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L&K Engineering Co., Ltd.

Procedure for the 2025 Annual Meeting of Shareholders

- i. Meeting called to order (announce respective number of shares held by shareholders present)
- ii. Chairperson Remarks
- iii. Management Presentations (Reports on Company Affairs)
- iv. Matters for Acknowledgments
- v. Matters for Discussion
- vi. Questions and Motions
- vii. Adjournment

L&K Engineering Co., Ltd.

Agenda of the 2025 Annual Meeting of Shareholders

- i. Time: 09:00AM, Friday, May 16, 2025

Venue: No. 9, Ren'ai Road, Township Hukou Township Industrial Park,
Hsinchu County, Hsinchu County (L&K Employee Canteen)

Convening Method: Physical Shareholder Meeting

- ii. Chairperson's opening remarks
- iii. Management Presentations (Reports on Company Affairs)
 - 1. The Company's 2024 business report
 - 2. Report by Audit Committee on review of the Company's 2024 financial statements
 - 3. Report on L&K's 2024 distribution of remuneration to employees and directors
- iv. Matters for Acknowledgments
 - 1. The Company's 2024 business report, financial statements, and consolidated financial statements
 - 2. The Company's 2024 proposal for distribution of earnings
- v. Matters for Discussion
 - 1. Partial amendment to the Company's "Company's Articles of Association"
- vi. Questions and Motions
- vii. Adjournment

Management Presentations

- i. The Company's 2024 business report
Explanation:
 - 1. Please see Attachment 1 on Pages 9-19 of this Manual for the business report.
 - 2. Submitted for review.
- ii. Report by Audit Committee on review of the Company's 2024 financial statements
Explanation:
 - 1. Please see Attachment 2 on Page 20 of this Manual for the Audit Committees' Review Report.
 - 2. Submitted for review.
- iii. Report on L&K's 2024 distribution of remuneration to employees and directors
Explanation:
 - 1. This report has been reviewed and approved by the Remuneration Committee on 2025/3/14 and presented in accordance with law to the Board of Directors for discussion.
 - 2. Article 32 of the Articles of Incorporation states that in the event the Company makes a profit during the fiscal year it shall set aside three to five percent of the profits for employee remuneration, which may be distributed as cash or shares, and the remuneration for directors shall be no higher than three percent.
 - 3. The total amount to be distributed as employee and director remunerations for 2024 was as follows:
 - (1) Director remuneration: NT\$113,568,649
 - (2) Employee remuneration: NT\$227,137,298
 - (3) The aforementioned amounts are to be distributed in cash.
 - 4. Submitted for review.

Matters for Acknowledgments

Item 1: (proposed by the Board of Directors)

Proposal: The acknowledgement of the Company's 2024 business report, financial statements, and consolidated financial statements.

Explanation:

1. The company's 2024 annual business report, consolidated financial statements and individual financial statements have been reviewed and approved by the Audit Committee on March 14, 2025.
2. The CPAs Tseng-Kuo Huang and Jung-Hua Chen of L.H. Chen & Co. have audited the individual and consolidated financial statements and have issued an audit report.
3. Please see Attachment 1 on Pages 9-19 and Attachment 3 on Pages 21-39 of this Manual for the 2024 business report, Independent Auditor's Report, and financial statements.

Resolution:

Item 2: (proposed by the Board of Directors)

Proposal: Acknowledgment of the Company's 2024 proposal for distribution of earnings.

Explanation:

1. The Company has established the 2024 proposal for distribution of earnings in accordance with the Company Act and Articles of Incorporation. Please see the table as below:

L&K Engineering Co., Ltd.
2024 Earnings Distribution Table

Unit: NTD\$

Opening undistributed earnings		2,105,253,986
Plus: Net profit after tax for the current period (audited amount)		4,335,509,239
Plus: Net actuarial gains (losses) of Defined Benefit Plans		5,262,073
Subtract: Other comprehensive income - income tax		9,003,891
Subtract: Changes in equity of subsidiaries		(1,800,778)
Distributable earnings		6,453,228,411
Distributable items:		
1. Legal reserves (10% of net income after taxes)	(433,550,924)	
1-1 Legal reserves (10% of actuarial loss or gain)	(720,311)	
2. Dividend to shareholders	(3,265,939,530)	
- Cash dividend at NT\$14		
Closing undistributed earnings		2,753,017,646

Note 1: The current profit distribution plan proposes to distribute cash dividends of NT\$3,265,939,530, which is calculated based on the number of shares outstanding on March 14, 2025, 233,319,058 shares. If there are any subsequent conversions of convertible bonds into common shares, repurchases of the company's shares, transfers or cancellations of treasury shares, which affect the dividend ratio per share of shareholders and cause changes in the dividend ratio, the board of directors will authorize the chairman to adjust the dividend ratio based on the actual number of shares outstanding on the ex-dividend base date according to the resolution.

Note 2: The ex dividend date shall be determined by the Board of Directors after approval at the shareholders' meeting.

Note 3: The current cash dividend shall be calculated to the nearest dollar, with amounts of less than one dollar rounded down, according to the ownership percentage of shareholders in the shareholder registry as of the baseline date for dividend distribution. The distribution of the sum of fractions of less than one dollar shall be recognized as Other Income of the Company.

Chairman:

Chu-Shiang Yao

Manager:

Hsiao-Ling Chiang

Accounting Supervisor:

Ya-lin Chan

2. This matter has been resolved and approved by the Audit Committee on 2025/3/14.

Resolution:

Matters for Discussion

Item 1: (proposed by the Board of Directors)

Proposal : Partial amendment to the Company's " Company's Articles of Association " are proposed for discussion ◦

Explanation:

1. In accordance with Article 14, Paragraph 6 of the Securities and Exchange Act and the Financial Supervisory Commission Order No. 1130385442, the relevant provisions of the company's "Articles of Association" are revised.
2. Please refer to Appendix 4 on pages 40-41 and Appendix 1 on pages 42-49 of this manual for the comparison table of the revised articles of the company's articles of association and the original articles of association ◦
3. This matter has been resolved and approved by the Board of Directors on 2025/3/14

Resolution:

Questions and Motions

Adjournment

Business Report

I. 2024 Business Report

Looking back on 2024, the global economy has seen moderate expansion, growth in advanced nations has slowed down, and the annual growth rate of export-oriented countries has for the most part increased. Inflation rates in the U.S. and Europe have decreased significantly and monetary policy has entered a cycle of interest rate cuts. Meanwhile, many existing risks, such as increasing global geopolitical conflicts, continuance of the Russia-Ukraine War, and extension of the Israel-Palestine conflict into Lebanon and Iran are adding to global uncertainty; the political and economic trends resulting from the U.S. presidential election will also have a major impact on the global economy. China's continuing weakness in the real estate market, as well as weak domestic consumption, has resulted in additional fiscal stimulus such as interest rate cuts, reserve ratio requirements, and other measures in the hope of improving economic stability and recovery. The U.S.-China Trade War, as well as continued competition in the high-tech sector, has changed the global supply chain model, and promoted economic de-globalization in favor of strengthening national resilience and localizing industries. The domestic economy has benefited from artificial intelligence, high-performance computing, and the stocking up of new smartphones, which have driven steady growth in exports. In addition, some high-tech industries have increased capital expenditures to meet the demand for emerging technology products, gradually resulting in signals of a booming economy.

Over the past year, evolution and update of information and communication technology, as well as consumer electronic products, has continued, driving the supply chains of semiconductors and other major tech companies in their continuing expansion of investments in Taiwan and around the world; additionally, government investment in public projects have also exhibited continued growth. As such, L&K Group's clean rooms for electromechanical engineering, civil engineering, and factory-wide turnkey projects and other businesses have benefited from the booming economy, especially in the investment and continued growth of newly constructed semiconductor production capacity in the Singapore region. In response to changes in the overall economic climate and market demand, the Company has implemented timely adjustments to its business strategies after an in-depth review of both subjective and objective conditions. In addition to continuing operations in existing markets, we have expanded our efforts into niche markets with long-term development potential. We have also actively improved our management and services across various projects in industries including semiconductors, biotech and pharmaceuticals, energy, rail engineering, railways, highways, airports, commercial buildings, and zone expropriation. By deepening the integration of engineering services across all fields and industries, including construction, civil engineering, electromechanical engineering, and manufacturing, we aim to enhance the Company's competitiveness through our comprehensive management capabilities in professional integration and high-value-added engineering services. Owing to the successful implementation of the aforementioned business strategies, the Company's performance and profits have both experienced notable growth over the past year. The consolidated operating revenues for the year reached NT\$65,090,000,000, and the after-tax

earnings per share soared to NT\$18.73, achieving a new record high in recent years..

II. 2025 Business Plan

Looking forward to 2025, while the macroeconomic environment still contains many uncertainties risk factors that will continue to influence the speed of global economic development and recovery, we are optimistic about the continued innovation, development, and growth of technology and applications in the high-tech industry. For instance, with evolutions in technologies, including new energy development, electric vehicles, autonomous driving, robots, drones, AI artificial intelligence, cloud services, low-orbit satellites, 5G/6G communications and precision medicine, the future society will continue to promote developments in smart lifestyles, smart manufacturing, and smart cities which will drive innovation in products and service models. This trend will also result in the continued expansion of the semiconductor wafer foundry, memory, test packaging, panel and biotech medical industries and the demand for engineering services for factory construction and expansion. This, in turn, will also drive the expansion of investment in domestic public projects, form a growth trend in exports and consumption, drive a positive economic cycle of demand for production capacity and infrastructure investment, and thereby bring us stable, long-term growth opportunities. By utilizing a diversification business strategy, we work to improve our engineering services to customers, diversify the business risks associated with fluctuation in volume of new orders from the engineering industry, and generate stable long-term revenue and profits.

When addressing the rapidly changing market in the future, management must adopt thinking and practices based on holistic perspectives and innovation. In addition to transitioning technical engineering platforms in all fields to provide comprehensive engineering services oriented towards diverse values, we must lead the Company towards innovative engineering services that enhance enterprise value. Upholding the enterprise spirit of striving for perfection, L&K aims to create competitive advantages by increasing the added value of products and services. To achieve this, we are committed to strengthening employee training for professional skills, optimizing product design and construction methods, integrating supply chain management, and reducing costs. In terms of market strategy, it will actively participate in urban renewal projects, branch out into land development and green energy construction, expand its operations and presence in global markets, and capitalize on the opportunities brought by smart development and the reorganization of global supply chains.

