for periods of 2-10 years. Lease terms are negotiated on an individual basis and contain a wide range of different clauses and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.

B. Some of the land, buildings and transportation equipment leased by the Group have a lease period of no more than 12 months, and some of the low-value underlying assets leased are first aid equipment.

C. The changes of right-of-use assets are as follows:

	2026			
	Land	Buildings	Transportation equipment	Total
January 1	$ 40,899	$ 85,219	$ 157	$ 126,275
Add	17,083	4,520	-	21,603
Lease Modification	1,138	-	-	1,138
Depreciation expense	(5,131)	(4,347)	(94)	(9,572)
March 31	$ 53,989	$ 85,392	$ 63	$ 139,444

	2025			
	Land	Buildings	Transportation equipment	Total
January 1	$ 56,058	$ 64,047	$ 1,884	$ 121,989
Add	24,456	475	-	24,931
	768	-	-	768
Depreciation expense	(17,000)	(2,756)	(626)	(20,382)
March 31	$ 64,282	$ 61,766	$ 1,258	$ 127,306

D. The information on profit and loss accounts relating to lease contracts is as follows:

Items affect profit or loss for the period	For the three months ended March 31, 2026	For the three months ended March 31, 2025

Interest expense on lease liabilities	$ 890	$ 774
Expenses for short-term rental contracts	1,837	4,813
Fees for leasing low-value assets	7	7
Lease Modification Benefit	890	12,885

Because the lessors of the land leased by the Group indirectly used the land during the lease term, they were exempted from some payment obligations at the end of the lease term. The Group recognizes the profit or loss arising from the change in lease payments due to the rent reduction as other benefits and losses.

E. The Group's total lease cash outflows for the three months ended March 31, 2026 and 2025 were NT$13,789 and NT$15,349, respectively.

(9) Investment property

	2026		
	Land	Buildings and structures	Total
January 1			
Cost	$ 115,734	$ 115,202	$ 230,936
Accumulated depreciation and impairment	-	(81,099)	(81,099)
	$ 115,734	$ 34,103	$ 149,837
January 1	$ 115,734	$ 34,103	$ 149,837
Depreciation expense	-	(435)	(435)
March 31	$ 115,734	$ 33,668	$ 149,402
March 31			
Cost	$ 115,734	$ 115,202	$ 230,936
Accumulated depreciation and impairment	-	(81,534)	(81,534)
	$ 115,734	$ 33,668	$ 149,402

	2025		
	Land	Buildings and structures	Total
January 1			
Cost	$ 115,734	$ 115,202	$ 230,936
Accumulated depreciation and impairment	-	(79,358)	(79,358)
	$ 115,734	$ 35,844	$ 151,578
January 1	$ 115,734	$ 35,844	$ 151,578
Depreciation expense	-	(435)	(435)
March 31	$ 115,734	$ 35,409	$ 151,143
March 31			
Cost	$ 115,734	$ 115,202	$ 230,936
Accumulated depreciation	-	(79,793)	(79,793)

and impairment			
	$ 115,734	$ 35,409	$ 151,143

A. Rental income and direct operating expense from the investment property are shown below:

	For the three months ended March 31, 2026	For the three months ended March 31, 2025
Rental income from investment property	$ 936	$ 936
Direct operating expense arising from the investment property that generated rental income in the period	$ 482	$ 432
Direct operating expense arising from the investment property that did not generate rental income in the period	$ 23	$ 23

B. The analysis of the due date of the lease payments leased out by the Group under operating leases is as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
current year	2,614	3,543	2,664
next year	971	971	2,629
next 2 years	686	686	686
next 3 years	56	56	686
next 4 years	-	-	56
	$ 4,327	$ 5,256	$ 6,721

C. The fair value of the investment property held by the Group at March 31, 2026, December 31, 2025 and March 31, 2025 were NT$389,963, NT$389,963 and NT$386,514, respectively, based on the evaluation results of independent evaluation experts. The evaluation was calculated by comparative method, cost method, land development analysis method and income method and classified as the level 3 fair value. The main assumption of the income method is as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Income capitalization rate	1.17%-2.04%	1.17%-2.04%	1.21%-2.04%

D. Please refer to Note 8 for the information on the Group's collateral provided by investment property.

(10) <u>Other non-current assets</u>

	March 31, 2026	December 31, 2025	March 31, 2025
Refundable deposits	$ 80,573	$ 62,209	$ 40,095
Prepayment for equipment	4,036	1,616	11,955
Net defined benefit assets	20,577	20,002	15,070

	$ 105,186	$ 83,827	$ 67,120

(11) Short-term borrowings

Type	March 31, 2026	December 31, 2025	March 31,2025
Secured borrowings	$ 1,207,000	$ 757,000	$ 590,000
Interest rate range	2.17%~3%	2.28%~3 %	2.11%~2.49%

Please refer to Note 8 for details of the pledge collateral of short-term borrowings.

(12) accounts payable

Type	March 31, 2026	December 31, 2025	March 31,2025
Project payment payable	$ 988,746	$ 790,489	$ 852,654
Project retainage payable	764,594	752,752	574,753
accounts payable	244	244	244
	$ 1,753,584	$ 1,543,485	$ 1,427,651

(13) Long-term borrowings

Type of borrowings	Repayment period	March 31, 2026	December 31, 2025	March 31, 2025
Medium-term secured borrowings	Amortized from 2022 to 2027	$ 51,156	$ 52,464	$ 56,338
〃	Repayable in installments based on 15% of each project payment	-	16,005	75,971
Subtotal		51,156	68,469	132,309
Deduct: due within one year		(5,320)	(21,298)	(81,162)
		$ 45,836	$ 47,171	$ 51,147
Interest rate range		2.66%	2.10%~2.66%	2.10%~2.62%

A. KSC078 Joint Loan Case

a. On November 16, 2023, the Group signed a long-term unsecured joint loan, project performance bond and project advance payment repayment guarantee joint credit contract with six financial institutions including Taipei Fubon Commercial Bank and Cooperative Bank Commercial Bank, with a total limit of NT$ 3,200,000, and the credit period is until January 19, 2033. The main restriction is that the financial ratios of the annual consolidated financial statements should be maintained as follows:

(a) The current ratio (current assets/current liabilities) must not be less than 100%.

(b) Liabilities ratio (total liabilities/ tangible net worth) shall not be greater than 200%.

(c) Interest protection multiples [(income before tax+ interest expense+ depreciation and amortization)/ interest expense paid in the period] shall not be less than 200%.

