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L&K Engineering Co., Ltd.

Procedure for the 2026 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. Questions and Motions
- vi. Adjournment

L&K Engineering Co., Ltd.

Agenda of the 2026 Annual Meeting of Shareholders

i. Time: 09:00AM, Friday, May 22, 2026

Venue: No. 9, Ren'ai Road, Hukou Township, 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 2025 business report

2. Report by Audit Committee on review of the Company's 2025 financial statements

3. Report on the Distribution of Employees' and Directors' Remuneration for 2025

4. Report on Directors' Remuneration for 2025 of the Company

5. Report on the Implementation of Related Party Transactions for 2025 of the Company

iv. Matters for Acknowledgments

1. The Company's 2025 business report, financial statements, and consolidated financial statements

2. The Company's 2025 proposal for distribution of earnings

v. Questions and Motions

vi. Adjournment

Management Presentations

- i. The Company's 2025 business report
Explanation:
 1. Please see Attachment 1 on Pages 9-20 of this Manual for the business report.
 2. Submitted for review.
- ii. Report by Audit Committee on review of the Company's 2025 financial statements
Explanation:
 1. Please see Attachment 2 on Page 21 of this Manual for the Audit Committees' Review Report.
 2. Submitted for review.
- iii. Report on the Distribution of Employees' and Directors' Remuneration for 2025
Explanation:
 1. This report has been reviewed and approved by the Remuneration Committee on March 13, 2026 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. The proportion of employees' remuneration mentioned in the preceding paragraph shall include no less than one percent to be allocated for distribution to non-executive employees. At least 1% of the aforementioned employee remuneration allocation shall be distributed to non-executive employees.
 3. The total amount to be distributed as employee and director remunerations for 2025 was as follows:
 - (1) Director remuneration: NT\$187,723,423
 - (2) Employee remuneration: NT\$375,446,847

(Including remuneration for non-executive Employees:

NT\$93,861,712)

(3)The aforementioned amounts are to be distributed in cash.

4. Submitted for review.
- iv. Report on Directors' Remuneration for 2025 of the Company
Explanation:
1. Pursuant to Article 10-1 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, the Company reports at the annual general meeting the remuneration received by directors, including the remuneration policy, the content and amounts of individual remuneration, and its linkage to performance evaluation results.
 2. For details of directors' remuneration for 2025, please refer to Attachment 3 on Pages 22-25 of this Manual.
 3. Submitted for review.
- v. Report on the Implementation of Related Party Transactions for 2025 of the Company
Explanation:
1. For details of the Company's related party transactions for 2025, please refer to Attachment 4 on Page 26 of this Manual.
 2. Submitted for review.

Matters for Acknowledgments

Item 1: (proposed by the Board of Directors)

Proposal: The acknowledgement of the Company's 2025 business report, financial statements, and consolidated financial statements.

Explanation:

1. The company's 2025 annual business report, consolidated financial statements and individual financial statements have been reviewed and approved by the Audit Committee on March 13, 2026.
2. The CPAs Chih-Jou Tai 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 9-20 and Attachment 5 on Pages 27-45 of this Manual for the 2025 business report, Independent Auditor's Report, and financial statements.

Resolution:

Item 2: (proposed by the Board of Directors)

Proposal: Acknowledgment of the Company's 2025 proposal for distribution of earnings.

Explanation:

1. The Company has established the 2025 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.
2025 Earnings Distribution Table

Unit: NTDS\$

Unappropriated earnings at the beginning of the period		2,753,017,646
Add: Net income after tax for the period (assessed amount)		7,144,970,520
Add: Net actuarial gains (losses) on defined benefit plans		(2,634,630)
Less: Other comprehensive income – income tax		526,926
Less: Gains on disposal of financial assets at fair value through other comprehensive income		82,925,000
Less: Changes in ownership interests in subsidiaries		(2,604,213)
Distributable earnings		9,976,201,249
Appropriation items:		
1. Legal reserve (10% of net income after tax)	(714,497,052)	
1-1 Legal reserve (10% of actuarial gain/loss)	210,770	
1-2 Legal reserve (10% of gains on disposal of financial assets at fair value through other comprehensive income)	(8,292,500)	
2 Shareholders' dividends – Cash dividends of NT\$23	(5,417,343,533)	
Unappropriated earnings at the end of the period		3,836,278,934

Note 1: The current profit distribution plan proposes to distribute cash dividends of NT\$5,417,343,533. 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

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2. This matter has been resolved and approved by the Audit Committee on March 13, 2026.

Resolution:

Questions and Motions

Adjournment

Business Report

I. 2025 Business Report

Looking back at the economic landscape in 2025, the global economy exhibited slowing growth momentum while remaining resilient. It primarily faced challenges such as uncertainty in U.S. policies, rising protectionism, and geopolitical conflicts, which affected global supply chains, trade momentum, and inflationary pressures, leading to divergent paces of economic recovery across countries. The unilateralism and hardline trade policies of the newly elected U.S. President Donald Trump have impacted global trade and supply chains, increasing economic uncertainty risks. Global geopolitical conflicts have continued to intensify, with the Russia–Ukraine war and tensions in the Middle East remaining elevated, affecting raw material prices, energy supply, and shipping costs. China’s economic structural imbalances and the risk of deflation spillovers have become concerns; despite the government introducing multiple stimulus measures, domestic demand and consumption momentum remain weak, overcapacity issues have yet to be effectively resolved, and low-priced dumping in other countries has led to trade frictions. Emerging markets and developing economies are also facing global trade uncertainties, with growth momentum slowing. Domestically, the economy has benefited from the global AI boom, with the semiconductor industry continuing to expand advanced manufacturing processes and strong demand for ICT products, serving as the main drivers supporting economic growth. Traditional industries, however, have been affected by weak market conditions, low-price competition from overseas, and conservative customer ordering behavior, resulting in relatively subdued performance. Meanwhile, the construction sector has been driven by projects such as technology plant facilities, public infrastructure, residential developments, social housing construction projects, and energy transition works, demonstrating growth potential.

As the government advances multiple public infrastructure projects under the Forward-looking Infrastructure Development Program, major technology companies in the semiconductor and ICT sectors, along with their supply chains, have continued to expand investment and actively extend into overseas markets in response to customer demand. In particular, Singapore has attracted international semiconductor leaders to establish R&D centers and production bases, strengthening cooperative partnerships with Taiwan and other regions, and effectively enhancing the resilience of the global supply chain. 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 to deepen its presence in existing markets, the Company has further strengthened its efforts in niche markets with long-term development potential. Through this approach, we have deepened the integration of engineering services across all fields and industries, including construction, civil engineering, M&E, and process engineering. We have also actively improved our management and services across a wide range of projects, including semiconductors, biotechnology and healthcare, commercial buildings, energy, transportation (rail/railway/highway/airport/mass rapid

transit), public facilities, and urban development. By leveraging comprehensive, professionally integrated management capabilities and high value-added engineering services, we aim to enhance the Company's competitiveness. Owing to the strategic adjustments to the Company's 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\$77,484,650,000, and the after-tax earnings per share reached NT\$30.51, achieving a new record high in recent years.