Leveraging expertise complementation and resource integration, L&K and RSEA manage to effectively develop potential business opportunities by providing comprehensive services. The successful operations in recent years serve as testament to this cooperative model. The synergy between the two companies has enhanced our turnkey capacity to undertake construction, M&E, and equipment projects, expanded the scope of the group's engineering services, and also enabled us to achieve our strategic goals: diversifying and branching out into projects across various industries and markets.

On the other hand, L&K will strategically develop autonomous production in the high-tech industry to take advantage of China's continued open market economy and drive stable macroeconomic growth in China. The long-term business of L&K will benefit from this development trend.

In conclusion, we are optimistic that, bolstered by the continued growth of mainstream industries and the strong ability of the business in which the company engages to withstand overall economic risks, along with the collaborative efforts of its professional team and partners, L&K's business will remain stable and grow in the foreseeable future.

In recent years, against the backdrop of severe challenges posed by global climate change and increasing carbon reduction requirements by international industrial supply chains, the United Nations' Sustainable Development Goals (SDGs) have emerged as a trend. Under the framework of the Paris Agreement, industries worldwide have reviewed their response to climate change, actively engaging in efforts surrounding areas such as mitigation, adaptation, technologies, funding, capacity building, and transparency. Additionally, these industries have set a target to achieve net-zero greenhouse gas emissions by 2050. In order to align with international standards and take into account sustainable development, Taiwan's Ministry of Environment officially announced the carbon tax rate in October of this year (2024), and a series of regulations related to carbon tax scheduled for implementation in 2026. According to the greenhouse gas inventory report, although L&K Group is not a large carbon emitter, it has a deep understanding of the significant impact of carbon taxes on its supply chain. In view of this, L&K Group has actively strengthened the organization's sustainable development by adopting the Global Reporting Initiative (GRI), Task Force on Climate-Related Financial Disclosures (TCFD), and Sustainability Accounting Standards Board (SASB) to assess the risks and opportunities of enterprise operations, as well as developing green technologies and investing in green engineering; we consider the comprehensive life cycle based on the attributes of each project bid, formulate strategies and management guidelines, then regularly track, review, and implement improvements to truly achieve benefits in energy conservation and carbon reduction that protect the rights and interests of investors. Additionally, the Company fulfills its corporate social responsibilities by implementing training programs based on industry-academia cooperation to accelerate talent cultivation and improve employee competency. All these actions have repeatedly demonstrated that L&K Group not only practices ESG principles, but also motivates our supply chain partners to work with us towards achieving the sustainable goal of net-zero transition.

We would like to express gratitude to all of our clients and shareholders for your long-term trust and continuous support. Without your encouragement, we would not have the motivation to continue to improve. We would also like to extend our sincerest appreciation to our suppliers and manufacturers who have continued to support us over the years; because of you, we have managed to build a more complete service platform. We are also very grateful for the contribution and dedication of our employees who are not only key members of L&K's highly productive teams but also active contributors to L&K's noble value and honor. Looking to the new year ahead, we

hope to steadfastly advance toward the goals of opening up new niche markets and achieving sustainable operations, thereby helping L&K to create a new outlook and forge a better future.

Best regards,

Chairman: Chu-Shiang Yao

President: Hsiao-Ling Chiang

(I) Implementation of the 2024 business plan

Business changes in 2024

Unit: NT\$ 1,000

Item	2024	2023	Difference	%
Operating revenue	65,089,892	56,904,659	8,185,233	14.38%
Operating costs	56,966,552	51,748,425	5,218,127	10.08%
Gross profit	8,123,340	5,156,234	2,967,106	57.54%
Operating expenses	1,498,208	1,142,919	355,289	31.09%
Net operating income	6,625,132	4,013,315	2,611,817	65.08%
Non-operating income and expenses	645,675	523,982	121,693	23.22%
Income before income tax	7,270,807	4,537,297	2,733,510	60.25%
Income tax expense	1,647,314	993,956	653,358	65.73%
Net income	5,623,493	3,543,341	2,080,152	58.71%
Earnings per share	18.73	12.81	5.92	46.21%

(II) 2024 Budget Implementation: N/A. The Company did not release any financial forecast in 2024.

(III) Analysis of financial gains and losses and profitability for 2024

Item of Analysis			Financial Analysis	
			2024	2023
Financial Structure (%)	Debt to asset ratio (%)		66.04	71.37
	Long-term fund to fixed assets (%)		2,711.15	2,106.62
Profitability	Return on total assets (%)		9.86	6.69
	Return on equity (%)		31.15	24.94
	Paid-in capital ratio	Net operating income (%)	284.31	177.94
		Income before income tax (%)	312.02	201.17
	Net margin (%)		8.63	6.23
	Earnings per share (%)		18.73	12.81

(IV) R&D Overview

The Group employs technicians and R&D personnel to keep abreast of and integrate the technologies and experiences of other countries, introduce and improve technologies and innovative methods, restructure engineering material equipment for better performance, and work together with academic scholars and research institutes in Taiwan to conduct research projects and analytical plans.

Most recent R&D results:

Year	R&D Results
2024	<p>❖ The establishment of micro-chemical analysis laboratory: Completed developing the abilities to apply scanning electron microscope and gas chromatography–mass spectrometry, and applied them in real-life practice. Gas chromatography-mass spectrometry laboratory has passed the national accreditation laboratory for supervisory review in China. At the same time, LK laboratory has passed the additional evaluation of China National Accreditation Laboratory for Conformity Assessment for Inorganic Laboratory Ion Chromatography Analysis.</p> <p>❖ Development of secondary piping process technology for high-tech factories: Based on advanced BIM methods, we have independently developed a solution for managing and on-site verifying the secondary piping information of process machines and pipelines. This solution standardizes and integrates information and graphics, providing an integrated platform for information classification, screening, and extraction. It can quickly generate pipeline and instrument flowcharts from BIM models based on information technology, and develop modular and easy to assemble equipment materials or combination kits, which helps to improve work efficiency. The application of BIM models in spatial management provides a practical solution for verifying the construction quality of on-site pipelines, effectively utilizing the secondary piping space.</p> <p>❖ The development of Micro-Vibration Online Monitoring Technology: Through online monitoring of mechanical equipment vibration, it is possible to predict in advance whether there are any abnormalities in the mechanical equipment. Early warning of equipment abnormalities has been made, as well as online analysis of vibration data. This year, we obtained the copyright for the independently developed online vibration monitoring software.</p> <p>❖ Application and development of the gas pollution release characteristics of the primary and middle filter: Continue to collect the Contaminated filters that were replaced at the project site in 2024, completed the air release test of the filter and data collection, and established the air release database of the filter.</p>

Overview of 2025 Business Plan

L&K represents a technical service platform integrating professional engineering systems and the differentiated needs of various industries. Drawing on our overall expertise in technical services and supply chain integration, we have gained the recognition and trust of our clients through excellence in management and years of experience in project implementation, which ranges from planning, designing, procurement, construction, installation, system integration/testing/adjustment, to operation servicing and maintenance in the following aspects: semiconductor and display industrial cleanrooms, biotech and healthcare industrial laboratories, biochemical pharmaceutical industrial cleanrooms, and various systems required for the projects of all types of buildings, manufacturing plants, and infrastructures, including civil, construction, plumbing, electrical, HVAC, fire prevention, light-current, instrument control, and process equipment.

L&K will continue all the hard work we have put in in recent years. Apart from continuously improving high-tech industrial plant constructions and equipment and actively developing M&E engineering services for commercial buildings, we will also leverage opportunities available in a capital market and carefully choose who we work with to facilitate vertical and horizontal integration for market diversification. We will continuously seek innovation, never settle, and strive for perfection in technology expertise and business operations. In the team organization, we are committed to adjusting and strengthening the division of labor, leveraging advantages in our internal structure. We will adopt differentiated market strategies, target market segments that are different from our competitors, and seek a unique and competitive business model and market positioning. At present, the group has branched out beyond its familiar M&E projects in semiconductors, display panels, and the biotech and pharmaceutical industries. It now also dabbles in a variety of projects, including road, bridge, and water conservancy infrastructure, airport engineering, the three-dimensionalization of urban railways, metropolitan rapid transit networks, landmark commercial building construction projects, world-class stage lighting and sound equipment, comprehensive land development, urban renewal, and the reconstruction of unsafe and outdated buildings. Additionally, in response to the continuous growth of public construction projects, the existing capital of subsidiary RSEA has shown insufficient for bidding on multiple projects. To compete for more profitable opportunities and enhance performance, RSEA has successively conducted follow-on public offerings (FPOs). With long-term development goals in mind, the issuance of new shares is intended to expand market presence and achieve greater economies of scale. Moreover, the company plans to leverage the group's specialized expertise to optimize labor division and mitigate potential risks in domestic market operations, aiming to achieve operating

results characterized by diversified and comprehensive benefits through cross-industry integration. This strategy of making changes and adjustments to the harsh and challenging conditions is precisely the core competitiveness supporting the steady development, overall operation, and sustainable management of L&K Engineering.

(I) Operating Policy

1. Focus on managing the company's core competencies in various services, develop professional skills and managerial capability, promote a knowledge-based economy, and design an engineering service platform that features our professional strengths and effective division of labor.
2. Reinvigorate internal organization, strengthen the group's vertical and horizontal integration and collaboration, and increase our flexibility in diverse market operations.
3. Utilize group resources to develop opportunities for technical service integration with different industries, leverage different niche advantages, create differentiated service value, and increase the company's competitive advantage in different markets.

(II) Projected sales volume and basis

In the future, high-tech industries around the world will continue to evolve and grow. L&K will adapt to changes in the international economic situations while staying attuned to business opportunities in cross-strait development. In addition to our strength in the division of professional labor, L&K has established a strong capital market foundation in mainland China. On the one hand, the strategic funds from mainland China will be steadily invested in the development of high-tech industries. On the other hand, the global supply chain will undergo regional restructuring in response to U.S.-China trade frictions, consequently prompting more relocation of fixed asset investments in the supply chain and an increase in overseas Taiwanese businesses moving their production base back to Taiwan. The Taiwan government will keep increasing investments in public constructions to boost the country's economy. Cross-strait business opportunities created by this trend merit our continuous commitment and engagement. Therefore, despite concerns of economic uncertainty, we expect that our business performance in 2025 will continue to grow moderately and steadily. As this trend develops further, we can extend our presence further in ASEAN countries and the international market by making use of opportunities created by stock listing resources in Taiwan and China.

