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Annual Report

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<https://www.lkeng.com.tw/tw/shareholders/meeting>

i. Company Spokesperson and Acting Spokesperson

Spokesperson

Name: Hsiao-Ling Chiang

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Acting Spokesperson

Name: Shu-Chen Chen

Title: Senior vice president

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ii. Headquarters, Branch Offices, and Factories

Name	Address	Telephone
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Xizhi Office	14F, No. 175, Sec. 1, Datong Rd., Xizhi Dist., New Taipei City	(02)2691-9099
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Name: Corporate Trust Operation and Service Department, CTBC Bank Co., Ltd.

Address: 5F, No. 83, Sec. 1 Chongqing South Rd., Taipei City

Telephone: (02)6636-5566

Website: ecorp.ctbcbank.com/cts/index.jsp

iv. Certified Public Accountant

Accountants: Chih-Jou Tai / Jung Hua Chen

Company: L.H. Chen & Co., CPAs

Address: 5F, No. 5, Ln. 768, Sec. 4, Bade Rd., Nangang Dist., Taipei City

Telephone: (02)2788-6696

Website: www.lhccpa.com.tw

v. Name of Any Exchanges Where the Company's Securities are Traded Offshore and Method by Which to Access Information on said Offshore Securities:None.

vi. Company website: www.lkeng.com.tw

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I. Letter to Shareholders

(1). 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 tax rate in October of this year (2024), and a series of regulations related to carbon tax scheduled for implementation in 2026. According to the greenhouse gas inventory report, although L&K Group is not a large carbon emitter, it has a deep understanding of the significant impact of carbon taxes on its supply chain. In view of this, L&K Group has actively strengthened the organization's sustainable development by adopting the Global Reporting Initiative (GRI), Task Force on Climate-Related Financial Disclosures (TCFD), and Sustainability Accounting Standards Board (SASB) to assess the risks and opportunities of enterprise operations, as well as developing green technologies and investing in green engineering; we consider the comprehensive life cycle based on the attributes of each project bid, formulate strategies and management guidelines, then regularly track, review, and implement improvements to truly achieve benefits in energy conservation and carbon reduction that protect the rights and interests of investors. Additionally, the Company fulfills its corporate social responsibilities by implementing training programs based on industry-academia cooperation to accelerate talent cultivation and improve employee competency. All these actions have repeatedly demonstrated that L&K Group not only practices ESG principles, but also motivates our supply chain partners to work with us towards achieving the sustainable goal of net-zero transition.

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

Best regards,

Chairman: Chu-Shiang Yao
President: Hsiao-Ling Chiang

iii. Implementation of the 2025 business plan

(I) 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%
Basic 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	
Capital 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	
Basic Earnings Per Share	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	<ul style="list-style-type: none"><li data-bbox="416 573 1466 853">✘ 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.<li data-bbox="416 864 1466 1211">✘ 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.<li data-bbox="416 1223 1466 1693">✘ 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.<li data-bbox="416 1704 1466 2051">✘ 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 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.

iv. 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, Industry 4.0, robots, electric vehicles, smart manufacturing, and smart living. Eventually, these applications will converge and create a smart city trend. According to the United Nation, the global urban population will continue to increase considerably. Because resources are limited, urban areas must be developed into a smart city in order to steer us toward the goal of sustainable development. The opportunities created by smart technologies will transform industrial production, commercial operations, and the lifestyle of individuals and families, thereby promoting the continuous change and growth of the entire industry and the supply chains involved.
3. As the global population continues to grow, it is also aging, which increases the healthcare demands of developed countries and emerging market economies. In recent years, biotechnologies have continued to make cutting-edge advances, subsequently expediting the development of biotech and healthcare related industries in the aspects of disease treatment, preventive medicine, home-based long-term care, individual medical health care, and medical reform. The Taiwan government also plans to take advantage of this trend and facilitate the development of pharmaceutical industries, medical equipment industries, and applied biotech industries into cross-generational mainstream industries.
4. Taiwan is a super-aged society by 2025. As the population ages, many of the old houses across the country are over 50 years old and in need of urban renewal. Statistics show that a staggering 1.01 million houses in Taiwan are over 50 years old. In Taipei City alone, as many as 13.7% of the residential buildings exceed 50 years of age. To enhance building safety, improve urban landscapes, and promote urban regeneration, governments at both the central and local levels have offered multiple incentives. With the introduction of the Statute for Expediting Reconstruction of Urban Unsafe and Old Buildings and governmental bank financing discounts, the restrictions that previously hindered the promotion of old house reconstruction have been greatly eased. In addition, both the Taipei City Government and the New Taipei City Government actively promote urban renewal and the reconstruction of unsafe and old buildings, which will also likely drive future business opportunities for L&K Group in this area.