II.2026 Business Plan

Looking ahead to 2026, influenced by the policy initiatives of the Trump administration, uncertainty surrounding U.S. economic policies remains high, weakening business and consumer confidence in the outlook. Rising trade protectionism and uncertainty in tariff policies have impacted global economic and trade performance, suppressing investment and consumption momentum. At the same time, monetary policies among major global economies have diverged significantly, affecting global supply chain restructuring and market fragmentation, while also increasing volatility in the global economic outlook and financial market stability. In addition, geopolitical risks continue to rise, and variables such as climate change and global trade barriers further add to the uncertainty surrounding global inflation trends. For Taiwan, the outcome of tariff negotiations with the U.S. carries significant strategic implications, directly affecting export competitiveness and industrial layout. Fortunately, as future U.S. tariff agreements gradually become clearer, market uncertainty is expected to ease, and the global economic outlook has shown slight improvement compared to earlier expectations. With the development of emerging technologies and the continued advancement of the technology industry, including new energy development, electric vehicles, autonomous driving, robotics, drones, artificial intelligence (AI), cloud services, low-earth orbit satellites, wireless communications and sensing, and precision medicine, these technologies will drive the advancement of smart living, smart manufacturing, and smart cities. High-tech industries and their supply chains will continue to expand capacity, while companies, in response to environmental protection, carbon reduction, and industrial smart trends, are increasing investments in environmental protection equipment and process optimization. Market demand is expected to grow steadily with an increasingly clear expansion trend. At the same time, continued expansion of domestic public infrastructure investment will further stimulate market and infrastructure demand, forming a positive economic cycle.

In the face of a rapidly changing market, management must adopt a more macro and innovative mindset and approach. It is necessary not only to transform from a purely product- and price-oriented focus to building a comprehensive engineering technology platform that provides diversified, high value-added integrated services, but also to lead all employees in continuously driving innovation and enhancing the overall value of the Company. Upholding the enterprise spirit of striving for perfection, L&K aims to create competitive advantages by increasing the added value of its products and services. To achieve this, we are committed to strengthening employee training in professional capabilities, optimizing product design and construction methods, integrating supply chain management, and effectively controlling costs. In terms of market strategy, the Company will actively participate in urban renewal projects, branch out into

land development and green energy technologies and construction, expand its presence in overseas markets, and capitalize on the development opportunities brought by smart industry trends and the reorganization of global supply chains.

Through complementary expertise and resource integration, L&K and RSEA have adopted a collaborative model that delivers comprehensive services, successfully expanding potential business opportunities, with its effectiveness having been demonstrated in recent years' operations. The synergy between the two companies has not only enhanced our turnkey capacity to undertake construction, M&E, and equipment projects, but also further expanded the scope of the Group's engineering services. At the same time, it has enabled diversified deployment and expansion into markets across different industries and business sectors, thereby achieving our strategic objectives.

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 fee rate in October of this year (2024), and a series of regulations related to carbon fee 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 2025 business plan

Business changes in 2025

Unit: NT\$ 1,000

Item	2025	2024	Difference	%
Operating revenue	77,484,652	65,089,892	12,394,760	19.04%
Operating costs	65,110,788	56,966,552	8,144,236	14.30%
Gross profit	12,373,864	8,123,340	4,250,524	52.32%
Operating expenses	2,317,856	1,498,208	819,648	54.71%
Net operating income	10,056,008	6,625,132	3,430,876	51.79%
Non-operating income and expenses	1,802,679	645,675	1,157,004	179.19%
Income before income tax	11,858,687	7,270,807	4,587,880	63.10%
Income tax expense	2,642,850	1,647,314	995,536	60.43%
Net income	9,215,837	5,623,493	3,592,344	63.88%
Earnings per share	30.51	18.73	11.78	62.89%

(II) 2025 Budget Implementation: N/A. The Company did not release any financial forecast in 2025.

(III) Analysis of financial gains and losses and profitability for 2025

Item of Analysis		Financial Analysis		
		2025	2024	
Financial Structure (%)	Debt to asset ratio(%)	67.98	66.04	
	Long-term fund to fixed assets(%)	2,984.38	2,711.15	
Profitability	Return on total assets (%)	12.87	9.86	
	Return on equity (%)	39.01	31.15	
	Paid-in capital ratio	Net operating income (%)	427.01	284.31
		Income before income tax (%)	503.56	312.02
	Net margin (%)	11.89	8.63	
	Earnings per share(NT\$)	30.51	18.73	

(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
2025	<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 and Inorganic Laboratory Ion Chromatography Analysis all have passed Reassessment Review of China National Accreditation Service for Conformity Assessment (CNAS)-Accredited Laboratories.</p> <p>※ Development, Application, and Validation of a Lightweight BIM Platform: This project aims to develop a lightweight Building Information Modeling (BIM) platform with independent intellectual property rights, achieving a high domestic technical standard. The platform will feature efficient model processing capabilities, robust schedule management functions, cross-platform mobile access, and a user-friendly interface. In terms of market prospects, as BIM technology becomes increasingly widespread and digital transformation accelerates across industries, the lightweight BIM platform is expected to enjoy substantial market opportunities and significant growth potential.</p> <p>※ Application and Development of Outgassing Characteristics of Cleanroom Construction Materials: The technical objective of this project is to investigate the outgassing characteristics and emission rate variations of construction materials used in cleanrooms, and to establish a comprehensive database of outgassing properties for various material types. This database will serve as a reference for controlling chemical air pollutants during the construction phase. Currently, the semiconductor industry—where cleanrooms are critical—is receiving strong national support, and domestic standards related to cleanroom environments are being continuously refined. This creates promising future application scenarios and favorable market prospects. During this year, the project team was granted a patent for a compact device designed to measure material outgassing rates.</p> <p>※ Digital and Intelligent Transformation of the Engineering Management Platform: This project focuses on the digital and intelligent upgrade of the company’s existing Engineering Management System (Engineering Cloud Platform), built upon the current SAP infrastructure. The primary goal is to advance the enterprise’s digital and intelligent</p>

	transformation, enabling the Engineering Cloud Platform to enter an intelligent development phase. Ultimately, the project seeks to establish data-driven intelligent decision-making, reduce operational costs, and enhance organizational innovation capabilities—thereby improving the efficiency and flexibility of end-to-end business processes.
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Overview of 2026 Business Plan

L&K has long been deeply engaged in the integration of professional engineering systems, providing technical services tailored to the differentiated needs of various industries. Its areas of coverage include cleanrooms for the semiconductor and panel industries, sterile rooms for the biomedical and pharmaceutical industries, as well as civil works, building construction, plumbing and electrical systems, HVAC, fire protection, low-voltage systems, instrumentation and control, and process equipment systems required for various types of buildings, plants, and infrastructure projects. Our services span the entire project lifecycle, from planning, design, and procurement to construction and installation, system integration, testing and commissioning, and operation and maintenance. Through our expertise in comprehensive technical services and supply chain integration, we have accumulated years of hands-on project execution experience and outstanding management capabilities, earning strong recognition and trust from our clients.