(d) Tangible net worth (net value-intangible assets) shall not be less than NT$4,000,000

b. As of March 31, 2026, the undrawn loan amount for this joint loan case was NT$700,000, and the undrawn guarantee amount was NT$52,885.

B. KSC081 Joint Loan Case

a. On June 18, 2024, the company signed a joint credit agreement with ten financial institutions including Taiwan Cooperative Bank for long-term unsecured joint lending, project performance bond and project prepayment repayment guarantee, with a total amount of NT$5,900,000. On March 17, 2034, the main restriction is that the financial ratios in the annual consolidated financial statements shall be maintained as follows:

(a) Current ratio (current assets/ current liabilities) shall not be less than 100%.

(b) Liabilities ratio (total liabilities/ tangible net worth) shall not be greater than 200%.

(c) Interest protection multiples [(income before tax+ interest expense+ depreciation and amortization)/ interest expense paid in the period] shall not be less than 200%.

(d) Tangible net worth (net value-intangible assets) shall not be less than NT$4,000,000

b. As of March 31, 2026, the undrawn loan amount for this joint loan case was NT$1,350,000, and the undrawn guarantee amount was NT$13,709.

C. KSC082 Joint Loan Case

a. On March 13, 2025, the Group signed a long-term unsecured joint loan, project performance bond and project advance payment repayment guarantee joint credit contract with eight financial institutions including the Land Bank of Taiwan, with a total amount of NT$3,200,000. The credit period is until March 20, 2035. The main restrictive terms are that the financial ratios of the annual consolidated financial statements should be maintained as follows:

(a) The current ratio (current assets/current liabilities) must not be less than 100%.

(b) Liabilities ratio (total liabilities/ tangible net worth) shall not be greater than 200%.

(c) Interest protection multiples [(income before tax+ interest expense+ depreciation and amortization)/ interest expense paid in the period] shall not be less than 200%.

(d) Tangible net worth (net value-intangible assets) shall not be less than NT$4,000,000

b. As of March 31, 2026, the undrawn loan amount for this joint loan case was NT$710,000, and the undrawn guarantee amount was NT$916,656.

D. As of March 31, 2025, In addition to the above-mentioned KCS078, KCS081 and KCS082 joint loan case, No unused long-term borrowings.

E. Please refer to Note 12 (2) C. c. for details of the liquidity risks.

F. Please refer to Note 8 for details of the pledge collateral of long-term borrowings.

(14) Provisions for liabilities

	2026					
	Warranty preparation		Loss-making contract		Total	
January 1	$	1,266	$	-	$	1,266
New in the current period		-		4,864		4,864
March 31	$	1,266	$	4,864	$	6,130
The report is as follows:						
Current provisions	$	600	$	4,864	$	5,464
Non-current provisions	$	666	$	-	$	666

	2025					
	Warranty preparation		Loss-making contract		Total	
January 1(March 31)	$	3,612	$	-	$	3,612
The report is as follows:						
Current provisions	$	2,946	$	-	$	2,946
Non-current provisions	$	666	$	-	$	666

A. Warranty preparation

The Group's warranty provision of liabilities is mainly related to the construction contracts, and is estimated upon historical warranty data. The warranty provision of liabilities is expected to expire from 2026 to 2027.

B. Loss-making contract

The Group’s loss-making contract provisions are mainly for the performance of engineering contract obligations, with expected costs exceeding the contract price that can be receivable.

(15) Net defined benefit assets

A. Nefined benefit plan

a. The Company has a defined benefit pension plan in accordance with the “Labor Standards Act”, covering all regular employees’ service years prior to the enforcement of the “Labor Pension Act” on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Labor Standards Act. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount equal to 2% of the employees’ monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee.

On November 30, 2025, in accordance with the Labor Standards Act and the Labor Retirement Fund Act, our company reached an agreement with our employees under the old system of retirement pensions to settle their old system seniority and apply for payment from the Trust Department of Bank of Taiwan as required. On January 21, 2026, the payment obligation was settled, amounting to NT$41,543. As of March 31, 2026, the retirement reserve fund account has not yet been closed.

b. From January 1 to March 31, 2026 and 2025, the pension cost recognized by the Group according to the pension method mentioned above is divided into NT$0 and NT$19.

B. Effective July 1, 2005, the Company and its domestic subsidiaries have established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiaries contribute monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment. The pension costs under the defined contribution pension plans of the Group for the three months ended March 31, 2026 and 2025 were NT$4,371 and NT$3,901, respectively

(16) Common stock

Based on March 31, 2026, December 31, 2025 and March 31, 2025, the Company's authorized capital was NT$6,000,000, divided into 600,000 thousand shares. The paid-up capital was NT$4,922,802. The par value per share is NT$10. The payment of issued shares of the Company has been received. The number of outstanding ordinary shares of the Company at the beginning of the period and at the end of the period was 492,280 thousand shares.

(17) Capital surplus

Pursuant to the R.O.C. Company Law, capital surplus arising from paid-up capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Law requires that the amount of capital surplus to be capitalized mentioned above should not exceed 10% of the paid-up capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

(18) Retained earnings

A. The Company's Articles of Incorporation stipulates that if there is a surplus in the annual final accounts, the tax should be paid first to make up for the previous year's losses, and 10% of the remaining amount shall be set aside as legal reserve. If there is still a surplus plus beginning distributable surplus, the Board of Directors will propose some resolution and decide by Board of Shareholders. The shareholder dividends are distributed in two ways: stock dividends and cash dividends. The proportion of cash dividends is not less than 10% of the total shareholder dividends. When necessary, the surplus distribution could be set aside as special reserve before the dividend distribution.

B. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the balance of the reserve exceeds 25% of the Company's paid-in capital.

C. In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.

D. On March 6, 2026, the company proposed the 2025 earnings distribution proposal by the board of directors, and on June 26, 2025, the 2024 earnings distribution proposal was approved by the shareholders' meeting. as follows:

	2025		2024	
	Amount	Dividend per share (NT$))	Amount	Dividend per share (NT$))
Appropriation of statutory surplus reserve	$25,672		$1,640	
cash dividend	73,842	$ 0.15	-	-

E. As of the review date of this report, the company's 2025 annual profit distribution plan has not yet been resolved by the shareholders' meeting. The above-mentioned information on the distribution of earnings passed by the board of directors and the resolutions of the shareholders' meeting can be inquired at the Public Information Observatory.