(III) Important production and sales policies

Amid the rapid evolution of high-tech industries and the trends in political and economic competition between the United States and China, the Company's operations will gradually shift from focusing on semiconductors, displays, biotech and pharmaceuticals, and commercial buildings to developing diverse platforms for technological integration, division of labor, and industries. We will therefore remain attuned to and participate in the following market trends that can increase the momentum in our future operations:

1. Global response to future developments has constantly increased the demand for energy consumption, consequently leading to climate change and global warming. Countries across the globe have whipped themselves into a frenzy of energy-saving and waste-reducing activities, which highlights the urgent need to save energy and use cleaner and renewable energy sources. In Taiwan, energy is largely imported. With no effective alternatives in sight and the whole world is introducing a series of strategies to mitigate climate warming effects and develop clean and renewable energy sources, the Taiwanese government, legislative agencies, and energy authorities have formed a policy trend, actively establishing relevant laws and policies to create a positive environment and business opportunities for clean and renewable energy industries and projects.
2. The innovation of information communication industries is driving the world toward developing all things related to the Internet of Things, artificial intelligence, Industry 4.0, robots, electric vehicles, smart manufacturing, and smart living. Eventually, these applications will converge and create a smart city trend. According to the United Nation, the global urban population will continue to increase considerably. Because resources are limited, urban areas must be developed into a smart city in order to steer us toward the goal of sustainable development. The opportunities created by smart technologies will transform industrial production, commercial operations, and the lifestyle of individuals and families, thereby promoting the continuous change and growth of the entire industry and the supply chains involved.
3. As the global population continues to grow, it is also aging, which increases the healthcare demands of developed countries and emerging market economies. In recent years, biotechnologies have continued to make cutting-edge advances, subsequently expediting the development of biotech and healthcare related industries in the aspects of disease treatment, preventive medicine, home-based long-term care, individual medical health care, and medical reform. The Taiwan government also plans to take advantage of this trend and facilitate the

development of pharmaceutical industries, medical equipment industries, and applied biotech industries into cross-generational mainstream industries.

4. Taiwan is a super-aged society by 2025. As the population ages, many of the old houses across the country are over 50 years old and in need of urban renewal. Statistics show that a staggering 1.01 million houses in Taiwan are over 50 years old. In Taipei City alone, as many as 13.7% of the residential buildings exceed 50 years of age. To enhance building safety, improve urban landscapes, and promote urban regeneration, governments at both the central and local levels have offered multiple incentives. With the introduction of the Statute for Expediting Reconstruction of Urban Unsafe and Old Buildings and governmental bank financing discounts, the restrictions that previously hindered the promotion of old house reconstruction have been greatly eased. In addition, both the Taipei City Government and the New Taipei City Government actively promote urban renewal and the reconstruction of unsafe and old buildings, which will also likely drive future business opportunities for L&K Group in this area.

Business diversification policies serve to not only facilitate business expansion but also effectively protect the Company's business when some industries and markets are affected by a receding economy. Such policies ensure that we perform necessary market planning and adjustments, build knowledge capacity for a knowledge economy, develop different skillsets for industry integration, develop the abilities needed to operate larger and different types of businesses, and provide customized services and solutions. Thus, even with operations as diverse as our company's, we are able to reduce risks and steadily increase benefits for the entire group.

In addition, the integration of the group's internal resources and our professional strengths in division of labor are starting to have an effect on the market. By converging experiences, expertise, and the sharing of resources and information with RSEA Engineering Corp., L&K has achieved its strategic goals of business and market growth. This has improved L&K Group's ability to contract turnkey projects in Mainland China and overseas companies, broadened the group's capabilities in securing international projects, and helped ensure further stability in the future operations of L&K Group. Ultimately, the convergence helps the group achieve its business goal of establishing roots in Taiwan, cultivating Mainland China's market, servicing Asia, and forming strategic alliance in a bid to venture into the international stage.

(IV) Future Development Strategy

Facing the challenges in the global general business environment, high-tech managements must quickly restructure their organization and change the way they think in order to maintain advantages as they brace for the fierce competition ahead. The Company will employ enterprise resource planning systems and effective knowledge management to enhance its competitiveness, adjust the organizational structure to improve execution capabilities in response to market competition, and shape a learning environment within the corporation to strengthen employees' diverse professional capabilities, thereby enhancing the Company's adaptability to changes in the market environment. To internationalize business operations, the Company will commit to acclimatizing its corporate culture to the local culture of our subsidiaries. We will urge subsidiaries to develop their business, increase the group's business synergy, and develop response capabilities that are flexible enough to fortify the group's competitive advantages, maintain our core competitiveness, and uphold the core value of sustainable development. The Company will adopt the following development strategies in the future:

1. Strengthen existing core technologies and system professional integration capability; focus on talent enhancement and cultivation; and continue to implement corporate electronic knowledge management and digital transformation to reinforce our competitive advantage in business profitability.
2. Consolidate the group's comprehensive strengths; attempt businesses in the areas of land development, unsafe and old building market development, and research and development of ecological green resource technologies; and spare no effort in acquiring large integrative construction businesses both at home and abroad, and developing businesses in the development of related industries.
3. Develop business alliance systems, unite well-performing companies at home and abroad; strengthen our team's diverse strengths and competitiveness; utilize the group's advantageous resources in the capital market; and build a mutually beneficial industry platform.

Chairman:
Chu-Shiang Yao

Manager:
Hsiao-Ling Chiang

Accounting Supervisor:
Ya-lin Chan

Audit Committee's Report

The Board of Directors has prepared the Company's 2024 business report, financial statements (including individual and consolidated financial statements), and proposal for earnings distribution. The CPAs Tseng-Kuo Huang and Jung-Hua Chen of L.H. Chen & Co. have audited the financial statements (including individual and consolidated financial statements) and have issued an audit report. The business report, financial statements, and earnings distribution proposal have been reviewed by the Audit Committee and no irregularities were found. We hereby report as above according to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act. Please kindly approve.

To the Company's 2025 General Shareholders' Meeting

L&K Engineering Co., Ltd.
Audit Committee convener: Chien-
Jan Lee

2025/3/14

L&K Engineering Co., Ltd.
Independent Auditor's 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, 2024 and 2023, the related parent company only statements of comprehensive income, statements of changes in equity and cash flows for the years ended December 31, 2024 and 2023.

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, 2024 and 2023, and the results of its operations and cash flows for the years ended December 31, 2024 and 2023, 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 consolidated 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, 2024. 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(24) 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(25) 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, 2024 and 2023, 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\$4,941,183 thousand and NT\$3,548,993 thousand, which represented 14.18% and 11.55% of the total assets as of December 31, 2024 and 2023, respectively. The related shares of investment income from RSEA Engineering Corporation (privatized 2009) amounted to NT\$424,948 thousand and NT\$61,052 thousand, which represented 7.96% and 1.70% of the income from continuing operations before income tax for the years ended December 31, 2024 and 2023, respectively.

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, 2024 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 14, 2025

L&K Engineering Co., Ltd.
Parent Company Only Balance Sheets
December 31, 2024 and 2023

Unit : NTS1,000

		December 31, 2024		December 31, 2023		December 31, 2024		December 31, 2023								
		Amount	%	Amount	%	Amount	%	Amount	%							
Assets		Liabilities and Equity														
Current Assets		Current Liabilities														
1100	Cash and cash equivalents (Note 6(1))	\$	10,637,645	30	\$	7,061,696	23	2100	Short-term borrowings (Note 6(14))	\$	150,000	-	\$	100,000	-	
1110	Financial assets at fair value through profit or loss - current (Note 6(2))		225,935	1		246,467	1	2110	Liabilities of contract - current (Note 6(24)&7(2))		11,911,863	35		8,279,185	28	
1140	Contract assets - current (Note 6(24)&7(2))		4,041,330	12		1,838,016	6	2130	Accounts payable		4,614,814	13		9,460,721	32	
1150	Notes receivable, net (Note 6(3))		2,495	-		2,495	-	2170	Accounts payable - related parties (Note 7(2))		998,918	3		3,999	-	
1170	Accounts receivable, net (Note 6(3))		195,550	1		5,367,854	17	2180	Other payables		475,178	1		384,310	1	
1180	Accounts receivable - related parties, net (Note 6(3)&7(2))		13,917	-		224,604	1	2200	Current tax liabilities		527,372	2		585,088	2	
1200	Other receivables, net (Note 6(4))		373,308	1		346,360	1	2230	Provisions - current (Note 6(15))		498,737	1		372,462	1	
1220	Current tax assets		181,680	1		376,269	1	2250	Lease liabilities - current (Note 6(16))		3,925	-		14,849	-	
130X	Inventories, net (Note 6(5))		1,666	-		9,781	-	2280	Long-term borrowings - current portion (Note 6(18))		-	-		3,822	-	
1410	Prepayments (Note 6(6)&7(2))		5,844,971	17		4,809,067	16	2320	Other current liabilities		38,663	-		43,530	-	
1476	Other financial assets - current (Note 6(7))		626,121	2		603,903	2	2399	Total Current Liabilities		19,219,470	55		19,247,966	64	
1479	Other current assets		44,619	-		31,799	-	21XX								
11XX	Total Current Assets		22,189,237	65		20,918,311	68									
Noncurrent Assets		Noncurrent Liabilities														
1510	Financial assets at fair value through profit or loss - non current (Note 6(2))							2530	Bonds payable (Note 6(17))		398,232	1		-	-	
1517	Financial assets at fair value through other comprehensive income (Notes 6(8))		49,845	-		4,620	-	2540	Long-term borrowings (Note 6(18))		-	-		126,747	-	
1550	Investments accounted for using equity method (Note 6(9))		845,729	2		598,158	2	2570	Deferred income tax liabilities (Note 6(28))		611,899	2		377,253	1	
1600	Property, plant and equipment, net (Note 6(10))		11,229,398	32		8,696,396	29	2580	Lease liabilities - non-current (Note 6(16))		4,467	-		8,392	-	
1755	Right-of-use assets (Note 6(11))		282,023	1		281,376	1	2640	Accrued pension cost (Note 6(19))		19,034	-		29,786	-	
1760	Investment property, net (Note 6(12))		8,252	-		23,051	-	2645	Guarantee deposits received		11,747	-		11,893	-	
1780	Intangible assets (Note 6(13))		91,263	-		92,048	-	25XX	Total Noncurrent Liabilities		1,045,379	2		554,071	1	
1840	Deferred income tax assets (Note 6(28))		4,893	-		4,693	-	2XXX	Total Liabilities		20,264,849	57		19,802,037	65	
1980	Other financial assets - non current (Note 6(7)&7(2))		138,301	-		93,124	-		Equity Attributable to Shareholders of the Parent							
1995	Other noncurrent assets		12,078	-		17,289	-	3100	Capital stock		2,330,050	7		2,255,409	7	
15XX	Total Noncurrent Assets		1,442	-		2,385	-	3110	Common stock (Note 6(20))		134	-		-	-	
								3130	Convertible Bond (Note 6(20))		3,739,328	11		2,861,062	9	
								3200	Capital surplus (Note 6(21))							
								3300	Retained earnings (Note 6(22))							
								3310	Legal reserve		1,614,818	5		1,326,100	4	
								3320	Special reserve		5,261	-		133,708	-	
								3350	Unappropriated earnings		6,447,968	19		4,358,396	14	
								3400	Others (Note 6(23))		450,053	1		(5,261)	1	
								3XXX	Equity Attributable to Shareholders of the Parent		14,587,612	43		10,929,414	35	
Total Assets		\$	34,852,461	100	\$	30,731,451	100	3X2X	Total Liabilities and Equity		\$	34,852,461	100	\$	30,731,451	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, 2024 and 2023