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

In addition, the integration of the group's internal resources and our professional strengths in division of labor are starting to have an effect on the market. By converging experiences, expertise, and the sharing of resources and information with RSEA Engineering Corporation (privatized 2009) Engineering Corp., L&K Engineering Co., Ltd. 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

II. Corporate Governance

- i. Information on Directors, President, Executive Vice President, Deputy Assistant General Managers, and Supervisors of all the Company's Divisions and Branch Units:

(I) Information Regarding Board Members

24 MARCH, 2026

Title	Nationality or Place of Registration	Name	Gender Age	Date Elected	Term	Date First Elected	Shares Held When Elected		Shares Currently Held		Shares Currently Held by Spouse & Minors		Shares Held Through Nominees		Main Experience (Education)	Current Positions at the Company and Other Companies	Managers, Directors, or Supervisors who are Spouses or Within Two Degrees of Kinship			Remarks
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Chairman	Republic of China	Shen Shen Investment Co., Ltd.	Male 71-75	2024/06/26	3 years	1981/10/02	24,447,835	10.49%	25,271,042	10.73%	—	—	—	—	—	None	Director	Tze-Hung Wang	Two Degrees of Kinship	—
		Representative: Chu-Shiang Yao					6,515,877	2.80%	6,515,877	2.77%	3,454,685	1.47%	—	—	Department of Mechanics, Hsinpu Institute of Technology Founder of L&K Engineering Chairman, L&K Engineering Company Limited Person in charge of Suzhou Yali consulting and management Co. Ltd.	Director	Chih-Hsun Yao	One Degree of Kinship	—	

Title	Nationality or Place of Registration	Name	Gender Age	Date Elected	Term	Date First Elected	Shares Held When Elected		Shares Currently Held		Shares Currently Held by Spouse & Minors		Shares Held Through Nominees		Main Experience (Education)	Current Positions at the Company and Other Companies	Managers, Directors, or Supervisors who are Spouses or Within Two Degrees of Kinship			Remarks
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Chairman	Republic of China	Representative: Chu-Shiang Yao	Male 71-75	2024/06/26	3 years	1981/10/02	6,515,877	2.80%	6,515,877	2.77%	3,454,685	1.47%	—	—	Department of Mechanics, Hsinpu Institute of Technology Founder of L&K Engineering	Chairman, Suzhou Xiang Sheng Trade Company Ltd. Chairman of St. John's University Director, L&K Engineering Vietnam Co., Ltd.	Director	Chih-Hsun Yao	One Degree of Kinship	—
Vice Chairman	Republic of China	Wei Ze Investment Co., Ltd.	Male 76-80	2024/06/26	3 years	2020/05/28	9,053,483	3.89%	9,053,483	3.84%	—	—	—	—	—	—	—	—	—	—
		Representative: Bor-Jen Chen					—	—	—	—	—	—	—	—	—	—	President, Vice Chairman, Chairman Director, L&K Engineering (SUZHOU) Co., Ltd. Chairman, L&K Engineering (Chongqing) Co., Ltd. Chairman, Suzhou Yali Management and Consulting Co., Ltd.	Vice Chairman, of the Company	—	—

Title	Nationality or Place of Registration	Name	Gender Age	Date Elected	Term	Date First Elected	Shares Held When Elected		Shares Currently Held		Shares Currently Held by Spouse & Minors		Shares Held Through Nominees		Main Experience (Education)	Current Positions at the Company and Other Companies	Managers, Directors, or Supervisors who are Spouses or Within Two Degrees of Kinship			Remarks
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
		White Young Investment Co., Ltd.					14,097,244	6.05%	14,562,007	6.18%	—	—	—	—	—	—	—	—	—	—
Director	Republic of China	Representative: Chih-Hsun Yao	Male 36-40	2024/06/26	3 years	2015/05/15	940,256	0.40%	940,256	0.40%	9,571	0.00%	587,164	0.25%	Department of Energy and Refrigerating Air-conditioning Engineering, National Taipei University of Technology	Director, RSEA Engineering Corporation (privatized 2009) Director, Shen Huei Investment Co., Ltd Director, Unique Grand Limited Person in charge of Yunze Investment Co., Ltd. Director, Shen Investment Co., Ltd. Director, Cica-Huntek Chemical Technology Taiwan Co., Ltd. Person in charge of Wei Ze Investment Co., Ltd.	Chairman	Chu-Shiang Yao	One Degree of Kinship	—