(19) Operating revenue

A. Details of customer contract revenue

The Group's revenue is derived from providing control over the project that is gradually transferred over time and generates related revenue in each reportable segment:

Timing of revenue recognition

March 31, 2026	Project contracting	Other	Total
Income recognized over time	$ 2,612,630	$ 205	$ 2,612,835

March 31, 2025	Project contracting	Other	Total
Income recognized over time	$ 2,153,329	$ 205	$ 2,153,534

B. Contract assets and liabilities

The Group recognized the following customer contract revenue-related contract assets and liabilities:

	March 31, 2026	December 31, 2025	March 31, 2025
Contract assets:			
Construction contract	$ 2,278,041	$ 1,855,157	$ 2,829,989
Project retention receivables	1,162,140	1,126,931	950,514
Deduct: allowance for loss	(700,805)	(700,805)	(700,805)
	$ 2,739,376	$ 2,281,283	$ 3,079,698
Contract liabilities :			
Construction contract	$ 4,401,854	$ 5,009,006	$ 3,056,124

(a) The Group's project retention money arising from construction contracts is expected to be recovered as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
current year	$ 617,572	$ 693,705	$ 12,013
next year	344,621	265,054	763,751
next 2 years	28,768	25,714	91,791
next 3 years	105,653	86,411	78,388
More than 4 years	65,526	56,047	4,571
	$ 1,162,140	$ 1,126,931	$ 950,514

(b) Changes in the Group's contract assets and contract liabilities are mainly due to differences in the degree of completion of construction performance obligations and the timing of customer payments over time. The Group has undertaken more government engineering projects since 2025, and has received advance payment for projects under the contracts, resulting in an increase in contract liabilities.

In 2026 and from January 1 to March 31, 2025, due to the re-evaluation of the future recoverability of the invested construction costs based on recent court judgments, etc., the Group has set aside asset impairment losses of NT$0 and NT$49,403, respectively. For changes in assets, please refer to Note 12(2) and Note 9 for details of the progress of the relevant litigation.

(c) The Group's contract liabilities on January 1, 2025 were NT$3,424,369, and the contract liabilities recognized as revenue from January 1 to March 31, 2026 and 2025 were respectively NT$1,287,313 and NT$695,443.

(d) Transaction price to non-performance obligation

As of March 31, 2026, December 31, 2025 and March 31, 2025, the total transaction price of the Group's unfulfilled performance obligations was NT$68,948,606, NT$68,233,350 and NT$73,047,173, respectively. Revenue will be gradually recognized as the construction of bridges and their connecting roads, railway civil engineering, electromechanical, ports, etc. is completed. These projects are expected to be completed from 2026 to 2033.

(e) Please refer to Note 12 (2) for details of the contract assets credit risk.

(20) Interest income

	For the three months ended March 31 , 2026		For the three months ended March 31 , 2025	
Interest income from financial assets measured at amortised cost	$	10,879	$	7,870
Bank deposit interest income		2,402		1,485
Other interest income		11		60
	$	13,292	$	9,415

(21) Other income

	For the three months ended March 31 , 2026		For the three months ended March 31 , 2025	
rental income	$	1,016	$	1,102
Other income - other		520		953
	$	1,536	$	2,055

(22) Other gains and losses

	For the three months ended March 31 , 2026		For the three months ended March 31 , 2025	
Lease Modification Benefit	$	890	$	12,885
Investment property depreciation expense	(	435)	(	435)
Foreign exchange gains		1,571		891
LEngineering insurance claims income		1,600		-
others	(	21)		-
	$	3,605	$	13,341

(23) Financial cost

	For the three months ended March 31 , 2026		For the three months ended March 31 , 2025	
Interest expense				
Bank loan	$	5,715	$	5,478
Interest expense on lease liability		890		774
Other financial expenses		914		-
	$	7,519	$	6,252

(24) Additional information on the nature of expenses

For the three months	For the three months

	ended March 31 , 2026	ended March 31 , 2025
Engineering cost	$ 2,316,512	$ 1,882,311
Employee benefit expense	170,112	165,495
Performance bond fee	36,735	29,694
Depreciation of property, plant and equipment	12,233	10,541
Depreciation expense of right-of-use assets	9,572	20,382
Amortization expense of intangible assets	853	666
	$ 2,546,017	$ 2,109,089

(25) Employee benefit expense

	For the three months ended March 31 , 2026	For the three months ended March 31 , 2025
Wages and salaries	$ 145,463	$ 142,108
Labor and health insurance fees	12,233	13,453
Pension costs	4,371	3,882
Directors' remunerations	1,815	590
Other personnel expenses	6,230	5,462
	$ 170,112	$ 165,495

A. In accordance with the Company's Articles of Incorporation, if there is a balance after deducting accumulated deficits from profit, the Company shall distribute bonus to the employees and pay remuneration to the directors that should be 3%-5% and not be higher than 3%, respectively, of the total distributed amount. At least 50% of the total employee compensation should be allocated to lower-level employees.

B. In 2026 and from January 1 to March 31, 2025, The estimated employee compensation is NT$2,481 and NT$166 respectively, and the estimated director compensation is NT$1,240 and NT$50 respectively.

From January 1 to March 31, 2026, the estimated rates are 3.75% and 1.88% respectively based on the profit situation up to the end of the period.

C. Employees' compensation and directors' remuneration for 2025 were NT$8,477 and NT$1,413 as resolved at the meeting of Board of Directors and in agreement with those amounts recognized in the 2025 financial statements.

The aforementioned employee remuneration was paid in cash and as of May 13, 2026, has not yet been paid.

Information of the remuneration of employees and directors approved by the Board of Directors of the Company can be obtained from the "Market Observation Post System".

(26) Income tax

A. Income tax (Profit) expense

Components of income tax (Profit) expense

	For the three months ended March 31 , 2026	For the three months ended March 31 , 2025
Deferred tax:		
Origination and reversal of temporary differences	($ 996)	$ 10,729

B. The Group's profit-seeking enterprise income tax has been approved by the tax collection authorities:

	Income tax approved year
The Company	2023
Kung Sing Development Co., Ltd.	2023

(27) Earnings per share (loss)

	For the three months ended March 31 , 2026		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	loss per share (NTD)
Basic earnings per share			
Net profit attributable to ordinary shareholders of the parent company for the period	$ 63,393	492,280	$ 0.13
Diluted earnings per share			
The effect of potential dilutive common stock			
- employee compensation	-	464	
The impact of net profit attributable to ordinary shareholders of the parent company plus potential ordinary shares	$ 63,393	$ 492,744	$ 0.13

	For the three months ended March 31 , 2025		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	loss per share (NTD)
Basic/diluted loss per share			
Net profit attributable to ordinary shareholders of the parent company for the period	($ 7,620)	492,280	$ (0.02)