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

	For the Years Ended December 31,			
	2024		2023	
	Amount	%	Amount	%
4000 Operating Revenue (Note 6(24)&7(2))	\$ 26,152,179	100	\$ 29,101,602	100
5000 Operating Costs (Note 6(24)&7(2))	(22,217,303)	(85)	(26,245,229)	(90)
5900 Gross Profit	3,934,876	15	2,856,373	10
6000 Operating Expenses				
6200 General and administrative expenses (Note 6(26)& 7(2))	(585,589)	(2)	(448,830)	(2)
6450 Expected credit loss benefit (Note 6(25))	(120,143)	-	107,506	-
6900 Net Operating Income (Loss)	3,229,144	13	2,515,049	8
7000 Non-operating Income and Expenses				
7100 Interest income (Note 6(27)& 7(2))	267,024	1	264,685	1
7010 Other income (Note 6(27))	34,666	-	24,104	-
7020 Other gains and losses (Note 6(27))	(58,664)	-	11,328	-
7050 Finance costs (Note 6(27))	(12,346)	-	(20,343)	-
7060 Share of profits of subsidiaries, associates and joint venture by using equity method (Note 6(9))	1,881,823	7	804,657	3
Total non-operating income and expenses	2,112,503	8	1,084,431	4
7900 Income before Income Tax	5,341,647	21	3,599,480	12
7950 Income Tax Expense (Note 6(28))	(1,006,139)	(4)	(710,660)	(2)
8200 Net Income	4,335,508	17	2,888,820	10
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(19))	9,004	-	(2,048)	-
8316 Unrealized loss on investments in instruments at fair value through other comprehensive (Note 6(23))	247,571	1	170,947	1
8349 Income tax relating to the components of other comprehensive income - items that will not be reclassified to profit or loss (Note 6(28))	(1,801)	-	410	-
8361 Exchange differences arising on translation of foreign operations (Note 6(23))	259,698	1	(53,281)	-
8381 Share of other comprehensive income on subsidiaries and associates (Note 6(23))	(28)	-	125	-
8399 Income tax benefit (expense) related to components of other comprehensive income (Note 6(28))	(51,940)	-	10,656	-
Other comprehensive income (loss) for the period, net of income tax	462,504	2	126,809	1
8500 Total Comprehensive Income for the Period	\$ 4,798,012	19	\$ 3,015,629	11
9750 Basic Earnings Per Share (Note 6(29))	\$ 18.73		\$ 12.81	
9850 Diluted Earnings Per Share (Note 6(29))	\$ 17.90		\$ 12.74	

(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, 2024 and 2023

Unit : NT\$1,000

Equity Attributable to Shareholders of the Parent					Other 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		
\$ 2,255,409	\$ -	\$ 2,853,613	\$ 1,225,456	\$ 362,153	\$ 2,132,806	\$ 97,316
-	-	-	100,644	-	(100,644)	-
-	-	-	-	(228,445)	228,445	-
-	-	-	-	-	(789,393)	-
-	-	-	-	-	2,888,820	-
-	-	-	-	-	(1,638)	170,947
-	-	-	-	-	2,887,182	170,947
-	-	7,449	-	-	-	7,449
\$ 2,255,409	\$ -	\$ 2,861,062	\$ 1,326,100	\$ 133,708	\$ 4,358,396	\$ 268,263
						\$ 10,929,414

Equity Attributable to Shareholders of the Parent					Other Equity	
Common Stock	Certificate of Entitlement to New Shares form Convertible Bond	Capital Surplus	Legal Reserve	Special reserve	Unappropriated earnings	Accumulated Balances of Exchange Differences on Translating Foreign Operations
\$ 2,255,409	\$ -	\$ 2,861,062	\$ 1,326,100	\$ 133,708	\$ 4,358,396	\$ 268,263
-	-	-	288,718	-	(288,718)	-
-	-	-	-	(128,447)	128,447	-
-	-	-	-	-	(2,092,868)	-
-	-	27,225	-	-	-	-
-	-	37,121	-	-	-	-
70,000	-	735,000	-	-	-	-
-	-	-	-	-	4,335,508	-
-	-	-	-	-	7,203	247,571
-	-	-	-	-	4,342,711	247,571
4,641	134	72,032	-	-	-	-
-	-	6,888	-	-	-	-
\$ 2,330,050	\$ 134	\$ 3,739,328	\$ 1,614,818	\$ 5,261	\$ 6,447,968	\$ 515,834
						\$ 14,587,612

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

Items	
Balance, January 1, 2023	
Appropriation and distribution of 2022 retained earnings:	
Legal reserve	
Special reserve	
Cash dividends	
Net income for the year ended December 31, 2023	
Other comprehensive income for the year ended December 31, 2023, net of income tax	
Total comprehensive income for the year ended December 31, 2023	
From share of changes in equities of subsidiaries	
Balance, December 31, 2023	
Balance, January 1, 2024	
Appropriation and distribution of 2023 retained earnings:	
Legal reserve	
Special reserve	
Cash dividends	
Equity Component of Issued Convertible Bonds--Stock Warrants	
Employee Stock Option Compensation Cost	
Cash Capital Increase	
Net income for the year ended December 31, 2024	
Other comprehensive income for the year ended December 31, 2024, net of income tax	
Total comprehensive income for the year ended December 31, 2024	
Conversion of Convertible Bonds	
From share of changes in equities of subsidiaries	
Balance, December 31, 2024	

L&K Engineering Co., Ltd.
Parent Company Only Statements of Cash Flows
For the Years Ended December 31, 2024 and 2023

Unit : NT\$1,000

	For the Years Ended December 31,	
	2024	2023
<u>Cash Flows from Operating Activities</u>		
Income before income tax	\$ 5,341,647	\$ 3,599,480
Adjustments for		
Depreciation expense	29,784	56,456
Amortization expense	9,095	8,259
Bad debt expenses (Gain on reversal of bad debts)	120,143	(107,506)
Loss (gain) on financial assets at fair value through profit and loss	(10,496)	(54,109)
Interest expense	12,346	20,343
Interest income	(267,024)	(264,685)
Dividend income	(31,534)	(20,972)
Share of profits of associates and joint venture by using equity method	(1,881,823)	(804,657)
Loss (gain) on disposal of property, plant and equipment	(105)	(18)
Loss (gain) on disposal of other noncurrent assets	11	-
Loss (gain) from lease modification	-	(173)
Share-based payment	37,121	-
Changes in operating assets and liabilities:		
Decrease (increase) in Financial assets at fair value	(15,641)	-
Decrease (increase) in current contract assets	(2,328,907)	251,809
Decrease (increase) in accounts and notes receivable	5,177,754	(4,039,965)
Decrease (increase) in accounts receivable - related parties	210,687	22,084
Decrease (increase) in other receivables	160,919	(335,433)
Decrease (increase) in other receivables - related parties	-	269,398
Decrease (increase) in inventories, net	8,115	760
Decrease (increase) in prepayments	(1,035,903)	4,033,695
Decrease (increase) in other current assets	(12,820)	9,089
Increase (decrease) in current contract liabilities	3,632,678	(5,599,953)
Increase (decrease) in notes and accounts payable	(4,845,907)	6,265,714
Increase (decrease) in notes and accounts payable - related parties	994,919	(533)
Increase (decrease) in other payables	88,781	124,637
Increase (decrease) in provisions	126,275	144,553
Increase (decrease) in other current liabilities	(4,867)	6,365
Increase (decrease) in accrued pension liabilities	(1,748)	(1,774)
Cash generated from operations	<u>5,513,500</u>	<u>3,582,864</u>

(To be continued)

L&K Engineering Co., Ltd.
Parent Company Only Statements of Cash Flows (Cont'd)
For the Years Ended December 31, 2024 and 2023

Unit : NT\$1,000

	For the Years Ended December 31,	
	2024	2023
Interest received	\$ 273,746	\$ 258,380
Dividend received	620,332	185,348
Interest paid	(625)	(18,800)
Income tax paid	(928,127)	(395,259)
Net Cash Provided by (Used in) Operating Activities	<u>5,478,826</u>	<u>3,612,533</u>
<u>Cash Flows from Investing Activities</u>		
Acquisition of investments accounted for under the equity method	(1,018,908)	(483,978)
Acquisition of property, plant and equipment	(8,864)	(7,035)
Proceeds from disposal of property, plant and equipment	114	18
Acquisition of intangible assets	(8,458)	(5,053)
Decrease (increase) in other financial assets	(17,007)	10,333
Proceeds from disposal of other noncurrent assets	153	-
Net Cash Provided by (Used in) Investing Activities	<u>(1,052,970)</u>	<u>(485,715)</u>
<u>Cash Flows from Financing Activities</u>		
Increase (decrease) in short-term debt	50,000	(500,000)
Increase (decrease) in short-term notes and bills payable	-	(200,000)
Proceeds from issuance of bonds	495,000	-
Increase (decrease) in long-term notes and bills payable	-	250,000
Decrease in long-term notes and bills payable	(130,569)	(553,696)
Increase (decrease) in guarantee deposit received	(146)	2,037
Repayment of the principal portion of lease liabilities	(15,312)	(42,912)
Cash dividend paid	(2,092,868)	(789,393)
Cash Capital Increase	805,000	-
Net Cash Generated by (Used in) Financing Activities	<u>(888,895)</u>	<u>(1,833,964)</u>
Effect of exchange rate changes	<u>38,988</u>	<u>11,336</u>
Net Increase (Decrease) in Cash and Cash Equivalents	3,575,949	1,304,190
Cash and Cash Equivalents at Beginning of Period	<u>7,061,696</u>	<u>5,757,506</u>
Cash and Cash Equivalents at End of Period	<u>\$ 10,637,645</u>	<u>\$ 7,061,696</u>

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

Statement

According to the Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises, the companies required to be included in the consolidated financial statements of affiliates under these Criteria are all the same as companies required to be included in the consolidated financial statements of parent and subsidiary companies as provided in International Financial Reporting Standards No. 10, and relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Therefore, for the year 2024 (2024/1/1 to 2024/12/31) The Company hereby declares that it shall no longer prepare separate consolidated financial statements of affiliates.