Title	Nationality or Place of Registration	Name	Gender Age	Date Elected	Term	Date First Elected	Shares Held When Elected		Shares Currently Held		Shares Currently Held by Spouse & Minors		Shares Held Through Nominees		Main Experience (Education)	Current Positions at the Company and Other Companies	Managers, Directors, or Supervisors who are Spouses or Within Two Degrees of Kinship			Remarks
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Director	Republic of China	Xun Hwei Investment Co., Ltd.	Male 61-65	2024/06/26	3 years	2018/05/24	11,503,464	4.94%	11,643,464	4.94%	—	—	—	—	—	—	—	—	—	—
		Representative: Chung-Cheng Lo					—	—	—	—	—	—	—	—	—	Department of Electrical Engineering, Hsinpu Institute of Technology Law Department, Fu Jen Catholic University Chief, New Construction Office, Public Works Department, Taipei City Government Secretary, Maintenance Office, Public Works Department, Taipei City Government Officer, Secretary, Public Construction Commission of Executive Yuan	None	—	—	—

Title	Nationality or Place of Registration	Name	Gender Age	Date Elected	Term	Date First Elected	Shares Held When Elected		Shares Currently Held		Shares Currently Held by Spouse & Minors		Shares Held Through Nominees		Main Experience (Education)	Current Positions at the Company and Other Companies	Managers, Directors, or Supervisors who are Spouses or Within Two Degrees of Kinship			Remarks
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Director	Republic of China	Representative: Chung-Cheng Lo	Male 61-65	2024/06/26	3 years	2018/05/24	—	—	—	—	—	—	—	—	Division Chief and Senior Executive Officer, Coast Guard Administration, Executive Yuan Person in Charge of Chung & Yi Law Firm	None	—	—	—	—
Director	Republic of China	Tze-Hung Wang	Male 81-85	2024/06/26	3 years	1989/03/03	1,906,048	0.82%	1,906,048	0.81%	2,129,465	0.90%	—	—	Department of Public Relations, Shih Hsin University Vice President, TransAsia Airways	None	Chairman	Chu-Shiang Yao	Two Degrees of Kinship	—

Title	Nationality or Place of Registration	Name	Gender Age	Date Elected	Term	Date First Elected	Shares Held When Elected		Shares Currently Held		Shares Currently Held by Spouse & Minors		Shares Held Through Nominees		Main Experience (Education)	Current Positions at the Company and Other Companies	Managers, Directors, or Supervisors who are Spouses or Within Two Degrees of Kinship			Remarks
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Director	Republic of China	Chin-Jyy Shiao	Male 71-75	2024/06/26	3 years	2024/06/26	—	—	—	—	—	—	—	—	Vice President, R.S.E.A. Engineering Corporation Supervisor, China Steel Structure Co., Ltd. Director, ORzone Environmental Technology Co., Ltd. Vice Chairman, Fujian Zhongrong Concrete Co., Ltd. President, RSEA Engineering Corporation (privatized 2009) CEO, RSEA Engineering Corporation (privatized 2009)	CEO, RSEA Engineering Corporation (privatized 2009)	—	—	—	—

Title	Nationality or Place of Registration	Name	Gender Age	Date Elected	Term	Date First Elected	Shares Held When Elected		Shares Currently Held		Shares Currently Held by Spouse & Minors		Shares Held Through Nominees		Main Experience (Education)	Current Positions at the Company and Other Companies	Managers, Directors, or Supervisors who are Spouses or Within Two Degrees of Kinship			Remarks
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Independent Director	Republic of China	Chien-Jan Lee	Male 61-65	2024/06/26	3 years	2018/05/24	—	—	—	—	—	—	—	—	Master, Accounting, National Chengchi University PhD, Accounting, National Chengchi University Professor, Department of Accountancy, ational Taipei University Director, Department of Accountancy, National Taipei University	Independent Director, Voltronic Power Technology Corp. Independent Director, Potens Semiconductor Corp.	—	—	—	—