(28) Supplemental cash flow information

Investment activities with only partial cash payments:

	For the three months ended March 31 , 2026	For the three months ended March 31 , 2025
Purchase of property, plant and equipment	$ 2,215	$ 1,014

Add: Prepayment for equipment at the end of the period	3,906	11,955
Add: Notes payable at the beginning of the period	4,619	1,052
Deduct: Notes payable at the end of the period	(135)	(3,378)
Deduct: Prepayment for equipment at the beginning of the period	(1,486)	(5,088)
Cash paid during the period	$ 9,119	$ 5,555

Purchase of intangible assets	$ -	$ 320
Add: Prepayment for equipment at the end of the period	676	-
Add: Notes payable at the beginning of the period	1,738	-
Deduct: Notes payable at the end of the period	(676)	-
Cash paid during the period	$ 1,738	$ 320

(29) Changes in liabilities from financing activities

	2026				
	Short-term borrowings	Long-term borrowings	Lease liabilities	Deposits received	Total liabilities from financing activities
January 1	$ 757,000	$ 68,469	$ 129,477	$ 76,537	$ 1,031,483
Changes in cash flow from financing activities	450,000	(17,313)	(11,055)	(163)	421,469
New in this issue	-	-	21,603	-	21,603
Interest expense paid (Note)	-	-	(890)	-	(890)
Changes in other non-cash items	-	-	1,138	-	1,138
March 31	$ 1,207,000	$ 51,156	$ 140,273	$ 76,374	$ 1,474,803

	2025				
	Short-term borrowings	Long-term borrowings	Lease liabilities	Deposits received	Total liabilities from financing activities
January 1	$ 840,000	$ 233,723	$ 123,585	$ 161,300	$ 1,358,608
Changes in cash flow from financing activities	(250,000)	(101,414)	(9,755)	(73,620)	(434,789)
New in this issue	-	-	24,931	-	24,931
Interest expense paid (Note)	-	-	(774)	-	(774)
Changes in other non-cash items	-	-	(11,343)	-	(11,343)
March 31	$ 590,000	$ 132,309	$ 126,644	$ 87,680	$ 936,633

7. Related Party Transactions

(1) Names of related parties and relationship

Names of related parties	Relationship with the Group
Directors, General Manager and Deputy General Manager, etc.	Key member of the management
Ch'uan fu Investment Co., Ltd.	Other related party
Pan, jun-rong	Other related party

(2) Significant transactions with related parties

A. Endorsement and guarantees

a. The loans, letters of credit and guarantees of the Group under bank financing contracts are guaranteed by certain key members of the Group's management and other related parties. As of March 31, 2026, December 31, 2025, and March 31, 2025, the total amounts guaranteed by related parties are NT$17,370,486, NT$17,560,486, and NT$19,614,251 respectively.

b. On March 31, 2026, December 31, 2025 and March 31, 2025, the Group based on the joint creation of part of the borrowing quota from the bank, which was jointly established by the Group and others.
According to the loan agreement, the mutual guarantee provided by all parties involved was NT$55,685, and the actual payment amount was also NT$55,685.

c. For information on the Group's provision of inventories as guarantee for loans from other related parties, please refer to Note 8 for details.

B. Joint construction and separate sale

The Group entered into a joint construction agreement with other related parties, under which Mr. Pan, another related party, provided a small section of land in Dahudi, Ankeng Section, Xindian City, and the Group funded the construction of houses. The project was completed in 2018. As of March 31, 2026, December 31, 2025, and March 31, 2025, the Group paid NT$28,944, NT$39,420, and NT$39,161 respectively on behalf of Mr. Pan, a related party in the joint construction project. These figures are listed in the "Other Receivables - Related Parties" table.

	March 31, 2026	March 31, 2025
Other related persons	$ 23	$ 23

The Group leases part of its office space to related parties, and the calculation and collection methods are equivalent to those of non-related parties.

(3) The compensation of key member of the management

	For the three months ended March 31, 2026	For the three months ended March 31, 2025
Short-term employee benefits	$ 9,924	$ 7,734
Post-employment benefits	175	122
	$ 10,099	$ 7,856

8. Pledged Assets

The details of the pledged assets are as follows:

Items	Book value March 31, 2026	Book value December 31, 2025	Book value March 31, 2025	Purpose
Measured at amortized costfinancial assets	$ 6,999,966	$ 6,924,458	$ 4,893,304	Provided to owners as a guarantee of project performance, short-term borrowings and litigation
Inventory - Properties for sale	226,513	226,513	226,513	Provide loan guarantees to related parties
Other current assets - Refundable deposits	-	100,000	-	Project deposit
Property, plant and equipment	300,954	303,504	298,710	Short-term borrowings guarantee
Investment property	100,509	100,875	101,973	Long-term and short-term borrowings guarantee
	$ 7,627,942	$ 7,655,350	$ 5,520,500	

9. Significant Contingent Liabilities and Unrecognized Contract Commitments

(1) As of March 31, 2026, the amount issued but not used for purchasing goods by the Group was NT$128,953, and the amount of the guarantee issued by the bank for the performance, advance construction receipts and warranty was NT$10,328,892.

(2) As of March 31, 2026, the amount of notes issued by the Group due to the lease contracts was NT$14,428.

(3) The engineering litigation judgment and status as of March 31, 2026:

A. The Company won the tender for the Muzha Extension (Neihu line) CB410 Section Project put out by the Eastern District Project Office (First District Project Office for now), Department of Rapid Transit Systems, Taipei City Government. Both sides signed the project procurement contract on June 12, 2003. The Company has completed all projects and received the qualification approval from the Eastern District Project Office in December 2012. However, after the commencement of construction on June 16, 2003, various factors that are not attributable to the Company have affected the implementation of the aforementioned projects. The Eastern District Project Office approved 278 and 122 days extensions of time with the total number of 400 days. The related costs and expense increased due to the extensions of time. According to the contract, it should be adjusted to increase the project payment to indemnify. In December 2010, the Company filed a lawsuit with the Taipei District Court to the Eastern District Project Office for payment of indemnification of extensions of time and the prejudgment interest. The related judgments are as follows:

(a) The trial court judged that the First District Project Office shall pay the Company NT$17,723 and 386 thousand US dollars and the prejudgment interest and dismissed other suits.

(b) Both the Company and the First District Project Office appealed against the judgment. The court of second instance has not yet rendered a judgment.