Company name: L&K Engineering Co., Ltd.

Responsible person: Chu-Shiang Yao

2025/3/14

L&K Engineering Co., Ltd. and Subsidiaries
Independent Auditor's Report

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

Opinion

We have audited the accompanying consolidated balance sheets of L&K Engineering Co., Ltd and subsidiaries (“the Group”) as of December 31, 2024 and 2023, the related consolidated statements of comprehensive income, statements of changes in equity and cash flows for the years ended December 31, 2024 and 2023.

In our opinion, based on our audits and the reports of the other independent accountants referred to in other matter section of our report, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Group as of December 31, 2024 and 2023, and the results of its operations and cash flows for the years ended December 31, 2024 and 2023, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standard, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standard Interpretations Committee as endorsed by Financial Supervisory Commission of the Republic of China.

Basis of opinion

We conducted our audit of the consolidated 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, 2024. 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(19) 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(27) for disclosures of construction contracts revenue.

Description:

Construction contract revenue and profit should be recognized with reference to the completion degree of individual contract 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:

The principal auditing procedures include testing the design of internal control for the construction contract revenue and receivable collection and its effectiveness of implementation. For major construction contracts entered or those with significant changes total revenue and estimated total cost in the year, review the relevant the contract 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 Group's accounting policy on revenue recognition is in accordance with the related accounting standards.

(2) Receivable impairment

Please refer to Note 4(7) 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(28) 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

We did not audit the financial statements of RSEA Engineering Corporation (privatized 2009), which were audited by other auditors. Our audit, insofar as it related to RSEA Engineering Corporation (privatized 2009), is based on the other auditors' reports. RSEA Engineering Corporation (privatized 2009) had total assets of NT\$15,373,686 thousand and NT\$13,920,274 thousand, constituting 25.41% and 25.61% of consolidated total assets as of December 31, 2024 and 2023, total liabilities of NT\$9,054,768 thousand and NT\$9,598,686 thousand, constituting 22.66% and 24.74% of consolidated total liabilities as of December 31, 2024 and 2023, and total operating revenues of NT\$17,162,411 thousand and NT\$14,908,220 thousand, constituting 26.37% and 26.20% of consolidated total operating revenues for the years ended December 31, 2024 and 2023. We have also audited the parent company only financial

statements of L&K Engineering Co., Ltd as of and for the years ended December 31, 2024 and 2023, and have expressed an unqualified opinion on such financial statements.

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 International Financial Reporting Standard, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standard Interpretations Committee as endorsed by Financial Supervisory Commission of the Republic of China, and for internal control necessary to enable the preparation of the Group's 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 Group'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 Group 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 Group'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 Group's internal control.
- (3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (4) Conclude on the appropriateness of management's use of the going concern basis of accounting and,

based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 Group 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 Group 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, 2024 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 14, 2025

L&K Engineering Co., Ltd. and Subsidiaries
Consolidated Balance Sheets
December 31, 2024 and 2023

Unit : NT\$1,000

	December 31, 2024		December 31, 2023	
	Amount	%	Amount	%
Current Assets				
1100 Cash and cash equivalents (Note 6(1))	\$ 23,347,966	39	\$ 13,385,751	26
1110 Financial assets at fair value through profit or loss - current (Note 6(2))	225,935	-	246,467	-
Contract assets - current (Note 6(2)&7(2))	13,984,151	23	12,216,870	22
Notes receivable, net (Note 6(3))	2,495	-	36,320	-
Accounts receivable, net (Note 6(3))	4,374,866	7	11,964,823	22
Other receivables, net (Note 6(4))	492,689	1	380,010	1
Current tax assets	181,770	-	591,540	1
Inventories, net (Note 6(5))	707,576	1	696,177	1
Prepayments (Note 6(6)&7(2))	7,497,904	13	6,204,101	11
Other financial assets - current (Note 6(7))	4,472,635	7	3,541,401	7
Other current assets	60,071	-	31,977	-
Total Current Assets	55,348,058	91	49,295,437	91
Liabilities and Equity				
Current Liabilities				
Short-term borrowings (Note 6(15)&7(2))	\$ 537,175	1	\$ 1,441,379	3
Short-term notes and bills payable (Note 6(16))	519,528	1	599,233	1
Liabilities of contract - current (Note 6(27))	18,434,887	30	13,420,818	25
Notes payable	3,772	-	11,506	-
Accounts payable	14,727,472	24	19,627,992	35
Accounts payable - related parties (Note 7(2))	999,657	2	268	-
Other payables	1,153,802	2	889,464	2
Other payables - related parties (Note 7(2))	315,477	1	294,784	1
Current tax liabilities	904,781	1	639,336	1
Provisions - current (Note 6(17))	542,862	1	413,476	1
Lease liability (Note 6(18))	31,049	-	49,566	-
Long-term borrowings - current portion (Note 6(20))	5,972	-	7,230	-
Other current liabilities	171,646	-	210,829	-
Total Current Liabilities	38,348,080	63	37,605,881	69

[illegible]

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

L&K Engineering Co., Ltd. and Subsidiaries
Consolidated Statements of Comprehensive Income
For the Years Ended December 31, 2024 and 2023

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

	For the Years Ended December 31,			
	2024		2023	
	Amount	%	Amount	%
4000 Operating Revenue (Note 6(27)&7(2))	\$ 65,089,892	100	\$ 56,904,659	100
5000 Operating Costs (Note 6(29)&7(2))	(56,966,552)	(88)	(51,748,425)	(91)
5900 Gross Profit	8,123,340	12	5,156,234	9
6000 Operating Expenses				
6100 Selling expenses (Note 6(29))	(13,575)	-	(18,102)	-
6200 General and administrative expenses (Note 6(29)&7(2))	(1,180,571)	(2)	(1,000,083)	(2)
6300 Research and development expenses	(200,744)	-	(185,001)	-
6450 Expected credit loss/benefit (Note 6(28))	(103,318)	-	60,267	-
Total operating expenses	(1,498,208)	(2)	(1,142,919)	(2)
6900 Net Operating Income	6,625,132	10	4,013,315	7
7000 Non-operating Income and Expenses				
7100 Interest income (Note 6(30))	552,767	1	494,200	1
7010 Other income (Note 6(30))	88,643	-	76,245	-
7020 Other gains and losses (Note 6(30))	59,510	-	22,324	-
7050 Finance costs (Note 6(30))	(55,245)	-	(68,787)	-
Total non-operating income and expenses	645,675	1	523,982	1
7900 Income before Income Tax	7,270,807	11	4,537,297	8
7950 Income Tax Expense (Note 6(31))	(1,647,314)	(3)	(993,956)	(2)
8200 Net Income	5,623,493	8	3,543,341	6
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(21))	9,004	-	(2,048)	-
8316 Unrealized loss on investments in instruments at fair value through other comprehensive income (Note 6(8)&6(25))	247,571	-	170,947	-
8349 Income tax relating to the components of other comprehensive income - items that will not be reclassified to profit or loss (Note 6(31))	(1,801)	-	410	-
8360 Items that may be reclassified subsequently to profit or loss				
8361 Exchange differences arising on translation of foreign operations	407,776	1	(115,280)	-
8399 Income tax benefit (expense) related to components of other comprehensive income (Note 6(31))	(51,933)	-	10,619	-
8300 Other comprehensive income (loss) for the period, net of income tax	610,617	1	64,648	-
8500 Total Comprehensive Income for the Period	\$ 6,234,110	9	\$ 3,607,989	6
8600 Net Income (Loss) Attributable to:				
8610 Owners of the parent	\$ 4,335,508		\$ 2,888,820	
8620 Noncontrolling interests	\$ 1,287,985		\$ 654,521	
8700 Total Comprehensive Income (Loss) Attributable to:				
8710 Owners of the parent	\$ 4,798,012		\$ 3,015,629	
8720 Noncontrolling interests	\$ 1,436,098		\$ 592,360	
9750 Basic Earnings Per Share (Note 6(32))	\$ 18.73		\$ 12.81	
9850 Diluted Earnings Per Share (Note 6(32))	\$ 17.90		\$ 12.74	

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

Unit: NT\$1,000

	Items
Balance, January 1, 2023	
Appropriation and distribution of 2022 retained earnings:	
Legal reserve	
Special reserve	
Cash dividends	
Net income for the year ended December 31, 2023	
Other comprehensive income for the year ended December 31, 2023, net of income tax	
Total comprehensive income for the year ended December 31, 2023	
From share of changes in equities of subsidiaries	
Increase (Decrease) in noncontrolling interests	
Balance, December 31, 2023	