Title	Nationality or Place of Registration	Name	Gender Age	Date Elected	Term	Date First Elected	Shares Held When Elected		Shares Currently Held		Shares Currently Held by Spouse & Minors		Shares Held Through Nominees		Main Experience (Education)	Current Positions at the Company and Other Companies	Managers, Directors, or Supervisors who are Spouses or Within Two Degrees of Kinship			Remarks
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Independent Director	Republic of China	Chien-Jan Lee	Male 61-65	2024/06/26	3 years	2018/05/24	—	—	—	—	—	—	—	—	Chairman, Accounting Education Foundation Member, Auditing Standards Committee Member, Listing Review Committee Director, The Audit Bureau of Certification Editor, Journal of Contemporary Accounting Editor, Soochow Journal of Accounting Independent Director, Copartner Tech Corp.	Independent Director, Voltronic Power Technology Corp. Independent Director, Potens Semiconductor Corp.	—	—	—	—

Title	Nationality or Place of Registration	Name	Gender Age	Date Elected	Term	Date First Elected	Shares Held When Elected		Shares Currently Held		Shares Currently Held by Spouse & Minors		Shares Held Through Nominees		Main Experience (Education)	Current Positions at the Company and Other Companies	Managers, Directors, or Supervisors who are Spouses or Within Two Degrees of Kinship			Remarks
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Independent Director	Republic of China	Tung-Hao Ho	Male 66-70	2024/06/26	3 years	2018/05/24	—	—	—	—	—	—	—	—	Bachelor of Laws, College of Law, National Chengchi University Master of Laws, College of Law, National Chengchi University Doctor of Laws, College of Law, National Chengchi University Aletheia University/ Nanhua University Taipei Medical University Taipei City University of Science and Technology	Person in Charge of Twn Mcommerce & Technology Co., Ltd. Vice president of St. John's University	—	—	—	—

Title	Nationality or Place of Registration	Name	Gender Age	Date Elected	Term	Date First Elected	Shares Held When Elected		Shares Currently Held		Shares Currently Held by Spouse & Minors		Shares Held Through Nominees		Main Experience (Education)	Current Positions at the Company and Other Companies	Managers, Directors, or Supervisors who are Spouses or Within Two Degrees of Kinship			Remarks
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Independent Director	Republic of China	Tung-Hao Ho	Male 66-70	2024/06/26	3 years	2018/05/24	—	—	—	—	—	—	—	—	National Taipei University of Nursing and Health Sciences Associate Professor, China University of Technology 3rd and 4th Member, NICI Private Advisory Committee, Executive Yuan (2006-2010) Director, Legislator's Research Office (1999-2005, 2012-2018/2)	Person in Charge of Twn Mcommerce & Technology Co., Ltd. Vice president of St. John's University	—	—	—	—

Title	Nationality or Place of Registration	Name	Gender	Age	Date Elected	Term	Date First Elected	Shares Held When Elected		Shares Currently Held		Shares Currently Held by Spouse & Minors		Shares Held Through Nominees		Main Experience (Education)	Current Positions at the Company and Other Companies	Managers, Directors, or Supervisors who are Spouses or Within Two Degrees of Kinship			Remarks
								Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Independent Director	Republic of China	Cho-Lan Peng	Female	71-75	2024/06/26	3 years	2018/05/24	—	—	—	—	—	—	—	—	U.of Missouri, Columbia, Bachelor Baruch College, The City University of New York, EMSF Vice President, ProMOS Technologies President, Yude Technology (Chongqing) Ltd. Company Vice President, Potens Semiconductor Corp. U.of Missouri, Columbia, Bachelor Baruch College, The City University of New York, EMSF	Deputy General Manager of Finance and Administration, Potens Semiconductor Corp.	—	—	—	—

Title	Nationality or Place of Registration	Name	Gender Age	Date Elected	Term	Date First Elected	Shares Held When Elected		Shares Currently Held		Shares Currently Held by Spouse & Minors		Shares Held Through Nominees		Main Experience (Education)	Current Positions at the Company and Other Companies	Managers, Directors, or Supervisors who are Spouses or Within Two Degrees of Kinship			Remarks
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Independent Director	Republic of China	Cho-Lan Peng	Female 71-75	2024/06/26	3 years	2018/05/24	—	—	—	—	—	—	—	—	Vice President, ProMOS Technologies President, Yude Technology (Chongqing) Ltd. Company Vice President, Potens Semiconductor Corp.	Deputy General Manager of Finance and Administration, Potens Semiconductor Corp. Responsible Person of Qifeifan Investment Co., Ltd.	—	—	—	—