L&K will continue the efforts made in recent years. Apart from striving to further strengthen its core businesses in high-tech industrial plant construction and equipment, as well as M&E engineering for commercial buildings, we will continue to enhance its technologies and actively expand its markets. At the same time, we will leverage opportunities available in the capital market, carefully select partners for cross-industry alliances, and promote both vertical and horizontal integration, moving toward a diversified market approach. In terms of professional technology and business operations, we will continuously seek innovation, never settle, and strive for perfection; in terms of team organization and operations, we are committed to optimizing the internal organizational structure and strengthening the division of labor to leverage team strengths. We will adopt differentiated market strategies, target market segments distinct from our competitors, and actively shape a unique and competitive business model and market positioning.

At present, the Group has branched out beyond its familiar M&E projects in the semiconductor, panel, and biotechnology and pharmaceutical industries. By further deepening the integration of engineering services across all fields and industries, including construction, civil engineering, M&E, and process engineering, it has expanded into a wide range of business areas, including landmark commercial building construction projects, world-class stage lighting and sound equipment, road, bridge, and water conservancy infrastructure, airport engineering, railway and mass rapid transit network projects, as well as comprehensive land development, urban renewal, and the reconstruction of unsafe and old buildings. From a long-term development perspective, the Group aims to establish a market presence with greater economies of scale and share, leverage its division of labor based on professional strengths, reduce the risks associated with future domestic market operations, and achieve diversified, integrated operational benefits through cross-industry integration. Such strategies of adjustment and transformation, developed in response to a harsh and highly challenging environment, constitute the core competitive advantage for L&K Engineering's steady future development, ensuring its overall operational strengths and sustainable management.

(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) Expected Operating Results and Basis Thereof

Looking ahead, factors such as uncertainty arising from U.S. unilateralism and hardline trade policies, the resurgence of global trade barriers and protectionism, and escalating geopolitical conflicts are expected to increase the challenges and risks faced by businesses. On the one hand, U.S.–China trade tensions continue to evolve, and global supply chains are undergoing regional restructuring, driving supply chain relocation and a trend of Taiwanese businesses returning to Taiwan; on the other hand, Mainland China continues to deepen the R&D and application of big data, artificial intelligence, and emerging technologies, while increasing support for the development of high-end technology industries. At the same time, the Taiwan government is actively expanding

investment in public infrastructure to stimulate the economy and drive the expansion of business opportunities. Amid the continued evolution and expansion of the global high-tech industry, L&K will respond to changes in international economic conditions by proactively capturing overseas development opportunities. Leveraging its strengths in professional division of labor and its solid capital market foundation, the Group will continue to devote full efforts to pursuing and securing such opportunities. Despite overall economic uncertainties, operating results for 2026 are expected to maintain moderate and stable growth. In addition, we will leverage the advantages of our dual listing across Taiwan and Mainland China to actively expand our presence in international markets such as ASEAN, strengthen our Asia footprint, and enhance overall competitiveness.

(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, high-performance computing, intelligent robotics, 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.

(V) Impacts of the External Competitive Environment, Regulatory Environment, and Overall Operating Environment

Due to U.S.–China political and economic competition, although both sides remain important trading partners, competition in high-tech fields such as semiconductors, ICT, artificial intelligence, and robotics has become increasingly intense beyond trade in goods. Coupled with geopolitical and human rights issues, the two major powers are showing a trend shifting from competition toward confrontation. China’s economy, in response to the evolving U.S.–China relationship, has transitioned from a past “export + investment-driven” model to a “domestic demand + innovation-driven” model. Global geopolitical tensions have once again intensified, with the Russia–Ukraine war remaining deadlocked, conflicts in the Middle East continuing to escalate, and heightened tensions in the Taiwan Strait and the South China Sea, all of which are affecting energy supply, technological competition, and trade conditions. Meanwhile, current climate change trends indicate that global temperatures continue to rise, accompanied by more frequent and severe extreme weather events such as heatwaves, droughts, floods, and wildfires. The global climate change situation is becoming increasingly severe, and international industrial supply chains must accelerate decarbonization efforts to curb the warming trend.

Governments around the world generally recognize that there is a complex interdependent relationship among economic development, political stability, and environmental protection. Therefore, appropriate balance must be considered when formulating policies. As industries evolve and competitive dynamics shift, relevant policies must be continuously updated and adjusted, and policies relating to the development of high-tech industries must likewise be continually revised. Enterprises, in turn, must keep pace with industry and customer developments and closely monitor changes in relevant international regulations. The L&K Group not only focuses on operations and profitability, but also continues to strengthen corporate governance and supply chain management, align with government net-zero policies, and implement ESG response mechanisms and disclosure standards. For the short term ahead, although the external competitive, regulatory, and overall operating environments will continue to be filled with challenges, these factors are not expected to have a significant negative impact on the Company’s operations.

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 2025 business report, financial statements (including individual and consolidated financial statements), and proposal for earnings distribution. The CPAs Chih-Jou Tai 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 2026 General Shareholders' Meeting

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

March 13, 2026

Directors' Remuneration for 2025

- I. The Company's policy, standards and components of directors' remuneration, procedures for determining remuneration, and its linkage to operating performance and future risks:
- (I) The Company's policy on directors' remuneration is implemented in accordance with Article 32 of the Company's Articles of Incorporation:
- In the event the Company makes a profit during the fiscal year, it shall set aside 3 to 5% of the profits for employee remuneration, which may be distributed in cash or shares, and shall set aside no more than 3% for directors' remuneration. However, if the Company has accumulated losses, the Company shall first set aside an amount for making up the losses.
- At least 1% of the aforementioned employee remuneration allocation shall be distributed to non-executive employees.
- If the employee remuneration in the preceding two paragraphs is distributed in shares or cash, the recipients may include employees of controlled or affiliated companies who meet certain conditions, which shall be determined by resolution of the Board of Directors.
- The allocation of employee remuneration and directors' remuneration, as well as the determination of the allocation ratio for the current year, shall be resolved by the Board of Directors with the attendance of at least two-thirds of the directors and the approval of more than half of the attending directors, and shall be reported to the shareholders' meeting.
- (II) Pursuant to the Company's Compensation Committee Charter, the remuneration of directors includes cash remuneration, stock options, stock bonuses, retirement benefits or severance payments, various allowances, and other incentive measures of a substantive nature; the scope thereof shall be consistent with that set forth for directors' and managerial officers' remuneration in the Regulations Governing Information to be Published in Annual Reports of Public Companies.
- (III) The Company's Compensation Committee evaluates the extent to

which the directors of the Company have achieved their performance targets, the current operating environment, and the historical remuneration paid, and formulates a proposal for directors' remuneration for the following year, which shall be implemented upon approval by the Board of Directors. The principles are as follows:

1. Directors' remuneration includes transportation subsidies and directors' remuneration.
2. With respect to the remuneration payment policy, transportation subsidies are determined with reference to industry standards and are paid based on directors' attendance at Board meetings.
3. As for directors' remuneration, the Board of Directors is authorized to determine the amount based on the degree of participation in the Company's operations and the value of their contributions, with reference to prevailing industry standards.