B. The company won the bid for the "New Construction of Suhua Highway Guanyin Tunnel on the Taiwan-Kowloon Line" (hereinafter referred to as the "Guanyin Tunnel") and the "Taiwan-Kowloon Line Suhua Highway Guanyin Tunnel" (hereinafter referred to as the "Guanyin Tunnel") and the "Taiwan-Kowloon Line". Suhua Highway Gufeng Tunnel New Construction" (hereinafter referred to as "Gufeng Tunnel"), the two parties signed a project contract on October 18, 2011. Our company won the bid for Guanyin Tunnel and Gufeng Tunnel, which were publicly tendered by the General Administration of Highways. Our company has completed all The project has passed the acceptance inspection in February and August 2020 respectively.

(a) The company was instructed by the owner to thicken the clapboard and shorten the spacing of the clapboard, resulting in a huge increase in the cost of the project and an increase in the construction cost due to the geological differences in the work area. Appeal to the General Administration of Highways to increase the payment for the project. According to the judgment of the first-instance court in March 2022, the General Administration of Highways should pay the company NT$9,766 and delayed interest. The company was dissatisfied with the results of these judgments and appealed to the Taiwan High Court in April 2022. As of the date of reviewing the report, the court of second instance has not yet made a judgment.

(b) Since the construction of Guanyin Tunnel and Gufeng Tunnel started on November 1, 2011, due to the influence of factors that cannot be attributed to the company, such as typhoons, collapse, changes in laws and designs, etc. during the construction period, the construction has been approved by the General Administration of Highways. The number of days of extension is 1,141 days and 1,363 days respectively. The Company has increased related costs due to the extension of the above construction period. In November 2020, the company applied to the Yilan District Court to request the General Administration of Highways to pay compensation for the extension of the construction period. As of the date of the inspection report, the court of first instance has not yet made a judgment.

(c) During the construction of the Gufeng Tunnel, the General Administration of Highways has handled contract changes several times. Among them, the Company and the General Administration of Highways could not reach an agreement on the price of each project for some contract changes, resulting in the negotiation. In response to the price difference of insufficient payment from the General Administration of Highways, the company filed a petition with the Yilan District Court in July 2021 for the General Administration of Highways to increase the payment for the project. On November 20, 2025, the court of first instance ruled that the Directorate General of Highways should pay the Company NT$44,368 plus late payment interest. Dissatisfied with this judgment, the Company appealed to the High Court in December 2025. As of the date of this audit report, the court of second instance has not yet issued a judgment.

(d) Due to the various excavation work of Guanyin Tunnel and Gufeng Tunnel, the current conditions are affected by factors such as “land acquisition, building demolition, Hanben cultural relics, harsh geological conditions in the tunnel, etc.” The operation could not proceed smoothly according to the original approved overall construction plan. As a result, the cost of labor and equipment for various tunnel excavation projects has increased significantly. In July 2021, the company petitioned the Yilan District Court to increase the project payment from the Highway Administration. The case was dismissed by the court of first instance in April 2025. Dissatisfied with the above judgment, the company filed an appeal with the High Court in May 2025. As of the date of this verification report, the court of second instance has not yet rendered a judgment.

(e) After the excavation of the Guanyin Tunnel and the Gufeng Tunnel began in June 2012, it was discovered that the original designed tunnel earthwork classification was significantly different from the actual conditions, and the actual geological conditions were different from those assumed by the defendant in the original design. The difference is so great that the related costs and expenses increase and cannot be measured. In November 2020, the company petitioned the Yilan District Court for the Highway Administration to increase payment for the project. On March 25, 2024, the court of first instance ruled that the Highway Administration should pay the company NT$50,130 and delay interest. The Company was dissatisfied with the results of these judgments and appealed to the High Court in April 2024. As of the date of review of the report, the court of second instance has not made a decision.

(f) The Guanyin Tunnel and Gufeng Tunnel have to pay extra electricity charges due to the multiple extension of the construction period, and the project contract only includes electricity charges for the "tunnel excavation" project, but other non-excavation projects do not include electricity charges, which are missing items. As a result, the related costs and expenses have increased and cannot be priced. In July 2021, the company applied to the Yilan District Court to request the General Administration of Highways to increase the payment for the project. According to the first-instance judgment on March 29, 2023, the General Administration of Highways should pay the company NT$10,228 and its delayed interest. The company refused to accept the judgment and appealed to the High Court in April 2023. As of the date of reviewing the report, the High Court The court has yet to decide.

The Group measured the recoverable amount of contract assets and recognized the difference in impairment loss. Please refer to Note 12 (2) for details.

The Group measures assets impairment amount during the financial reporting periods according to litigation progress, possible request amount and materiality, but the final amount will be determined after the conclusion of the relevant cases. The Group will actively defend the aforementioned litigation cases that are still in progress. Due to the unpredictable nature of legal cases, there is currently no accurate estimate of possible losses (in case). And the Company has made necessary adjustments in appropriate ways. The Company wouldn't rule out the possibility of inability to win in all related cases. Although the judgment amount will affect the recoverability of the contract assets, it wouldn’t affect the normal operation of the Company.

10. Significant Losses from Natural Disaster

None.

11. Significant Events after the Balance Sheet Date

None.

12. Others

(1) Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Company monitors capital on the basis of the debt-to-capital ratio. This ratio is calculated as net debt divided by total capital. The net debt is calculated as total borrowings include "Current and non-current borrowings" as shown in the consolidated balance sheet deduct cash. Total capital is calculated as "Equity" as shown in the consolidated balance sheet add net debt.

The Group's strategy in 2026 remains the same as in 2025, and the Group is committed to maintaining the debt-to-capital ratio under 50%. The Group's debt-to-capital ratio is as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Total borrowing	$ 1,258,156	$ 825,469	$ 722,309
Deduct: Cash and cash equivalents	(1,805,939)	(2,193,136)	(1,091,850)
Net debt (A)	$ -	$ -	$ -
Total equity(B)	$ 5,691,368	$ 5,627,327	$ 5,370,337
Total capital (C=A+B)	$ 5,691,368	$ 5,627,327	$ 5,370,337
Debt-to-capital ratio (A/C)	-	-	-

(2) Financial risk of financial instruments

A. Category of financial instruments

	March 31, 2026	December 31, 2025	March 31, 2025
Financial assets			
Financial assets at fair value through profit or loss			
Select designated equity instrument investments	$ 85,021	$ 84,373	$ 91,723
Financial assets at amortized cost			
Cash	$ 1,805,939	$ 2,193,136	$ 1,091,850
Financial assets at amortized cost	6,999,966	6,924,458	4,893,304
Accounts receivable	245,716	105,352	155,463
Contract assets (construction retention)	1,162,140	1,126,931	950,514