	Items
Balance, January 1, 2024	
Appropriation and distribution of 2023 retained earnings:	
Legal reserve	
Special reserve	
Cash dividends	
Equity Component of Issued Convertible Bonds—Stock Warrants	
Employee Stock Option Compensation Cost	
Cash Capital Increase	
Net income for the year ended December 31, 2024	
Other comprehensive income for the year ended December 31, 2024, net of income tax	
Conversion of convertible bonds	
From share of changes in equities of subsidiaries	
Increase (Decrease) in noncontrolling interests	
Balance, December 31, 2024	

L&K Engineering Co., Ltd. and Subsidiaries
Consolidated Statements of Cash Flows
For the Years Ended December 31, 2024 and 2023

Unit : NT\$1,000

	<u>For the Years Ended December 31,</u>	
	<u>2024</u>	<u>2023</u>
<u>Cash Flows from Operating Activities</u>		
Income before income tax	\$ 7,270,807	\$ 4,537,297
Adjustments for		
Depreciation expense	203,438	222,178
Amortization expense	14,260	13,062
Expected credit loss (reversal)	103,318	(60,267)
Loss (gain) on financial assets at fair value through profit or loss	(10,109)	(60,898)
Interest expense	55,245	68,787
Interest income	(552,767)	(494,200)
Dividend income	(33,001)	(20,972)
Loss on lease modification	-	(173)
Loss (gain) on disposal of property, plant and equipment	(652)	355
Loss (gain) on disposal of other noncurrent assets	11	-
Gain on Disposal of Investments	(6,352)	-
Share-based payments	57,848	5,200
Changes in operating assets and liabilities:		
Decrease (increase) in Financial assets at fair value	(15,641)	-
Decrease (increase) in current contract assets	(1,426,104)	(787,538)
Decrease (increase) in notes receivable	34,361	262,580
Decrease (increase) in accounts receivable	7,609,268	(6,366,848)
Decrease (increase) in other receivables	73,571	(337,247)
Decrease (increase) in inventories, net	(10,206)	(1,632)
Decrease (increase) in prepayments	(1,269,883)	4,647,995
Decrease (increase) in other current assets	(28,091)	10,842
Increase (decrease) in current contract liabilities	4,739,059	(4,760,717)
Increase (decrease) in notes payable	(7,735)	(178,676)
Increase (decrease) in accounts payable	(5,137,552)	8,984,222
Increase (decrease) in accounts payable - related parties	999,389	-
Increase (decrease) in other payables	256,391	173,360
Increase (decrease) in provisions	129,386	153,696
Increase (decrease) in other current liabilities	(39,652)	31,416
Increase (decrease) in accrued pension liabilities	(1,748)	(1,774)
Cash generated from operations	<u>13,006,859</u>	<u>6,040,048</u>

(To be continued)

L&K Engineering Co., Ltd. and Subsidiaries
Consolidated Statements of Cash Flows (Cont'd)
For the Years Ended December 31, 2024 and 2023

Unit : NT\$1,000

	For the Years Ended December 31,	
	2024	2023
Interest received	\$ 563,342	\$ 481,185
Dividend received	33,001	20,972
Interest paid	(36,496)	(63,511)
Income tax paid	(1,027,896)	(872,424)
Net Cash Provided by (Used in) Operating Activities	<u>12,538,810</u>	<u>5,606,270</u>
<u>Cash Flows from Investing Activities</u>		
Acquisitions of property, plant and equipment	(93,909)	(35,647)
Proceeds from disposal of property, plant and equipment	934	819
Acquisitions of intangible assets	(12,974)	(10,368)
Decrease (increase) in other long-term Investments	292,169	-
Decrease (increase) in other financial assets	(865,165)	1,008,190
Proceeds from disposal of other noncurrent assets	153	-
Net Cash Provided by (Used in) Investing Activities	<u>(678,792)</u>	<u>962,994</u>
<u>Cash Flows from Financing Activities</u>		
Increase (decrease) in short-term debt	(922,824)	(587,812)
Increase (decrease) in short-term notes and bills payable	(80,000)	(700,000)
Proceeds from issuance of bonds	495,000	-
Increase in long-term notes and bills payable	-	250,000
Decrease in long-term notes and bills payable	(229,662)	(1,375,687)
Increase (decrease) in other payables - related parties	13,217	272,470
Increase (decrease) in guarantee deposit received	(18,263)	(9,746)
Cash dividend paid	(2,092,868)	(789,393)
Increase (decrease) in noncontrolling interests	(131,188)	(72,444)
Payment of lease liabilities	(66,497)	(86,451)
Cash Capital Increase	<u>805,000</u>	<u>-</u>
Net Cash Generated by (Used in) Financing Activities	<u>(2,228,085)</u>	<u>(3,099,063)</u>
Effect of exchange rate changes	<u>330,282</u>	<u>(39,604)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	9,962,215	3,430,597
Cash and Cash Equivalents at Beginning of Period	<u>13,385,751</u>	<u>9,955,154</u>
Cash and Cash Equivalents at End of Period	<u>\$ 23,347,966</u>	<u>\$ 13,385,751</u>

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

Attachment 4

L&K Engineering Co., Ltd.

Articles of Association Amendment Comparison Table

Amended Articles	Existing Articles	Description
<p>Article 32 :</p> <p>In the event the Company makes a profit during the fiscal year it shall set aside three to five percent of the profits for employee remuneration, which may be distributed as cash or shares, and the remuneration for directors shall be no higher than three percent. However, if the Company has accumulated losses, the Company shall set aside a part of the surplus profit first for making up the losses.</p> <p><u>The employee remuneration ratio in the preceding paragraph shall include at least one percent for the distribution of remuneration to grassroots employees.</u></p> <p>The employee compensation referred to in the preceding two paragraphs, whether distributed in the form of stock or cash, may be granted to employees of the company's controlling or subordinate companies who meet certain criteria. The criteria shall be determined by a resolution of the Board of Directors.</p> <p><u>The employee compensation referred to in the preceding two paragraphs, whether distributed in the form of stock or cash, may be granted to employees of the company's controlling or subordinate companies who meet certain criteria. The criteria shall be determined by a resolution of the Board of Directors.</u></p>	<p>Article 32 :</p> <p>In the event the Company makes a profit during the fiscal year it shall set aside three to five percent of the profits for employee remuneration, which may be distributed as cash or shares, and the remuneration for directors shall be no higher than three percent. However, if the Company has accumulated losses, the Company shall set aside a part of the surplus profit first for making up the losses.</p> <p>The Board of Directors shall be authorized to determine the qualification requirements of employees, including the employees of parents or subsidiaries of the company meeting certain specific requirements, entitled to receive shares or cash.</p>	<p>In compliance with the revised Article 14, Paragraph 6 of the Securities and Exchange Act and Article 235 of the Company Act..</p>

Amended Articles	Existing Articles	Description
<p>Article 35 :</p> <p>The Articles of Incorporation were established on 1978/11/20.</p> <p>The twenty-ninth amendment was made on 2016/5/27.</p> <p>The thirtieth amendment was made on 2017/5/26.</p> <p>The thirty-first amendment was made on 2018/5/24.</p> <p>The thirty-second amendment was made on 2019/5/24.</p> <p>The thirty-third amendment was made on 2024/6/26</p> <p><u>The thirty-fourth amendment was made on 2025/5/16</u></p>	<p>Article 35 :</p> <p>The Articles of Incorporation were established on 1978/11/20.</p> <p>The twenty-ninth amendment was made on 2016/5/27.</p> <p>The thirtieth amendment was made on 2017/5/26.</p> <p>The thirty-first amendment was made on 2018/5/24.</p> <p>The thirty-second amendment was made on 2019/5/24.</p> <p>The thirty-third amendment was made on 2024/6/26</p>	

Appendix 1

L&K Engineering Co., Ltd. Articles of Incorporation(before amendment)

Chapter 1 General Principles

- Article 1: The Company shall be incorporated, as a company limited by shares, under the Company Act and its name shall be 亞翔工程股份有限公司 in the Chinese language (and L&K Engineering Co., Ltd. in the English language).
- Article 2: The scope of business of the Company is as follows:
- i. CB01030 Pollution Controlling Equipment Manufacturing.
 - ii. CB01071 Frozen and Air-Conditioning Equipment Manufacturing.
 - iii. E501011 Tap Water Pipelines Contractors.
 - iv. E502010 Fuel Catheter Installation Engineering.
 - v. E599010 Piping Engineering.
 - vi. E601010 Electric Appliance Construction.
 - vii. E601020 Electric Appliance Installation.
 - viii. E602011 Refrigeration and Air Conditioning Engineering.
 - ix. E603010 Cable Installation Engineering.
 - x. E603020 Elevator Installation Engineering.
 - xi. E603040 Fire Safety Equipment Installation Engineering.
 - xii. E603050 Automatic Control Equipment Engineering.
 - xiii. E603090 Lighting Equipments Construction.
 - xiv. E603100 Electric Welding Engineering.
 - xv. E604010 Machinery Installation.
 - xvi. E605010 Computer Equipment Installation.
 - xvii. E701010 Telecommunications Construction.
 - xviii. E701030 Controlled Telecommunications Radio-Frequency Devices Installation Engineering.
 - xix. E801010 Indoor Decoration.
 - xx. E801061 Interior Decoration Construction and Repairing.
 - xxi. E801020 Doors and Windows Installation Engineering.
 - xxii. E801030 Indoor Light-gauge Steel Frame Engineering.
 - xxiii. E801040 Glass Installation Engineering.
 - xxiv. E801070 Kitchenware and Sanitary Fixtures Installation Engineering.
 - xxv. E901010 Painting Engineering.
 - xxvi. E903010 Anti-Corrosion and Anti-Rust Engineering.
 - xxvii. EZ05010 Instrument and Meters Installation Engineering.
 - xviii. EZ06010 Traffic Marking Engineering.
 - xxix. EZ09010 Electrostatic Protection and Cancellation Engineering.
 - xxx. EZ13010 Nuclear Engineering.
 - xxxi. EZ15010 Warming and Cooling Maintenance Construction.