Unit: NT\$ 1,000

Title	Name	Remuneration Paid to Directors								(A+B+C+D) as a % of Net Income	
		Remuneration (A)		Pension (B)		Directors' Remuneration (C) (Note 3)		Expenses for Execution of Business (D)			
		The Company	All Consolidated Entities (Note 3)	The Company	All Consolidated Entities (Note 3)	The Company	All Consolidated Entities (Note 3)	The Company	All Consolidated Entities (Note 3)	The Company (%)	All Consolidated Entities (Note 3) (%)
Shen Shen Investment Co., Ltd		-		-		61,223		-	-	61,223 0.86%	61,223 0.66%
Representative Chu-Shiang Yao		4,500	5,604	-		-		60	72	4,560 0.06%	5,676 0.06%
Wei Ze Investment Co., Ltd.		-		-		35,000		-	-	35,000 0.49%	35,000 0.38%
Representative Bor-Jen Chen		11,926		-		-		36	36	11,962 0.17%	11,962 0.13%
White Young Investment Co., Ltd.		-		-		35,000		-	-	35,000 0.49%	35,000 0.38%
Representative Chih-Hsun Yao		-		-		-		48	57	48 0.001%	57 0.001%
Xun Hwei Investment Co., Ltd.		-		-		35,000		-	-	35,000 0.49%	35,000 0.38%
Representative Chung-Cheng Lo		-		-		-		54	54	54 0.001%	54 0.001%
Director Tze-Hung Wang		-		-		5,000		54	54	5,054 0.07%	5,054 0.05%
Director Chin-Jyy Shiao		-		-		1,500		60	72	1,560 0.02%	1,572 0.02%
Independent Director Chien-Jan Lee		-		-		5,000		48	48	5,048 0.07%	5,048 0.05%
Independent Director Tung-Hao Ho		-		-		5,000		60	60	5,060 0.07%	5,060 0.05%
Independent Director Cho-Lan Peng		-		-		5,000		60	60	5,060 0.07%	5,060 0.05%

Title	Name	Remuneration Earned as Employee		Pension (F)		Employees' Remuneration (G) (Note 3)				(A+B+C+D+E+F+G) as a % of Net Income		Other compensations from non-subsidiary affiliates
		Salaries, Bonus, and Special Expenditure (E)										
		The Company	All Consolidated Entities (Note 3)	The Company	All Consolidated Entities (Note 3)	The Company		All Consolidated Entities (Note 2)		The Company (%)	All Consolidated Entities (Note 3) (%)	
						Cash	Stock	Cash	Stock			
Shen Shen Investment Co., Ltd		-	-	-	-	-	-	-	-	61,223 0.86%	61,223 0.66%	-
Representative Chu-Shiang Yao		-	-	-	-	-	-	-	-	4,560 0.06%	5,676 0.06%	-
Wei Ze Investment Co., Ltd.		-	-	-	-	-	-	-	-	35,000 0.49%	35,000 0.38%	-
Representative Bor-Jen Chen		-	-	-	-	-	-	-	-	11,962 0.17%	11,962 0.13%	-
White Young Investment Co., Ltd.		-	-	-	-	-	-	-	-	35,000 0.49%	35,000 0.38%	-
Representative Chih-Hsun Yao		2,335	2,335	-	-	5,000	-	5,000	-	7,383 0.10%	7,392 0.08%	-
Xun Huei Investment Co., Ltd.		-	-	-	-	-	-	-	-	35,000 0.49%	35,000 0.38%	-
Representative Chung-Cheng Lo		-	-	-	-	-	-	-	-	54 0.001%	54 0.001%	-
Director Tze-Hung Wang		-	-	-	-	-	-	-	-	5,054 0.07%	5,054 0.05%	-
Director Chin-Jyy Shiao		-	4,250	-	-	-	-	250	-	1,560 0.02%	6,072 0.07%	-
Independent Director Chien-Jan Lee		-	-	-	-	-	-	-	-	5,048 0.07%	5,048 0.05%	-
Independent Director Tung-Hao Ho		-	-	-	-	-	-	-	-	5,060 0.07%	5,060 0.05%	-
Independent Director Cho-Lan Peng		-	-	-	-	-	-	-	-	5,060 0.07%	5,060 0.05%	-

Report on the Implementation of Related Party Transactions for 2025

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

Unit: NT\$ 1,000

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

Note 1: Eliminated in the consolidated financial statements.

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, 2025 and 2024, the related parent company only statements of comprehensive income, statements of changes in equity and cash flows for the years ended December 31, 2025 and 2024.

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

Basis of Opinion

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

Key audit matters

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

(1) Construction contract revenue and profit recognition

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

Description:

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

How our audit addressed the matter:

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

(2) Receivable impairment

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

Description:

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

How our audit addressed the matter:

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

Other matter

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

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

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparations of Financial Report by Securities Issuers and

for internal control necessary to enable the preparation of the parent company only financial statements to be free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including the audit committee, are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

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

- (1) Identify and assess the risks of material misstatements of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery intentional omissions, misrepresentations, or the override of internal control.
- (2) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- (3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (4) Conclude on the appropriateness of management's use of the going concern basis of accounting and, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- (5) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- (6) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or

business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the year ended December 31, 2025 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

L.H. CHEN & CO., CPAs.

March 13, 2026

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

Unit : NT\$1,000

Assets		December 31, 2025		December 31, 2024		Liabilities and Equity		December 31, 2025		December 31, 2024	
		Amount	%	Amount	%			Amount	%	Amount	%
Current Assets											
1100	Cash and cash equivalents (Note 6(1))	\$ 17,266,842	35	\$ 10,637,645	30	2100	Short-term borrowings (Note 6(14))	\$ 900,000	2	\$ 150,000	-
1110	Financial assets at fair value					2110	Short-term notes and bills payable	49,981	-	-	-
	through profit or loss - current (Note 6(2))	289,534	1	225,935	1	2130	Liabilities of contract - current (Note 6(23)&7(2))	18,570,849	39	11,911,863	35
1140	Contract assets - current (Note 6(23)&7(2))	3,249,851	7	4,041,330	12	2170	Accounts payable	2,727,970	6	4,614,814	13
1150	Notes receivable, net (Note 6(3))	2,495	-	2,495	-	2180	Accounts payable - related parties (Note 7(2))	3,543,609	7	998,918	3
1170	Accounts receivable, net (Note 6(3))	4,395,343	9	195,550	1	2200	Other payables	774,495	2	475,178	1
1180	Accounts receivable - related parties, net (Note 6(3)&7(2))	16,222	-	13,917	-	2230	Current tax liabilities	995,982	2	527,372	2
1200	Other receivables, net (Note 6(4))	7,430	-	373,308	1	2250	Provisions - current (Note 6(15))	692,501	1	498,737	1
1210	Other receivables - related parties, net (Note 6(4))	4,024	-	-	-	2280	Lease liabilities - current (Note 6(16))	3,717	-	3,925	-
1220	Current tax assets	951,628	2	181,680	1	2320	Long-term borrowings - current portion (Note 6(17))	12,478	-	-	-
130X	Inventories, net (Note 6(5))	688	-	1,666	-	2399	Other current liabilities	81,331	-	38,663	-
1410	Prepayments (Note 6(6)&7(2))	5,250,533	11	5,844,971	17	21XX	Total Current Liabilities	28,352,913	59	19,219,470	55
1476	Other financial assets - current (Note 6(7))	602,803	1	626,121	2						
1479	Other current assets	39,774	-	44,619	-						
11XX	Total Current Assets	32,077,167	66	22,189,237	65						
Noncurrent Assets											
1510	Financial assets at fair value					2530	Bonds payable (Note 6(17))	-	-	398,232	1
	through profit or loss - non current (Note 6(2))	1,368,342	3	49,845	-	2570	Deferred income tax liabilities (Note 6(27))	918,820	2	611,899	2
1517	Financial assets at fair value through other comprehensive income (Notes 6(8))	1,107,440	2	845,729	2	2580	Lease liabilities - non-current (Note 6(16))	970	-	4,467	-
1550	Investments accounted for using equity method (Note 6(9))	13,600,769	28	11,229,398	32	2640	Accrued pension cost (Note 6(18))	19,760	-	19,034	-
1600	Property, plant and equipment, net (Note 6(10))	277,510	1	282,023	1	2645	Guarantee deposits received	12,552	-	11,747	-
1755	Right-of-use assets (Note 6(11))	4,565	-	8,252	-	25XX	Total Noncurrent Liabilities	952,102	2	1,045,379	2
1760	Investment property, net (Note 6(12))	90,478	-	91,263	-	2XXX	Total Liabilities	29,305,015	61	20,264,849	57
1780	Intangible assets (Note 6(13))	8,375	-	4,893	-						
1840	Deferred income tax assets (Note 6(27))	220,271	-	138,301	-						
1980	Other financial assets - non current (Note 6(7)&7(2))	13,131	-	12,078	-						
1995	Other noncurrent assets	904	-	1,442	-						
15XX	Total Noncurrent Assets	16,691,785	34	12,663,224	35						
Equity Attributable to Shareholders of the Parent											
						3100	Capital stock				
						3110	Common stock (Note 6(19))	2,353,295	5	2,330,050	7
							Certificate of Entitlement to New Shares form				
						3130	Convertible Bond (Note 6(19))	1,650	-	134	-
						3200	Capital surplus (Note 6(20))	4,136,844	8	3,739,328	11
						3300	Retained earnings (Note 6(21))				
						3310	Legal reserve	2,049,089	4	1,614,818	5
						3320	Special reserve	0	-	5,261	-
						3350	Unappropriated earnings	9,976,201	20	6,447,968	19
						3400	Others (Note 6(22))	946,858	2	450,053	1
3XXX	Equity Attributable to Shareholders of the Parent	19,463,937	39	14,587,612	43						
1XXX	Total Assets	\$ 48,768,952	100	\$ 34,852,461	100	3X2X	Total Liabilities and Equity	\$ 48,768,952	100	\$ 34,852,461	100