Other receivables(Including related persons)	63,084	60,561	54,192
Other current assets	-	100,000	-
Refundable deposits(Other non-current assets)	80,573	62,209	40,095
	$ 10,357,418	$ 10,572,647	$ 7,185,418

	March 31, 2026	December 31, 2025	March 31, 2025
Financial liabilities			
Financial liabilities at amortized cost			
Short-term borrowings	$ 1,207,000	$ 757,000	$ 590,000
Notes payable	502,990	459,365	544,935
Accounts payable	1,753,584	1,543,485	1,427,651
Other payables	70,474	138,601	65,308
Other current liabilities	62,401	62,564	62,608
Long-term borrowings (including due within one year)	51,156	68,469	132,309
Other non-current liabilities	13,973	13,973	25,072
	$ 3,661,578	$ 3,043,457	$ 2,847,883
Lease liabilities (including due within one year)	$ 140,273	$ 129,477	$ 126,644

B. Risk management policies

The Group’s daily operations expose it to a variety of financial risks including market risk, credit risk and liquidity risk. Risk management is performed by the finance department of the Group under policies approved by the Board of Directors.

C. Nature and degrees of significant financial risks

a. Market risk:

Foreign exchange rate risk

(a) The Group's business involves certain non-functional currencies, mainly Renminbi, and is therefore subject to exchange rate fluctuations. Information on foreign currency assets and liabilities with significant exchange rate fluctuations is as follows:

	March 31, 2026		
(Foreign currency: functional currency)	Amount (in thousands)	Exchange rate	Book value
Financial assets			
Monetary items			
CNY : TWD	$ 12,054	4.63	$ 55,796
EUR: TWD	245	36.71	8,986

	December 31, 2025		
(Foreign currency: functional currency)	Amount (in thousands)	Exchange rate	Book value
Financial assets			
Monetary items			
CNY : TWD	$ 12,054	4.50	$ 54,193
EUR: TWD	245	36.90	9,032

	March 31, 2025		
(Foreign currency: functional currency)	Amount (in thousands)	Exchange rate	Book value
Financial assets			
Monetary items			
CNY : TWD	$ 12,050	4.57	$ 54,433
EUR: TWD	181	35.97	6,511

(b) The realized and unrealized exchange gains (losses) arising from foreign exchange variation on the monetary items held by the Group for the three months ended March 31, 2026 and 2025 were NT$1,571 and NT$891, respectively.

(c) The appreciation or depreciation of major foreign currency monetary items impacted the Group's profit and loss at the end of the financial statements period. When the New Taiwan dollar appreciates or depreciates by 1%, the Group's income will decrease or increase by

NT$648 and NT$609, respectively for the three months ended March 31, 2026 and 2025.

Price risk

(a) The equity instruments that the Group is exposed to price risk are held on a through-profit or loss basis. Financial assets measured at fair value and measured at fair value through other comprehensive income of financial assets.

(b) The Group primarily invests in equity instruments issued by domestic companies, the prices of which are subject to the uncertainty of the future value of the underlying assets. If the prices of such equity instruments rise or fall by 1%, and other factors remain unchanged, the net profit after tax for the periods from January 1 to March 31, 2026 and 2025 will increase or decrease by NT$850 and NT$917 respectively due to income from other comprehensive income.

Cash flow and fair value interest rate risk

The long-term and short-term borrowings borrowed by the Group are floating-rate debts and are not expected to generate significant interest rate risk. Changes in market interest rate will cause the effective interest rate of borrowing to change, which will cause fluctuations in future cash flows. Calculated based on the Group's borrowings balance at March 31, 2026 and 2025, if the market interest rate increases or decreases by 0.25%, the Group's cash outflow will increase or decrease by NT$786 and NT$451, respectively.

b. Credit risk

(a) The Group's credit risk arises from the failure of customers or counterparties to financial instruments to fulfill their contracts. The risk of financial loss to the Group due to contractual obligations mainly comes from the inability of the counterparty to clear repayment of accounts receivable and construction retention receivables paid according to the payment terms and classified as amortized Financial assets measured at post-cost. In addition, the Group's investment through profit and loss is measured at fair value the trading partners of large amount of financial assets and certificates of deposit are financial institutions with good credit quality. The possibility of default is expected to be very low.

(b) The Group adopts the assumptions under IFRS 9, that is, if the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition. And the default occurs when the contract payments are past due over 30 days after final acceptance by owners.

(c) The debtors of the Group's accounts receivable and contract assets are mainly government units or state-owned enterprises, etc. The Group applies the simplified approach to estimate expected credit loss under the loss rate methodology basis. The loss rate methodology at March 31, 2026, December 31, 2025 and March 31, 2025 is as follows:

ⓐ general accounts:

March 31, 2026	Accounts receivable	Contract retention	Total
Total book value	$ 245,716	$ 1,162,140	$ 1,407,856
Loss allowance	$ -	$ -	$ -

December 31, 2025	Accounts receivable	Contract retention	Total
Total book value	$ 105,352	$ 1,126,931	$ 1,232,283
Loss allowance	$ -	$ -	$ -

March 31, 2025	Accounts receivable	Contract retention	Total
Total book value	$ 155,463	$ 950,514	$ 1,105,977
Loss allowance	$ -	$ -	$ -

Note: The above-mentioned accounts receivable and engineering retentions of the Group are not past due and are not recognized as the amount of allowance for loss is not significant.

ⓑ Loss allowances are made when there are specific impairment indicators:

	March 31, 2026	December 31, 2025	March 31, 2025
	Contract assets	Contract assets	Contract assets
Total book value	$ 2,278,041	$ 1,855,157	$ 2,829,989
Loss allowance	$ 700,805	$ 700,805	$ 700,805

(d) The statement of changes in loss allowance for contract assets used simplified approach is as follows:

	2026	2025
January 1	$ 700,805	$ 651,402
Provision for impairment loss	-	49,403
March 31	$ 700,805	$ 700,805

c. Liquidity risk

(a) Cash flow forecasting is performed in the operating entities of the Group and aggregated by the financial department. The Group's financial department monitors rolling forecasts of the Group's liquidity requirements to ensure that has sufficient cash to support operating requirements. The detail of unused borrowing amount is as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Floating rate			
Due within one year	$ 990,000	$ 770,000	$ 1,070,000
Due beyond one year	2,760,000	2,800,000	2,800,000
	$ 3,750,000	$ 3,570,000	$ 3,870,000