- xxxii. F113020 Wholesale of Electrical Appliances.
- xxiii. F113990 Wholesale of Other Machinery and Tools.
- xxiv. F113100 Wholesale of Pollution Controlling Equipments.
- xxxv. F213010 Retail Sale of Electrical Appliances.
- xxvi. F213990 Retail Sale of Other Machinery and Tools.
- xxvii. F401010 International Trade.
- xviii. I501010 Product Designing.
- xxix. IG03010 Energy Technical Services.
- xl. A101020 Growing of Crops.
- xli. A101050 Growing of Flowers.
- xl. A102020 Agricultural Products Preparations.
- xl. F101130 Wholesale of Vegetables and Fruits.
- xliv. F201010 Retail Sale of Agricultural Products.
- xl. F501030 Beverage Shops.
- xlvi. F501060 Restaurants.
- xl. J601010 Arts and Literature Service.
- xl. J701020 Amusement Parks.
- xl. J801030 Athletics and Recreational Sports Stadium.
- l. J901020 Regular Hotel.
- li. H701010 Residential and building development, rental and sales.
- lii. H701080 Urban renewal and reconstruction industry.
- liii. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

- Article 3: The Company may provide endorsement and guarantee as needed for business purpose.
- Article 4: The total amount of the Company's reinvestment shall not be subject to the restriction of not more than forty percent of its paid-in capital; however, long-term equity investments shall be resolved by the Board of Directors.
- Article 5: The Company shall have its head office in Taipei City, Taiwan, Republic of China, and may, when necessary, set up, cancel or change branch or representative offices inside and outside the territory of the Republic of China following the resolution of the Board of Directors.
- Article 6: Public announcements by the Company shall be made by a method in accordance with Article 28 of the Company Act.

Chapter 2 Shares

- Article 7: The total capital of the Company shall be NT\$3.5 billion, divided into 350 million shares with a par value of NT\$10 each, and the Board of Directors is authorized to issue unissued shares in installments.
- The Company may issue employee stock options. A total of 5 million shares among

- the above total capital stock should be reserved for issuing employee stock options.
- Article 7-1: The subscription price of the employee stock options issued by the Company may be lower than the closing price on the issuing date, provided, however, that it must conform to applicable laws and regulations and is approved at the shareholders' meeting. The issuance of employee stock options by the Company may be registered in multiples over a period of one year from the date of the resolution of the shareholders' meeting.
- Article 7-2: Treasury stocks bought back by the Company may be granted to employees at a price lower than the average price for actual buy back of the Company's shares, provided, however, that it must conform to applicable laws and regulations and be approved at the shareholders' meeting.
- Article 7-3: Treasury stocks purchased by the Company may be transferred to employees of parents or subsidiaries of the company meeting certain specific requirements. Employee stock options of the Company may be issued to employees of parents or subsidiaries of the company meeting certain specific requirements. When the Company issues new shares, such new shares may be reserved for subscription by employees of parents or subsidiaries of the company meeting certain specific requirements.
- Employees who are entitled to receive restricted stock for employees issued by the Company may include employees of parents or subsidiaries of the company meeting certain specific requirements.
- For employees of parents or subsidiaries who meet the specific requirements prescribed in Paragraphs 1 to 4, the Board of Directors is authorized to determine such specific requirements.
- Article 8: The share certificates of the Company shall all be name-bearing share certificates, assigned with serial numbers, and affixed with the signature or seal of the director representing the Company, and shall be legally authenticated before issuance.
- Article 9: The Company may be exempted from printing name-bearing share certificates, provided however that it registers the issued shares with a centralized securities depository enterprise.
- Article 10: Deleted.
- Article 11: Deleted.
- Article 12: Title transfer of stocks shall be suspended, in accordance with law, within sixty days before the annual shareholders' meeting is held, within thirty days before a shareholders' provisional meeting is held, or within five days before the base date for distribution of bonuses or other benefits determined by the Company.
- Article 13: The rules governing stock affairs of the Company shall comply with applicable laws

and regulations and rules of the competent authority.

Chapter 3 Shareholders' Meeting

- Article 14: Shareholders' meetings include ordinary meetings and extraordinary meetings. Ordinary meetings shall be convened and held by the Board of Directors once annually within six months after the end of each fiscal year according to the law. Extraordinary meetings will be held according to the law whenever necessary.
- Article 14-1: Shareholders' meetings shall be convened by written notice stating the date, place, and purpose dispatched to each shareholder at least 30 days in advance, in the case of ordinary meetings, and 15 days in advance, in the case of extraordinary meetings.
- Article 15: If the shareholders' meeting is convened by the board of directors, the chairman of the board shall preside over the meeting. If the chairman is unable to perform his/her duties due to leave of absence or for any other reason, proxy appointment shall follow Article 208 of the Company Act.
- Article 16: When a shareholder is unable to attend the shareholders' meeting for whatever the reason, the shareholder may present a proxy statement printed by the Company that states the scope of authorization, to entrust a proxy to attend the shareholders' meeting. The rules for shareholders' appointment of proxies for attendance shall follow the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies" as announced by the competent authority, in addition to Article 177 of the Company Act.
- Article 17: Each shareholder of the Company is entitled to one vote for each share held; however, this provision does not apply to shares subjected to laws, regulations, or restrictions.
- Article 18: Unless otherwise required by the Company Act, shareholders' resolutions shall be adopted by at least a majority of the votes of shareholders present at a shareholders' meeting who hold a majority of all issued and outstanding shares of the Company. In accordance with Article 177-1 of the Company Act, if required by the competent authority, a shareholder of the Company may exercise voting rights by electronic means and, if so voting, shall be deemed to be present at the meeting in person; relevant matters shall be handled in accordance with applicable laws and regulations.
- Article 19: Shareholders' meeting resolutions shall be compiled into detailed minutes, and signed or sealed by the chair then disseminated to each shareholder no later than 20 days after the meeting.
- The dissemination of the meeting minutes mentioned in the preceding paragraph shall be conducted in accordance with the Company Act.
- The minutes shall detail the date and venue of the meeting, the chair's name, the method of resolution, and the proceeding and results of various meeting agenda items. These minutes shall be retained for as long as the company is in existence.

The attendance log bearing the signatures of shareholders present at the meeting and the powers of attorney of the proxies shall be kept for a minimum period of at least one year. However, if a lawsuit has been instituted by any shareholder in accordance with the provisions of Article 189 of the Company Act, the minutes of the shareholders' meeting involved shall be kept by the company until the legal proceedings of the foregoing lawsuit have been concluded.

Chapter 4 Directors

- Article 20: The Company shall have seven to eleven directors to be elected by the shareholders meeting from candidates with legal capacity. Each director shall hold office for a term of three years, and may continue to serve if re-elected. The aforesaid Board of Directors must have at least three independent directors, making up no less than one fifth of the board.
- The candidates nomination system under Article 192-1 of the Company Act shall be adopted in director election. The implementation of relevant matters shall follow the Company Act, the Securities and Exchange Act, and applicable laws and regulations. The share ownership of all directors shall comply with the rules of the Securities and Futures Bureau of the Financial Supervisory Commission.
- Article 20-1: When electing directors, each share shall be empowered with voting rights equal to the number of elected directors. These voting rights may be concentrated on one candidate or separated across a number of candidates. Candidates with the highest number of votes shall be elected as directors.
- The election of independent directors and the election of non-independent directors shall be conducted at the same time, their votes counted separately, and each of them may be so elected.
- Article 20-2: Deleted.
- Article 21: The directors shall organize the Board of Directors by exercising their power and authority in accordance with law. A chairman and vice chairman of the board shall be elected by a majority vote at a meeting attended by over two-thirds of the directors. The chairman externally represents the company and, when necessary, may hire several consultants following the resolution of the Board of Directors.
- Article 22: Except for the first meeting of each term of the newly elected Board of Directors, which shall be convened by the director who received the largest number of votes at such election, meetings of the board shall be convened by the chairman, upon written notice sent to all other directors, at least seven days, specifying the date and place of the meeting and its agenda. However, a meeting of the board may be held at any time in case of urgent circumstances. Notifications of the Company's board meetings to each director may be in writing or via email or fax.
- The dismissal of a director must be approved by a special resolution of the shareholders' meeting.
- Article 23: Unless otherwise provided for in the Company Act and this Articles of Incorporation, resolutions of the Board of Directors shall be adopted by a majority of the directors at a meeting attended by a majority of the directors.

- Article 24: If a meeting is convened by the Company's Board of Directors, the chairman of the board shall preside over the meeting. If the chairman is unable to perform his/her duties due to leave of absence or for any other reason, proxy appointment shall follow Article 208 of the Company Act.
- Article 25: Each director shall attend the meeting of the board of directors in person. When a director is unable to attend a board meeting for whatever reason, the director may present a proxy statement that states the scope of authorization, to entrust another director as proxy to attend the meeting. However, each proxy may only represent one absent director.
In case a meeting of the board of directors is proceeded via visual communication network, then the directors taking part in such a visual communication meeting shall be deemed to have attended the meeting in person.
- Article 26: In compliance with Articles 14-4 of the Securities and Exchange Law, the Board of Directors of the Company shall establish an Audit Committee, which shall consist of all independent directors. The First Audit Committee was established on the day the independent directors were elected at the 2018 Shareholders' Meeting.
The powers and authority and matters relevant to the Audit Committee and its members shall be exercised by the Audit Committee in accordance with the responsibilities of supervisors specified under the Company Act, the Securities and Exchange Act and other relevant regulations.
- Article 27: In the case that vacancies on the Board of Directors exceed one third of the total number of directors, then the Board of Directors shall convene a shareholders' meeting within sixty days to elect new directors to fill such vacancies. The new directors shall serve the remaining term of the predecessors.
When an independent director is dismissed causing the number of independent directors to fall below the requirement specified in the Articles of Incorporation, a by-election for independent directors shall be held at the next shareholders' meeting.
When an independent director is dismissed, the Board of Directors shall convene an extraordinary shareholders meeting within sixty days to elect a new independent director to fill such vacancy. The new independent director shall serve the remaining term of the predecessor.
- Article 28: The Board of Directors is authorized to determine the remuneration for all directors, taking into account the extent of participation in the Company's operations and value of the services provided for the management of the Company and the standards of the industry.
The Company may authorize the Board of Directors to purchase liability insurance for all directors with respect to liabilities resulting from exercising their duties during their terms of occupancy

Chapter 5 Managers

- Article 29: The Company shall have one president, whose appointment, dismissal and remuneration shall be handled in accordance with Article 29 of the Company Act.
- Article 30: The president shall handle all business activities of the Company as designated by the Board of Directors.