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

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

	For the Years Ended December 31,			
	2025		2024	
	Amount	%	Amount	%
4000 Operating Revenue (Note 6(23)&7(2))	\$ 38,691,292	100	\$ 26,152,179	100
5000 Operating Costs (Note 6(25)&7(2))	(33,530,641)	(87)	(22,217,303)	(85)
5900 Gross Profit	5,160,651	13	3,934,876	15
6000 Operating Expenses				
6200 General and administrative expenses (Note 6(25)& 7(2))	(825,574)	(2)	(585,589)	(2)
6450 Expected credit loss benefit (Note 6(24))	(256,052)	(1)	(120,143)	-
6900 Net Operating Income (Loss)	4,079,025	10	3,229,144	13
7000 Non-operating Income and Expenses				
7100 Interest income (Note 6(26))	219,656	1	267,024	1
7010 Other income (Note 6(26))	36,926	-	34,666	-
7020 Other gains and losses (Note 6(26))	1,365,542	4	(58,664)	-
7050 Finance costs (Note 6(26))	(20,197)	-	(12,346)	-
7060 Share of profits of subsidiaries, associates and joint venture by using equity method (Note 6(9))	3,144,961	8	1,881,823	7
Total non-operating income and expenses	4,746,888	13	2,112,503	8
7900 Income before Income Tax	8,825,913	23	5,341,647	21
7950 Income Tax Expense (Note 6(27))	(1,680,943)	(5)	(1,006,139)	(4)
8200 Net Income	7,144,970	18	4,335,508	17
8300 Other Comprehensive Income (Loss)				
8310 Items that are not to be reclassified to profit or loss				
8311 Re-measurements from defined benefit plans (Note 6(18))	(2,635)	-	9,004	-
8316 Unrealized loss on investments in instruments at fair value through other comprehensive (Note6(22))	345,202	1	247,571	1
8349 Income tax relating to the components of other comprehensive income - items that will not be reclassified to profit or loss (Note 6(27))	527	-	(1,801)	-
8361 Exchange differences arising on translation of foreign operations (Note 6(22))	290,520	1	259,698	1
8381 Share of other comprehensive income on subsidiaries and associates (Note 6(22))	29	-	(28)	-
8399 Income tax benefit (expense) related to components of other comprehensive income (Note 6(27))	(58,625)	-	(51,940)	-
Other comprehensive income (loss) for the period, net of income tax	575,018	2	462,504	2
8500 Total Comprehensive Income for the Period	\$ 7,719,988	20	\$ 4,798,012	19
9750 Basic Earnings Per Share (Note 6(28))	\$ 30.51		\$ 18.73	
9850 Diluted Earnings Per Share (Note 6(28))	\$ 30.41		\$ 17.90	

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

Unit : NT\$1,000

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

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

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

Unit : NT\$1,000

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

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

Unit : NTS1,000

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

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 2025 (January 1, 2025 to December 31, 2025) 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

March 13, 2026

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, 2025 and 2024, the related consolidated statements of comprehensive income, statements of changes in equity and cash flows for the years ended December 31, 2025 and 2024.

In our opinion, based on our audits and the reports of the other independent 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, 2025 and 2024, and the results of its operations and cash flows for the years ended December 31, 2025 and 2024, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers 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, 2025. These matters were addressed in the context of our audit of the financial statements as a whole and, in forming our opinion thereon, our judgment should be communicated in the audit report on the key check items as follows:

(3) 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(26) 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.

(4) 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(27) 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\$15,937,713 thousand and NT\$15,373,686 thousand, constituting 19.11% and 25.41% of consolidated total assets as of December 31, 2025 and 2024, total liabilities of NT\$9,256,224 thousand and NT\$9,054,768 thousand, constituting 16.33% and 22.66% of consolidated total liabilities as of December 31, 2025 and 2024, and total operating revenues of NT\$17,178,080 thousand and NT\$17,162,411 thousand, constituting 22.17% and 26.37% of consolidated total operating revenues for the years ended December 31, 2025 and 2024.