(b) The Group's non-derivative financial liabilities are analyzed by the remaining period at the balance sheet date to contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Non-derivative financial liabilities: March 31, 2026	Less than 1 year	1-2 years	2-3 years	Beyond 3 years
Short-term borrowings	$ 1,220,334	$ -	$ -	$ -
Notes payable	502,990	-	-	-
Accounts payable	1,410,302	126,137	116,664	100,481
Other payables	70,474	-	-	-
Lease liabilities(including due within one year)	39,810	31,429	22,302	55,785
Long-term borrowings (including due within one year)	6,616	45,938	-	-

Non-derivative financial liabilities: December 31, 2025	Less than 1 year	1-2 years	2-3 years	Beyond 3 years
Short-term borrowings	$ 763,468	$ -	$ -	$ -
Notes payable	459,365	-	-	-
Accounts payable	1,232,249	120,917	110,285	80,034
Other payables	138,601	-	-	-
Lease liabilities(including due within one year)	30,109	24,492	21,461	63,564
Long-term borrowings (including due within one year)	22,729	47,576	-	-

Non-derivative financial liabilities: March 31, 2025	Less than 1 year	1-2 years	2-3 years	Beyond 3 years
Short-term borrowings	$ 593,399	$ -	$ -	$ -
Notes payable	544,935	-	-	-
Accounts payable	1,226,069	95,169	84,620	21,793
Other payables	65,308	-	-	-
Lease liabilities(including due within one year)	41,003	21,743	17,912	55,308
Long-term borrowings (including due within one year)	83,194	6,580	45,941	-

(3) Fair value information

A. The different levels of evaluation techniques used to measure the fair value of financial and non-financial instruments are defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. An active market refers to a market where asset or liability transactions occur with sufficient frequency and quantity to provide pricing information on a continuous basis. The fair value of the Group’s investment in financial assets at fair value through other comprehensive income is included in Level 1.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs for the asset or liability that are not based on observable market data. Part of the fair value of the Group’s investment in financial assets at fair value through other comprehensive income is included in Level 3.

B. The Group's investment properties measured at cost are regularly evaluated by external experts commissioned by the Group's finance department. Please refer to Note 6(10) for the fair value information.

C. Financial instruments not measured at fair value

The carrying amounts of the Group's cash and cash equivalents, accounts receivable, other receivables, deposits (listed as other current assets and other non-current assets), long-term and short-term loans, notes payable, accounts payable, other payables, other current liabilities and deposits are reasonable approximations of fair value.

D. The related information of financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities is as follows:

March 31, 2026	Level 1	Level 2	Level 3	Total
Assets				
Repetitive fair value				
Financial assets measured at fair value through other comprehensive income-equity securities	$ -	$ -	$ 85,021	$ 85,021

December 31, 2025	Level 1	Level 2	Level 3	Total
Assets				
Repetitive fair value				
Financial assets measured at fair value through other comprehensive income-equity securities	$ -	$ -	$ 84,373	$ 84,373

March 31, 2025	Level 1	Level 2	Level 3	Total
Assets				
Repetitive fair value				
Financial assets measured at fair value through other comprehensive income-equity securities	$ -	$ -	$ 91,723	$ 91,723

E. The methods and assumptions the Group used to measure fair value are as follows:

a. The Group used market quotation (closing price) as the inputs of fair values (that is, Level 1).

b. Except for the above-mentioned financial instruments with active markets, the fair value of the other financial instruments (that is, Level 3) is evaluated according to the evaluation model.

The output of the evaluation model is estimated value, and the evaluation technique may not reflect all the factors in financial instruments that the Group holds. Therefore, the estimated value of the evaluation model will be appropriately adjusted according to additional parameters, such as liquidity risk. According to the Group's fair value evaluation model management policy and related control procedures, the management holds that it is appropriate and necessary to present the fair value of the financial instruments fairly in the balance sheet. The price information and parameters used in the evaluation process are carefully evaluated and appropriately adjusted to current market conditions.

c. The Group's fair value of equity securities classified as Level 3 are regularly evaluated by the financial department of the Group or evaluated by an external appraiser. The information of evaluation models is as follows:

	Fair value at March 31, 2026	Valuation technique	Significant unobservable inputs	Discount rate	Relationship of inputs to fair value
Unlisted shares	$ 81,207	comparable transaction method	Discount for lack of marketability	30%	The higher the discount for lack of marketability, the lower the fair value.
	3,814	Net assets value method	NA	NA	NA
	$ 85,021				

	Fair value at December 31, 2025	Valuation technique	Significant unobservable inputs	Discount rate	Relationship of inputs to fair value
Unlisted shares	$ 80,653	comparable transaction method	Discount for lack of marketability	30%	The higher the discount for lack of marketability, the lower the fair value.
	3,720	Net assets value method	NA	NA	NA
	$ 84,373				

	Fair value at March 31, 2025	Valuation technique	Significant unobservable inputs	Discount rate	Relationship of inputs to fair value
Unlisted shares	$ 88,018	comparable transaction method	Discount for lack of marketability	30%	The higher the discount for lack of marketability, the lower the fair value.
	3,705	Net assets value method	NA	NA	NA
	$ 91,723				

F. There was no transfer between level 1 and level 2 for the three months ended March 31, 2026 and 2025.

G. The table below shows the changes in level 3 for the three months ended March 31, 2026 and 2025:

	2026	2025
January 1	$ 84,373	$ 89,349
Recognized in unrealized investment income of equity instruments measured by fair value through other comprehensive income	648	2,374
March 31	$ 85,021	$ 91,723

H. There was no transfer into or out from the level 3 for the three months ended March 31, 2026 and 2025.

I. The evaluation model and evaluation parameters selected by the Group after careful evaluation, but the use of different evaluation models or evaluation parameters may lead to different evaluation results. For financial assets classified as land-based, if the evaluation parameters change, the impact on other comprehensive gains and losses for the current period is as follows:

			March 31, 2026		December 31, 2025	
			Recognized in other comprehensive profit or loss		Recognized in other comprehensive profit or loss	
	Input value	Change	favorable change	unfavorable change	favorable change	unfavorable change
monetary assets						
Equity Instrument	fluidity	±5%	$ 5,800	($ 5,803)	$ 5,761	($ 5,761)

			March 31, 2025	
			Recognized in other comprehensive profit or loss	
	Input value	Change	favorable change	unfavorable change
monetary assets				
Equity Instrument	fluidity	±5%	$ 6,289	($ 6,286)

13. Supplementary Disclosure

(1) Significant transactions information

A. Loans to others: None.

B. Endorsement and guarantee for others: Please refer to Table 1.

C. Significant securities held at the end of the period (excluding investments in subsidiaries and affiliated companies): Please refer to Table 2.