If the Company's Chairman and general manager or those of equal powers (top management) are the same person, the spouse, or a relative within the first degree kinship, the reason, rationality, necessity, responsive measures :None

1. Major Institutional Shareholders

Name of Major Shareholder	Major Institutional Shareholders
Shen Shen Investment Co., Ltd.	Chu-Shiang Yao (Shareholding: 41.35%), Yu-Hua Chao (Shareholding: 43.15%)
Xun Huei Investment Co., Ltd.	Chu-Shiang Yao (Shareholding: 42.43%), Yu-Hua Chao (Shareholding: 40.49%)
White Young Investment Co.,Ltd.	Chu-Shiang Yao (Shareholding: 41.11%), Yu-Hua Chao (Shareholding: 42.62%)
Wei Ze Investment Co., Ltd.	Chu-Shiang Yao (Shareholding: 42.55%), Yu-Hua Chao (Shareholding: 40.67%)

(i) Disclosure of information on the professional qualifications of directors and independence of independent directors:

Criteria Name	Professional Qualifications and Experience	Independence Status (Note)	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Chu-Shiang Yao (Director)	Has more than five years of work experience in a profession necessary for the business of the Company, and is currently Chairman of L&K Engineering Co., Ltd.; the Chairman of the Company has not been a person of any conditions defined in Article 30 of the Company Act.	N/A	None
Bor-Jen Chen (Director)	Has more than five years of work experience in a profession necessary for the business of the Company, is currently the Vice Chairman of L&K Engineering Co., Ltd.; the Vice Chairman of the Company has not been a person of any conditions defined in Article 30 of the Company Act.	N/A	None
Tze Hung Wang (Director)	Has more than five years of work experience in a profession necessary for the business of the Company, was the former Vice President of TransAsia Airways, is currently a director of the Company, and has not been a person of any conditions defined in Article 30 of the Company Act.	N/A	None
Chih-Hsun Yao (Director)	Has more than five years of work experience in a profession necessary for the business of the Company, and is currently the Vice President of the Project Division of L&K Engineering Co., Ltd.; the director of the Company has not been a person of any conditions defined in Article 30 of the Company Act.	N/A	None
Chung- Cheng Lo (Director)	Has more than five years of work experience in a profession necessary for the business of the Company, is the Person in Charge of Chung & Yi Law Firm, is currently a director of the Company, and has not been a person of any conditions defined in Article 30 of the Company Act.	N/A	None
Chin-Jyy Shiao (Director)	Has more than five years of work experience in a profession necessary for the business of the Company, is the CEO of RSEA Engineering Corporation (privatized 2009), is currently a director of the Company, and has not been a person of any conditions defined in Article 30 of the Company Act.	N/A	None
Chien-Jan Lee (Independent Director)	Has more than five years of work experience in a profession necessary for the business of the Company, is currently the Professor of the Department of Accountancy at National Taipei University, and has not been a person of any conditions defined in Article 30 of the Company Act.	(1) Not employed by the Company or any of its affiliated companies. (2) Not a director or supervisor of the Company or any of its affiliates. (3) Not a natural-person shareholder	2

Criteria Name	Professional Qualifications and Experience	Independence Status (Note)	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Tung-Hao Ho (Independent Director)	Has more than five years of work experience in a profession necessary for the business of the Company, is currently the Chairman of TWN Mcommerce & Technology Co., Ltd., and has not been a person of any conditions defined in Article 30 of the Company Act.	who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of 1 percent or more of the total number of issued shares of the company or ranks as one of its top ten shareholders.	None
Cho-Lan Peng (Independent Director)	Has more than five years of work experience in a profession necessary for the business of the Company, is currently the Vice President of Potens Semiconductor Corp., and has not been a person of any conditions defined in Article 30 of the Company Act.	<p>(4) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of any of the officer in the preceding 1 subparagraph, or of any of the above persons in the preceding subparagraphs 2 and 3.</p> <p>(5) Not a director, supervisor, or employee of a corporate shareholder that directly holds 5% or more of the total number of issued shares of the Company or of a corporate shareholder that ranks among the top five in shareholdings or of a corporate shareholder that appoints a representative, as provided in Paragraphs 1 or 2, Article 27 of the Company Act, to act as a director or supervisor of the company.</p> <p>(6) Not a director, supervisor, or employee of other companies controlled by the same person with more than half of the company's director seat or voting shares.</p> <p>(7) Not a director, supervisor, or employee of another company or institution of the same person or spouse who is the company's chairman, president, or persons with equivalent position.</p> <p>(8) Not a director, supervisor, manager or shareholder holding 5% or more of the shares, of a specified company or institution that has a financial or business relationship with the company.</p>	None