We did not audit the financial statements of L&K-LCB Joint Venture LLP, which were audited by other auditors. Our audit, insofar as it related to L&K-LCB Joint Venture LLP, is based on the other auditors' reports. L&K-LCB Joint Venture LLP had total assets of NT\$8,127,411 thousand, constituting 9.75% of consolidated total assets as of December 31, 2025, total liabilities of NT\$5,491,690 thousand, constituting 9.69% of consolidated total liabilities as of December 31, 2025, and total operating revenues of NT\$745,203 thousand, constituting 0.96% of consolidated total operating revenues for the years ended December 31, 2025. We have also audited the parent company only financial statements of L&K Engineering Co., Ltd as of and for the year ended December 31, 2025 and 2024, 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, 2025 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

L.H. CHEN & CO., CPAs

March 13, 2026

L&K Engineering Co., Ltd. and Subsidiaries
Consolidated Balance Sheets
December 31, 2025 and 2024

Unit : NT\$1,000

	December 31, 2025		December 31, 2024			December 31, 2025		December 31, 2024	
	Amount	%	Amount	%		Amount	%	Amount	%
Assets					Liabilities and Equity				
Current Assets					Current Liabilities				
1100	\$ 43,537,242	53	\$ 23,347,966	39	2100	\$ 1,576,591	2	\$ 537,175	1
1110	Financial assets at fair value				2110	Short-term borrowings (Note 6(14)&7(2))	349,885	-	519,528
	through profit or loss - current (Note 6(2))	289,534	-	225,935	-	2130	Short-term notes and bills payable (Note 6(15))	26,183,235	32
1140	Contract assets - current (Note 6(26)&7(2))	15,380,493	19	13,984,151	23	2150	Liabilities of contract - current (Note 6(26))	7,040	-
1150	Notes receivable, net (Note 6(3))	26,475	-	2,495	-	2170	Notes payable	19,601,915	24
1170	Accounts receivable, net (Note 6(3))	7,660,929	9	4,374,866	7	2180	Accounts payable	2,313,166	3
1200	Other receivables, net (Note 6(4))	108,774	-	492,689	1	2200	Accounts payable - related parties (Note 7(2))	2,183,667	3
1210	Other receivables - related parties, net (Note 7(2))	4,024	-	-	-	2220	Other payables	325,198	-
1220	Current tax assets	951,966	1	181,770	-	2230	Other payables - related parties (Note 7(2))	1,653,594	2
130X	Inventories, net (Note 6(5))	710,414	1	707,576	1	2250	Current tax liabilities	753,873	1
1410	Prepayments (Note 6(6)&7(2))	3,267,139	4	7,497,904	13	2270	Provisions - current (Note 6(16))	145,159	-
1476	Other financial assets - current (Note 6(7))	4,389,844	5	4,472,635	7	2280	Guarantee deposits received	36,321	-
1479	Other current assets	91,817	-	60,071	-	2320	Lease liability (Note 6(17))	18,587	-
11XX	Total Current Assets	76,418,651	92	55,348,058	91	2399	Long-term borrowings - current portion (Note 6(18)&(19))	211,091	-
					21XX	Total Current Liabilities	55,359,322	67	38,348,080
									63
Noncurrent Assets					Noncurrent Liabilities				
1510	Financial assets at fair value				2530	Bonds payable (Note 6(18))	-	-	398,232
	through profit or loss - non-current (Note 6(2))	1,554,762	2	145,945	-	2540	Long-term borrowings (Note 6(19)&7(2))	295,229	-
1517	Financial assets at fair value through other comprehensive				2570	Deferred income tax liabilities (Note 6(30))	929,365	1	639,825
	income (Notes 6(8))	1,107,440	1	845,729	2	2580	Lease liabilities - non-current (Note 6(17))	42,565	-
1550	Investments accounted for using the equity method (Note6(9))	-	-	-	-	2640	Accrued pension cost (Note 6(20))	19,760	-
1600	Property, plant and equipment, net (Note 6(10))	938,956	1	816,955	1	2645	Guarantee deposits received	37,750	-
1755	Right-of-use assets (Note 6(11))	2,675,705	3	2,707,678	5	25XX	Total Noncurrent Liabilities	1,324,669	1
1760	Investment property, net (Note 6(12))	93,561	-	95,713	-	2XXX	Total Liabilities	56,683,991	68
1780	Intangible assets (Note 6(13))	29,632	-	28,877	-			39,956,410	65
1840	Deferred income tax assets (Note 6(30))	497,996	1	348,326	1	Equity Attributable to Shareholders of the Parent			
1980	Other financial assets - non-current (Note 6(7)&7(2))	63,809	-	158,305	-	3100	Capital stock		
1995	Other noncurrent assets	905	-	1,442	-	3110	Common stock (Note 6(21))	2,353,295	3
15XX	Total Noncurrent Assets	6,962,766	8	5,148,970	9	3130	Certificate of Entitlement to New Shares form Convertible Bond(Note 6(21))	1,650	-
						3200	Capital surplus (Note 6(22))	4,136,844	5
						3300	Retained earnings (Note 6(23))		
						3310	Legal reserve	2,049,089	2
						3320	Special reserve	-	-
						3350	Unappropriated earnings	9,976,201	12
						3400	Others (Note 6(24))	946,858	1
						31XX	Equity Attributable to Shareholders of the Parent	19,463,937	23
						36XX	Noncontrolling Interests (Note 6(25))	7,233,489	9
						3XXX	Total Equity	26,697,426	32
1XXX	Total Assets	\$ 83,381,417	100	\$ 60,497,028	100	3X2X	Total Liabilities and Equity	\$ 83,381,417	100
								\$ 60,497,028	100

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

Unit : NTS1,000
(Except EPS)

	For the Years Ended December 31,			
	2025		2024	
	Amount	%	Amount	%
4000 Operating Revenue (Note 6(26))	\$ 77,484,652	100	\$ 65,089,892	100
5000 Operating Costs (Note 6(28)&7(2))	(65,110,788)	(84)	(56,966,552)	(88)
5900 Gross Profit	<u>12,373,864</u>	<u>16</u>	<u>8,123,340</u>	<u>12</u>
6000 Operating Expenses				
6100 Selling expenses (Note 6(28))	(16,274)	-	(13,575)	-
6200 General and administrative expenses (Note 6(28)&7(2))	(1,418,021)	(2)	(1,180,571)	(2)
6300 Research and development expenses	(240,188)	-	(200,744)	-
6450 Expected credit loss/benefit (Note 6(27))	(643,373)	(1)	(103,318)	-
Total operating expenses	<u>(2,317,856)</u>	<u>(3)</u>	<u>(1,498,208)</u>	<u>(2)</u>
6900 Net Operating Income	<u>10,056,008</u>	<u>13</u>	<u>6,625,132</u>	<u>10</u>
7000 Non-operating Income and Expenses				
7100 Interest income (Note 6(29))	565,783	-	552,767	1
7010 Other income (Note 6(29))	89,285	-	88,643	-
7020 Other gains and losses (Note 6(29))	1,205,433	2	59,510	-
7050 Finance costs (Note 6(29))	(57,822)	-	(55,245)	-
Total non-operating income and expenses	<u>1,802,679</u>	<u>2</u>	<u>645,675</u>	<u>1</u>
7900 Income before Income Tax	11,858,687	15	7,270,807	11
7950 Income Tax Expense (Note 6(30))	(2,642,850)	(3)	(1,647,314)	(3)
8200 Net Income	<u>9,215,837</u>	<u>12</u>	<u>5,623,493</u>	<u>8</u>
8300 Other Comprehensive Income (Loss)				
8310 Items that are not to be reclassified to profit or loss				
8311 Re-measurements from defined benefit plans (Note 6(20))	(2,635)	-	9,004	-
8316 Unrealized loss on investments in instruments at fair value through other comprehensive income (Note 6(8)&6(24))	345,202	-	247,571	-
8349 Income tax relating to the components of other comprehensive income - items that will not be reclassified to profit or loss (Note 6(30))	527	-	(1,801)	-
8360 Items that may be reclassified subsequently to profit or loss				
8361 Exchange differences arising on translation of foreign operations	265,894	-	407,776	1
8399 Income tax benefit (expense) related to components of other comprehensive income (Note 6(30))	(58,634)	-	(51,933)	-
8300 Other comprehensive income (loss) for the period, net of income tax	<u>550,354</u>	<u>-</u>	<u>610,617</u>	<u>1</u>
8500 Total Comprehensive Income for the Period	<u>\$ 9,766,191</u>	<u>12</u>	<u>\$ 6,234,110</u>	<u>9</u>
8600 Net Income (Loss) Attributable to:				
8610 Owners of the parent	<u>\$ 7,144,970</u>		<u>\$ 4,335,508</u>	
8620 Noncontrolling interests	<u>\$ 2,070,867</u>		<u>\$ 1,287,985</u>	
8700 Total Comprehensive Income (Loss) Attributable to:				
8710 Owners of the parent	<u>\$ 7,719,988</u>		<u>\$ 4,798,012</u>	
8720 Noncontrolling interests	<u>\$ 2,046,203</u>		<u>\$ 1,436,098</u>	
9750 Basic Earnings Per Share (Note 6(31))	<u>\$ 30.51</u>		<u>\$ 18.73</u>	
9850 Diluted Earnings Per Share (Note 6(31))	<u>\$ 30.41</u>		<u>\$ 17.90</u>	