D. The amount of goods purchased or sold with related parties reaches NT$100 million or 20% or more of the paid-in capital: None

E. Amounts due from related parties exceeding NT$100 million or 20% or more of paid-in capital: None

F. Business relations and major transactions between parent and subsidiary companies.

(2) Information of reinvestment business

Names, locations and other information of investee companies (investees in Mainland China excluded): Please refer to Table 3.

(3) Information of investments in Mainland China

A. Basic information of investing in Mainland companies: None.

B. Significant transactions, either directly or indirectly through a third area business, with reinvesting investee companies in the Mainland: None.

14. Segments Information

(1) General information

A. The management of the Group has identified which segments should be reported based on the information used by the operating decision makers.

B. The Group's operating decision makers operate and manage from a company perspective.

(2) Segments information

The Group's operating decision makers assess the performance of operating segments based on segment revenue. Segment income refers to the after-tax profit or loss of each operating department, which allows the chief operating decision maker to allocate resources to each segment and evaluate its performance.

The reportable segment information provided to the chief operating decision maker is as follows:

For the three months ended March 31, 2026:

	Kung Sing	Kung Sing Development	Adjustment and charge off	Total
External income	$ 2,611,434	$ 1,401	$ -	$ 2,612,835
Internal segmental income	-	-	-	-
Segmental income	$ 2,611,434	$ 1,401	$ -	$ 2,612,835
Segments after-tax income	$ 66,260	($ 2,867)	$ -	$ 63,393
Depreciation and amortization	$ 23,093	$ -	$ -	$ 23,093
Interest income	$ 13,292	$ -	$ -	$ 13,292
Interest expense	$ 7,519	$ -	$ -	$ 7,519

For the three months ended March 31, 2025:

	Kung Sing	Chan Pang(Note)	Kung Sing Development	Adjustment and charge off	Total
External income	$ 2,151,535	$ -	$ 1,999	$ -	$ 2,153,534
Internal segmental income	-	-	-	-	-
Segmental income	$ 2,151,535	$ -	$ 1,999	$ -	$ 2,153,534
Segments after-tax income	($ 5,632)	$ -	($ 1,988)	$ -	($ 7,620)
Depreciation and amortization	$ 32,024	$ -	$ -	$ -	$ 32,024
Expected credit impairment loss	$ 49,403	$ -	$ -	$ -	$ 49,403
Interest income	$ 9,356	$ -	$ 59	$ -	$ 9,415
Interest expense	$ 6,239	$ -	$ 13	$ -	$ 6,252

Note: The merged subsidiary was dissolved and deregistered in September 2025.

(3) Adjustment information of segmental income

A. The external income reported to the chief operating decision maker is measured in consistent with the income in the income statements.

B. The reportable segment evaluates the performance of the operating segment based on after-tax profit or loss. Please refer to Note 14(2) for details on the reconciliation and elimination of the total profit or loss and the after-tax profit or loss of the continuing operations of the enterprise.

C. The total amount of assets provided to the chief operating decision makers is consistent with the measurement of the assets in the financial statements. The adjustment and charge off of the assets of the reportable segments in the period, please refer to Note 14 (2) for details.

Kung Sing Engineering Corporation and Subsidiaries
Endorsements and Guarantees for Others
For the Three Months Ended March 31, 2026
(Expressed in thousands of New Taiwan dollars, unless otherwise indicated)

Table 1

No.	Endorser/ guarantor	Party being endorsed/guaranteed: Company name	Party being endorsed/guaranteed: Relationship with the endorser/ guarantor	Limit on endorsements/ guarantees provided for a single party (Note 2)	Maximum endorsements/ guarantees amount for the period	Endorsements/ guarantees balance amount at March 31, 2026	Used amount	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value	Ceiling on total amount of endorsements/ guarantees provided (Note 2)	Provision of endorsements/ guarantees by parent company to subsidiary	Provision of endorsements/ guarantees by subsidiary to parent company	Provision of endorsements /guarantees to the party in Mainland China
1	Kung Sing Development	Pan, jun-rong	Note 2	$ 9,845,604	$ 55,685	$ 55,685	$ 55,685	$ 55,685	0.40%	$ 19,691,208	N	N	N

Note 1: According to "Regulations of Endorsement Guarantee Implementation", the aggregate amount of endorsements/guarantees provided by the Company shall not exceed octuple paid-up capital of the Company and the amount of endorsements/guarantees provided by the Company for any single entity shall not exceed quadruple paid-up capital of the Company. According to "Regulations of Endorsement Guarantee Implementation", the aggregate amount of endorsements/guarantees provided by the subsidiary shall not exceed octuple paid-up capital of the parent company and the amount of endorsements/guarantees provided by the subsidiary for any single entity shall not exceed quadruple paid-up capital of the parent company.

Note 2: Inter-insurance companies based on contractual requirements for inter-departmental or co-creation between contractors.

Kung Sing Engineering Corporation and Subsidiaries

Significant securities held at the end of the period (Excluding investment subsidiaries and affiliated companies)

March 31, 2026

(Expressed in thousands of New Taiwan dollars, unless otherwise indicated)

Table 2

				At March 31, 2026				
Securities held by	Types and names of securities	Relationship with the securities issuer	Account title	Number of shares (thousand shares)	Book value	Ownership (%)	Fair value	Footnote
The Company	Kung Ting Steel Co., Ltd.	None	Financial assets at fair value through other comprehensive income - non-current	3,240	$ 81,207	18.00	$ 81,207	Note 2

Note 1: The disclosure standard is that the book value is NT$4,000 or more.

Note 2: Unpledged security.

Kung Sing Engineering Corporation and Subsidiaries

Names, Locations and Other Information of Investees Companies (Investees in Mainland China Excluded)

March 31, 2026

(Expressed in thousands of New Taiwan dollars, unless otherwise indicated)

Table 3

				Initial investment amount		Hold at the end of the period					
Investor	Investee	Location	Main business activities	Balance at March 31, 2026	Balance at December 31, 2025	Number of shares (thousand shares)	Ownership (%)	Book value	Profit and loss of the investee for the period	Investment gains and losses recognized for the period	Footnote
As above	Kung Sing Development Co., Ltd.	Taiwan	Construction and development of buildings and houses	673,400	673,400	70,000	100	613,160	(2,867)	(2,867)	Subsidiary