Criteria Name	Professional Qualifications and Experience	Independence Status (Note)	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Cho-Lan Peng (Independent Director)	Has more than five years of work experience in a profession necessary for the business of the Company, is currently the Vice President of Potens Semiconductor Corp., and has not been a person of any conditions defined in Article 30 of the Company Act.	<p>(9) Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides commercial, legal, financial, accounting or related services to the Company or to any of its affiliate, or a spouse thereof, and the service provided is an audit service or a service with compensation.</p> <p>(10) Not a spouse or relative of second degree or closer to any other directors.</p> <p>(11) Not elected as a government unit, institution, or their representative as prescribed in Article 27 of the Company Act.</p>	None

(ii) Diversity and Independence of the Board of Directors:

1. Diversity

- Diversity policy:
 - (1) To comply with our diversity policy, strengthen corporate governance, and promote the sound development of board composition and structure, the Company's directors are nominated using the candidate nomination system pursuant to regulations prescribed in the Articles of Incorporation. The system evaluates the education, experience, professional background, integrity, or other relevant professional qualifications of each candidate, ensuring diversity and independence as required by the "Rules for Elections of Directors" and the "Corporate Governance Best Practice Principles." Following the resolution and approval of the Board of Directors, the list of candidates is presented at the shareholders' meeting for election.
 - (2) To strengthen corporate governance and promote the sound development of board composition and structure, the Company clarifies in the "Policy on Diversity of Board Members" in Article 5, Paragraph 5.1 of the "Corporate Governance Best Practice Principles" that the composition of the Board of Directors shall consider the company's operating model and business development requirements. It is recommended to evaluate all aspects of diversity, such as basic components (including gender, nationality, and age) and professional knowledge and skills (including accounting, law, industry, and finance). The Company's current Board of Directors consists of nine members—six directors and three independent directors—all with rich experience and expertise in fields including industry knowledge, international markets, accounting, tax, business, and management.
 - (3) With regard to gender equality in the composition of the Board of Directors, the goal is to increase the number of female Board members to at least one-third (i.e., 33%). Currently, 89% (8 members) of the Board is male, and 11% (1 member) is female. Efforts will be made to increase the number of female directors in the future to achieve the above goal.
- Specific management objectives:

The Board of Directors shall provide guidance on the Company's strategies, supervise the management, be responsible for the Company and its shareholders. It shall ensure that it exercises its functions following applicable laws, regulations, the Articles of Incorporation, or decisions made during shareholders' meetings with regard to the respective operations and arrangements of the corporate governance system. Specific management objectives are as follows:

 - (1) The Company's Board of Directors values gender equality and shall include at least one female director.
 - (2) The Company's Board of Directors focuses on sound business judgments, operational management, and crisis management abilities. Two-thirds or more of the board members shall possess the relevant core competencies.
 - (3) Independent directors may not serve more than three terms to maintain their independence.
 - (4) For the purpose of ensuring effective supervision, the number of directors on the Company's Board of Directors who are concurrently employees of the Company, or its parent, subsidiary, or sister company, shall be less than or equal to one-third of the total number of directors.
- The Company's diversity policy management objectives and progress are as follows:
 - (1) The Company currently has three independent directors out of nine board members to ensure the independence of the Board of Directors. To date, there is one female director serving, accounting for 11.11% of the board. One more female director is expected to be added to achieve the objective of gender equality.
 - (2) All board members of the Company are equipped with the necessary capabilities to perform their duties, including knowledge, skills, qualities, and industrial decision-making and management. Additionally, the Company offers a diverse array of continuing education courses for board members to improve the quality of their decision-making and fulfill their overseeing responsibilities, thereby strengthening the

functions of the Board of Directors. The board members possess rich management experience, each with a relevant professional background, and have the necessary professional knowledge, skills, and qualities to perform their duties. Among the 9 core competencies, at least one-third of the members have relevant capabilities to perform their duties. Regarding the 3 core competencies the Company focuses on—sound business judgments, operational management, and crisis management—a minimum of 80% of the members possess these core capabilities.