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

Unit : NT\$1,000

Items	Equity Attributable to Shareholders of the Parent										Noncontrolling Interests	Total Equity
	Common Stock	Certificate of Entitlement to New Shares form Convertible Bond	Capital Surplus	Retained Earnings			Other Equity		Total			
				Legal Reserve	Special Capital Reserve	Unappropriated Earnings	Accumulated Balances of Exchange Differences on Translating Foreign Operations	Unrealized Gain/Loss on financial assets measured at fair value through other comprehensive				
Balance, January 1, 2024	\$ 2,255,409	\$ -	\$ 2,861,062	\$ 1,326,100	\$ 133,708	\$ 4,358,396	\$ (273,524)	\$ 268,263	\$ 10,929,414	\$ 4,634,253	\$ 15,563,667	
Appropriation and distribution of 2023 retained earnings:												
Legal reserve	-	-	-	288,718	-	(288,718)	-	-	-	-	-	
Special reserve	-	-	-	-	(128,447)	128,447	-	-	-	-	-	
Cash dividends	-	-	-	-	-	(2,092,868)	-	-	(2,092,868)	-	(2,092,868)	
Equity Component of Issued Convertible Bonds – Stock Warrants	-	-	27,225	-	-	-	-	-	27,225	-	27,225	
Employee Stock Option Compensation Cost	-	-	37,121	-	-	-	-	-	37,121	-	37,121	
Cash Capital Increase	70,000	-	735,000	-	-	-	-	-	805,000	-	805,000	
Net income for the year ended December 31, 2024	-	-	-	-	-	4,335,508	-	-	4,335,508	1,287,985	5,623,493	
Other comprehensive income for the year ended December 31, 2024, net of income tax	-	-	-	-	-	7,203	207,730	247,571	462,504	148,113	610,617	
Total comprehensive income for the year ended December 31, 2024	-	-	-	\$ -	\$ -	4,342,711	207,730	247,571	4,798,012	1,436,098	6,234,110	
Conversion of convertible bonds	4,641	134	72,032	-	-	-	-	-	76,807	-	76,807	
From share of changes in equities of subsidiaries	-	-	6,888	-	-	-	13	-	6,901	(6,901)	-	
Increase (Decrease) in noncontrolling interests	-	-	-	-	-	-	-	-	-	(110,444)	(110,444)	
Balance, December 31, 2024	<u>\$ 2,330,050</u>	<u>\$ 134</u>	<u>\$ 3,739,328</u>	<u>\$ 1,614,818</u>	<u>\$ 5,261</u>	<u>\$ 6,447,968</u>	<u>\$ (65,781)</u>	<u>\$ 515,834</u>	<u>\$ 14,587,612</u>	<u>\$ 5,953,006</u>	<u>\$ 20,540,618</u>	

Items	Equity Attributable to Shareholders of the Parent										Noncontrolling Interests	Total Equity
	Common Stock	Certificate of Entitlement to New Shares form Convertible Bond	Capital Surplus	Retained Earnings			Other Equity		Total			
				Legal Reserve	Special Capital Reserve	Unappropriated Earnings	Accumulated Balances of Exchange Differences on Translating Foreign Operations	Unrealized Gain/Loss on financial assets measured at fair value through other comprehensive				
Balance, January 1, 2025	\$ 2,330,050	\$ 134	\$ 3,739,328	\$ 1,614,818	\$ 5,261	\$ 6,447,968	\$ (65,781)	\$ 515,834	\$ 14,587,612	\$ 5,953,006	\$ 20,540,618	
Appropriation and distribution of 2024 retained earnings:												
Legal reserve	-	-	-	434,271	-	(434,271)	-	-	-	-	-	
Special reserve	-	-	-	-	(5,261)	5,261	-	-	-	-	-	
Cash dividends	-	-	-	-	-	(3,265,940)	-	-	(3,265,940)	-	(3,265,940)	
Disposal of equity investment valued at fair value through other comprehensive income	-	-	-	-	-	82,925	-	(82,925)	-	-	-	
Net income for the year ended December 31, 2025	-	-	-	-	-	7,144,970	-	-	7,144,970	2,070,867	9,215,837	
Other comprehensive income for the year ended December 31, 2025, net of income tax	-	-	-	-	-	(2,108)	231,924	345,202	575,018	(24,664)	550,354	
Total comprehensive income for the year ended December 31, 2025	-	-	-	-	-	7,142,862	231,924	345,202	7,719,988	2,046,203	9,766,191	
Conversion of convertible bonds	23,245	1,516	365,634	-	-	-	-	-	390,395	-	390,395	
From share of changes in equities of subsidiaries	-	-	31,882	-	-	(2,604)	2,604	-	31,882	(31,882)	-	
Increase (Decrease) in noncontrolling interests	-	-	-	-	-	-	-	-	-	(733,838)	(733,838)	
Balance, December 31, 2025	<u>\$ 2,353,295</u>	<u>\$ 1,650</u>	<u>\$ 4,136,844</u>	<u>\$ 2,049,089</u>	<u>\$ -</u>	<u>\$ 9,976,201</u>	<u>\$ 168,747</u>	<u>\$ 778,111</u>	<u>\$ 19,463,937</u>	<u>\$ 7,233,489</u>	<u>\$ 26,697,426</u>	