Chapter 6 Accounting

- Article 31: After the close of each fiscal year, the following reports shall be prepared by the Board of Directors, and submitted by following the statutory procedures to the regular shareholders' meeting for acknowledgement.
- i. Business reports.
 - ii. Financial statements.
 - iii. Surplus distribution or loss make-up proposals.
- Article 32: In the event the Company makes a profit during the fiscal year it shall set aside three to five percent of the profits for employee remuneration, which may be distributed as cash or shares, and the remuneration for directors shall be no higher than three percent. However, if the Company has accumulated losses, the Company shall set aside a part of the surplus profit first for making up the losses.
- The Board of Directors shall be authorized to determine the qualification requirements of employees, including the employees of parents or subsidiaries of the company meeting certain specific requirements, entitled to receive shares or cash.
- Article 32-1: If the Company reports a surplus at year end, the Company shall first pay taxes, offset accumulated losses, then set aside ten percent of the balance as the statutory surplus reserve, and set aside or reverse special surplus reserve per the provisions. After that, the balance plus the retained earnings accrued from prior years shall be reserved by the Board of Directors as distributable earnings, as needed for business purpose, and then resolved at the shareholders' meeting for distribution as dividends.
- Article 33: The Company's dividend policy distributes dividends on the basis of the business environment as a whole and industrial growth characteristics and after taking into consideration undistributed earnings, capital surpluses, financial structures, and operational factors. The purpose is to achieve stable business development and safeguard the interests and rights of investors. Earnings may be distributed by way of cash dividend or stock dividend, provided however, cash dividend shall not be lower than ten percent of the total dividends.

Chapter 7 Appendix

- Article 34: In regard to all matters not provided for in these Articles of Incorporation, the Company Act and other applicable laws and regulations shall govern.
- Article 35: The Articles of Incorporation were established on 1978/11/20.
- The first amendment was made on 1979/3/26.
- The second amendment was made on 1979/8/29.
- The third amendment was made on 1981/10/2.
- The fourth amendment was made on 1984/12/13.
- The fifth amendment was made on 1989/3/3.
- The sixth amendment was made on 1989/7/25.
- The seventh amendment was made on 1991/8/23.
- The eighth amendment was made on 1997/2/15.
- The ninth amendment was made on 1998/6/5.
- The tenth amendment was made on 1999/3/11.
- The eleventh amendment was made on 1999/6/5.
- The twelfth amendment was made on 1999/10/19.
- The thirteenth amendment was made on 2000/5/12.
- The fourteenth amendment was made on 2000/6/17.

The fifteenth amendment was made on 2001/5/31.
The sixteenth amendment was made on 2002/6/17.
The seventeenth amendment was made on 2003/6/17.
The eighteenth amendment was made on 2004/6/17.
The nineteenth amendment was made on 2005/5/18.
The twentieth amendment was made on 2006/5/30.
The twenty-first amendment was made on 2007/6/15.
The twenty-second amendment was made on 2008/6/13.
The twenty-third amendment was made on 2009/5/21.
The twenty-fourth amendment was made on 2010/6/18.
The twenty-fifth amendment was made on 2011/6/10.
The twenty-sixth amendment was made on 2012/5/25.
The twenty-seventh amendment was made on 2013/6/21.
The twenty-eighth amendment was made on 2015/5/15.
The twenty-ninth amendment was made on 2016/5/27.
The thirtieth amendment was made on 2017/5/26.
The thirty-first amendment was made on 2018/5/24.
The thirty-second amendment was made on 2019/5/24.
The thirty-third amendment was made on 2024/6/26

L&K Engineering Co., Ltd.

Chairman: Chu-Shiang Yao

Appendix 2

L&K Engineering Co., Ltd. Rules of Procedure for the Shareholders' Meeting

Article 1: The Shareholders' Meeting of the Company shall be conducted in accordance with the Rules specified herein.

Article 2: The Company may furnish the attending shareholders with an attendance log to sign, or attending shareholders may hand in a sign-in card in lieu of signing in. The number of shares represented during the meeting is calculated based on the total amount registered in the attendance log or the attendance cards collected, plus the number of shares where voting rights are exercised in writing or through electronic means.

Article 3: If the shareholders' meeting is convened by the board of directors, the chairman of the board shall preside over the meeting. If the chairman is unable to perform his/her duties due to leave of absence or for any other reason, the process shall follow Article 208 of the Company Act.

The Company may designate retained lawyers, certified public accountants or relevant personnel to attend the shareholders' meeting.

Article 4: The chair shall call the meeting to order when the attending shareholders represent a majority of the total number of issued shares. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is still not met after two postponements, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act.

If prior to the end of the meeting the shareholders present represent at least half of the total issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.

Article 5: Agenda of a shareholders meeting called by the board shall be decided by the board. The meeting shall proceed according to the agenda unless changed by a shareholders meeting resolution.

The above provision applies mutatis mutandis to cases where the meeting is convened by any person, other than the Board of Directors, entitled to convene such meeting.

The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the attending shareholders may elect a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

After the meeting is adjourned, shareholders shall not elect another chairperson to resume the meeting at the same venue or another venue.

Article 6: The chair may put the meeting in recess at appropriate times. In the occurrence of force majeure events, the chair may suspend the meeting temporarily and resume at another time.

If the shareholders' meeting is unable to conclude all scheduled agenda items (including special motions) before the venue is due to be returned, participants may resolve to continue the meeting at an alternative location.

Shareholders may also resolve to postpone or resume the meeting within the next five days, according to Article 182 of the Company Act.

Article 7: Shareholders who wish to speak during the meeting must produce an opinion slip detailing the topics and the shareholder's account number (or the attendance ID serial). The order of shareholders' comments shall be determined by the chair.

A shareholder present at the meeting that merely submits a statement slip without speaking is considered not to have spoken. If the contents of the statement do not conform to the contents of the statement slip, the contents of the statement shall govern. Unless given consent by the chair and the speaking shareholder, other shareholders may not interrupt when a shareholder is speaking; otherwise the chair shall stop the interruption.

Article 8: Each shareholder shall speak no more than twice, for five minutes each, on the same agenda item unless otherwise agreed by the chair. The chair may stop shareholders from speaking if they violate the rules or speak outside the agenda item under discussion.

Article 9: In the event an institutional shareholder assigns two or more representatives to attend the shareholders' meeting, only one of the representatives may speak on any single agenda item.

Article 10: After a shareholder present at the meeting speaks, the chair may reply in person or assign relevant personnel to reply.

Article 11: The chair may announce to discontinue further discussion of amendments or special motions proposed during the meeting if the issue in question is considered to have been sufficiently discussed and proceed with the voting.

Where there is an amendment or an alternative for a proposal, the chair shall determine the order in which they are to be voted on with the original proposal. If any of these proposals is approved, alternative proposals shall be treated as rejected and not be voted on separately.

Article 12: Unless otherwise regulated by the Company Act or the Articles of Incorporation, an agenda item is passed when supported by shareholders who represent more than half of the total voting rights in the meeting. While voting is in progress, the chair or

delegate thereof shall announce the total number of voting rights represented in the meeting for every agenda item discussed.

A shareholder shall be entitled to one vote for each share held, except for shares where voting rights are restricted as described in Article 179, Paragraph 2 of the Company Act.

When a shareholder is unable to attend the shareholders' meeting for whatever the reason, the shareholder may present a proxy statement printed by ASE that states the scope of authorization to entrust a proxy to attend the shareholders' meeting. With the exception of trust enterprises or stock affairs agencies approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy, which are in excess of three percent of the voting rights represented by the total number of issued shares, are not included in the calculation.

When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.

After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a declaration of will to cancel the casting of the voting rights in the preceding paragraph shall be submitted two business days before the meeting date by the same means with which the voting rights are exercised. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

Other matters relating to proxy appointment shall be handled in accordance with regulations of the competent authority.

Shareholders can not vote, or appoint proxies to vote, on any agenda items in which they have a conflict of interest that would be detrimental to the best interests of the company.

Article 13: The chairperson shall appoint monitors and ballot counters for voting on proposals. For qualifications, monitors must be shareholders. The results of each vote shall be announced on site and made into minutes.

Article 14: The chair may instruct marshals or security staff to help maintain order in the meeting. While maintaining order in the meeting, all marshals or security staff must wear arm bands which identify their roles.

Article 15: Venue of shareholders meetings shall be where the Company is located or a different location convenient for shareholders to attend and for the meeting to be held with a commencement time no earlier than 9.00 a.m. or later than 3.00 p.m.

Article 15-1: The Company shall specify in its shareholders meeting notices the time during which shareholder attendance registrations will be accepted, the place to register for attendance, and other matters for attention. The time during which shareholder

attendance registrations will be accepted, as stated in the preceding paragraph, shall be 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations.

Article 16: The company's shareholder meetings shall be video or audio recorded and kept for at least one year.

Article 17: All matters not provided by these Rules herein shall be handled in accordance with the Company Act, relevant laws and regulations, as well as the Company's Articles of Incorporation.

Article 18: These Rules shall come into force on the approval of the shareholders' meeting, as shall any amendment.

Appendix 3

L&K Engineering Co., Ltd. Status of Holdings of Directors

- i. Authorized paid-in capital: NT\$3,500,000,000
Paid-in capital: NT\$2,333,190,580
(based on the actual number of outstanding shares of the Company as of 2025/03/18)
- ii. According to Article 26 of the Securities and Exchange Act, all directors shall hold a minimum of 12,000,000 shares.
- iii. As of the ex-dividend date (2025/03/18), shares retained by individual and all directors are as follows:

Title	Name	Shareholding	
		Shares	%
Chairman	Shen Shen Investment Co., Ltd. Representative: Chu-Shiang Yao	24,447,835	10.48%
Directors	White Young Investment Co., Ltd. Representative: Chih-Hsun Yao	14,097,244	6.04%
Directors	Xun Huei Investment Co., Ltd. Representative: Chung-Cheng Lo	11,503,464	4.93%
Directors	Wei Ze Investment Co., Ltd. Representative: Bor-Jen Chen	9,053,483	3.88%
Directors	Tze-Hung Wang	1,906,048	0.82%
Directors	Chin-Jyy Shiao	—	—
Independent Director	Chien-Jan Lee	—	—
Independent Director	Tung-Hao Ho	—	—
Independent Director	Cho-Lan Peng	—	—
Total		61,008,074	26.15%

Note: The Company has established an Audit Committee to replace supervisors in accordance with Article 14-4 of the Securities and Exchange Act.