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

Unit : NTS1,000

	<u>For the Years Ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
<u>Cash Flows from Operating Activities</u>		
Income before income tax	\$ 11,858,687	\$ 7,270,807
Adjustments for		
Depreciation expense	199,973	203,438
Amortization expense	15,178	14,260
Expected credit loss (reversal)	643,373	103,318
Loss (gain) on financial assets at fair value through profit or loss	(1,345,432)	(10,109)
Interest expense	57,822	55,245
Interest income	(565,783)	(552,767)
Dividend income	(34,120)	(33,001)
Loss (gain) on disposal of property, plant and equipment	-	(652)
Loss (gain) on disposal of other noncurrent assets	-	11
Gain on Disposal of Investments	-	(6,352)
Share-based payments	-	57,848
Changes in operating assets and liabilities:		
Decrease (increase) in Financial assets at fair value	(116,181)	(15,641)
Decrease (increase) in current contract assets	(633,409)	(1,426,104)
Decrease (increase) in notes receivable	(23,980)	34,361
Decrease (increase) in accounts receivable	(3,472,626)	7,609,268
Decrease (increase) in other receivables	429,480	73,571
Decrease (increase) in other receivables - related parties	(4,024)	-
Decrease (increase) in inventories, net	(2,731)	(10,206)
Decrease (increase) in prepayments	4,226,960	(1,269,883)
Decrease (increase) in other current assets	(33,090)	(28,091)
Increase (decrease) in current contract liabilities	6,536,592	4,739,059
Increase (decrease) in notes payable	3,268	(7,735)
Increase (decrease) in accounts payable	4,812,902	(5,137,552)
Increase (decrease) in accounts payable - related parties	1,313,509	999,389
Increase (decrease) in other payables	1,026,552	256,391
Increase (decrease) in provisions	210,885	129,386
Increase (decrease) in other current liabilities	39,444	(39,652)
Increase (decrease) in accrued pension liabilities	(1,909)	(1,748)
Cash generated from operations	<u>25,141,340</u>	<u>13,006,859</u>

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

Unit : NT\$1,000

	For the Years Ended December 31,	
	2025	2024
Interest received	\$ 569,793	\$ 563,342
Dividend received	34,120	33,001
Interest paid	(41,441)	(36,496)
Income tax paid	(2,592,081)	(1,027,896)
Net Cash Provided by (Used in) Operating Activities	23,111,731	12,538,810
 <u>Cash Flows from Investing Activities</u>		
Acquisition of financial assets at fair value through other comprehensive income	(15,000)	-
Disposal of financial assets at fair value through other comprehensive income	98,491	-
Acquisitions of property, plant and equipment	(223,912)	(93,909)
Proceeds from disposal of property, plant and equipment	2,633	934
Acquisitions of intangible assets	(15,295)	(12,974)
Decrease (increase) in other long-term Investments	-	292,169
Decrease (increase) in other financial assets	170,482	(865,165)
Proceeds from disposal of other noncurrent assets	-	153
Decrease in right-of-use assets	961	-
Net Cash Provided by (Used in) Investing Activities	18,360	(678,792)
 <u>Cash Flows from Financing Activities</u>		
Increase (decrease) in short-term debt	989,217	(922,824)
Increase (decrease) in short-term notes and bills payable	(170,000)	(80,000)
Proceeds from issuance of bonds	-	495,000
Increase in long-term debt	2,100,000	-
Decrease in long-term debt	(2,105,972)	(229,662)
Increase (decrease) in other payables - related parties	-	13,217
Increase (decrease) in guarantee deposit received	(24,574)	(18,263)
Cash dividend paid	(3,265,940)	(2,092,868)
Increase (decrease) in noncontrolling interests	(733,838)	(131,188)
Payment of lease liabilities	(46,146)	(66,497)
Cash Capital Increase	-	805,000
Net Cash Generated by (Used in) Financing Activities	(3,257,253)	(2,228,085)
Effect of exchange rate changes	316,438	330,282
Net Increase (Decrease) in Cash and Cash Equivalents	20,189,276	9,962,215
Cash and Cash Equivalents at Beginning of Period	23,347,966	13,385,751
Cash and Cash Equivalents at End of Period	\$ 43,537,242	\$ 23,347,966

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.
 - xxviii. EZ06010 Traffic Marking Engineering.
 - xxix. EZ09010 Electrostatic Protection and Cancellation Engineering.
 - xxx. EZ13010 Nuclear Engineering.

- xxx. EZ15010 Warming and Cooling Maintenance Construction.
- xxxii. F113020 Wholesale of Electrical Appliances.
- xxxiii. 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.
- xxviii. I501010 Product Designing.
- xxix. IG03010 Energy Technical Services.
 - xl. A101020 Growing of Crops.
 - xli. A101050 Growing of Flowers.
 - xl.ii. A102020 Agricultural Products Preparations.
 - xl.iii. F101130 Wholesale of Vegetables and Fruits.
 - xl.iv. F201010 Retail Sale of Agricultural Products.
 - xl.v. F501030 Beverage Shops.
 - xl.vi. F501060 Restaurants.
 - xl.vii. J601010 Arts and Literature Service.
 - xl.viii. J701020 Amusement Parks.
 - xl.ix. 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.

: At least 1% of the aforementioned employee remuneration allocation shall be distributed to non-executive employees.

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 November 20, 1978.
The first amendment was made on March 26, 1979.
The second amendment was made on August 29, 1979.
The third amendment was made on October 2, 1981.
The fourth amendment was made on December 13, 1984.
The fifth amendment was made on March 3, 1989.
The sixth amendment was made on July 25, 1989.
The seventh amendment was made on August 23, 1991.
The eighth amendment was made on February 15, 1997.
The ninth amendment was made on June 5, 1998.
The tenth amendment was made on March 11, 1999.
The eleventh amendment was made on June 5, 1999.
The twelfth amendment was made on October 19, 1999.
The thirteenth amendment was made on May 12, 2000.
The fourteenth amendment was made on June 17, 2000.
The fifteenth amendment was made on May 31, 2001.
The sixteenth amendment was made on June 17, 2002.
The seventeenth amendment was made on June 17, 2003.
The eighteenth amendment was made on June 17, 2004.
The nineteenth amendment was made on May 18, 2005.
The twentieth amendment was made on May 30, 2006.
The twenty-first amendment was made on June 15, 2007.
The twenty-second amendment was made on June 13, 2008.
The twenty-third amendment was made on May 21, 2009.
The twenty-fourth amendment was made on June 18, 2010.
The twenty-fifth amendment was made on June 10, 2011.
The twenty-sixth amendment was made on May 25, 2012.
The twenty-seventh amendment was made on June 21, 2013.
The twenty-eighth amendment was made on May 15, 2015.

The twenty-ninth amendment was made on May 27, 2016.
The thirtieth amendment was made on May 26, 2017.
The thirty-first amendment was made on May 24, 2018.
The thirty-second amendment was made on May 24, 2019.
The thirty-third amendment was made on June 26, 2024.
The thirty-fourth amendment was made on May 16, 2025.

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\$ 2,355,757,240
(based on the actual number of outstanding shares of the Company as of March 24, 2026)
- 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 (March 24, 2026), shares retained by individual and all directors are as follows:

Title	Name	Shareholding	
		Shares	%
Chairman	Shen Shen Investment Co., Ltd. Representative: Chu-Shiang Yao	25,271,042	10.73%
Directors	White Young Investment Co., Ltd. Representative: Chih-Hsun Yao	14,562,007	6.18%
Directors	Xun Huei Investment Co., Ltd. Representative: Chung-Cheng Lo	11,643,464	4.94%
Directors	Wei Ze Investment Co., Ltd. Representative: Bor-Jen Chen	9,053,483	3.84%
Directors	Tze-Hung Wang	1,906,048	0.81%
Directors	Chin-Jyy Shiao	—	—
Independent Director	Chien-Jan Lee	—	—
Independent Director	Tung-Hao Ho	—	—
Independent Director	Cho-Lan Peng	—	—
Total		62,436,044	26.50%

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