- (3) To ensure the independence of the Company’s independent directors, each of them shall not serve more than three terms cumulatively.
- (4) Currently, there are two board members who is concurrently an employee, which is less than one-third of the total number of directors.

- Implementation of board member diversity by each director is as follows:

Diversity Item		Gender	Nationality	An Employee of the Company	Age					Professional Background				Professional Knowledge and Skills				
					40-50 years	51-60 years	61-70 years	71-80 years	81-90 years	Finance/Accounting	Industry	Information and Technology	Law	Ability to make sound business judgments	Ability to manage a business	Ability to lead and make decisions	Ability to handle crisis management	Knowledge of the industry
Director Name																		
Director	Chu-Shiang Yao	Male	R.O.C.				√			√	√		√	√	√	√	√	
Director	Chih-Hsun Yao	Male		√	√					√	√		√	√	√	√	√	√
Director	Tze Hung Wang	Male							√		√	√		√	√	√	√	√
Director	Chung-Cheng Lo	Male				√				√	√	√	√	√	√	√	√	√
Director	Bor-Jen Chen	Male					√			√	√		√	√	√	√	√	√
Director	Chin-Jyy Shiao	Male		√			√			√	√		√	√	√	√	√	√
Independent Director	Chien-Jan Lee	Male				√				√	√	√		√	√	√	√	√
Independent Director	Tung-Hao Ho	Male				√					√	√	√	√	√	√	√	√
Independent Director	Cho-Lan Peng	Female					√			√	√	√		√	√	√	√	√

2. Independence:

The Company currently has 9 members on the Board of Directors, including 6 directors and 3 independent directors, who account for 33.3% and have served for 9 years or less. All independent directors of the Company comply with the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.” There are no such relationships among the directors and independent directors as specified in Article 26-3, Paragraphs 3 and 4 of the Securities and Exchange Act. The Company’s Board of Directors is independent. Please refer to Page 23-25 of the Annual Report for disclosure of information on the professional qualifications of directors and independence of independent directors.

2. information on President, Executive Vice President, Assistant Vice President, and Supervisors of all the Company's Divisions and Branch Units

2026/3/24

Title	Nationality	Name	Gender	Date Elected	Shares		Shares Held by Spouse & Minors		Shares Held Through Nominees		Main Experience (Education)	Current Positions at Other Companies	Managers who are Spouses or Within Two Degrees of Kinship			Remarks
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
President	Republic of China	Hsiao-Ling Chiang	Male	2015.01.01	15,273	0.01	-	-	-	-	Experience: Manager, Mosel Electronics Co., Ltd./ Manager, Quanta Display Inc./ Senior Specialist, Project Department, L&K Engineering/ Special Assistant, President Office/Deputy Director, Project Division Education: Master, Industrial Safety and Disaster Prevention, College of Engineering, National Chiao Tung University	None	-	-	-	-
Executive Vice President	Republic of China	Min-Kui Hsu	Male	2013.06.26	15,846	0.01	-	-	-	-	Experience: Consultant, Ding Shung Engineering Corp./Assistant to Chairman, L&K Engineering Co., Ltd./ Director, Procurement Division Education: Department of Electrical Engineering, National Taipei University of Technology	None	-	-	-	-

Title	Nationality	Name	Gender	Date Elected	Shares		Shares Held by Spouse & Minors		Shares Held Through Nominees		Main Experience (Education)	Current Positions at Other Companies	Managers who are Spouses or Within Two Degrees of Kinship			Remarks
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Senior vice president and Accounting and Finance Director and Finance Supervisor	Republic of China	Shu-Chen Chen	Female	2022.04.01	265,742	0.11	-	-	-	-	Experience: Vice President of L&K Engineering Co., Ltd. / Supervisor of RSEA Construction Engineering (Chongqing) Co., Ltd. / Senior Vice President and Person in Charge of Finance of L&K Engineering (SUZHOU) Co., Ltd. / Director, PECURA Technology Education: Accounting, National Open College of Continuing Education Affiliated with National Taipei University of Business	None	-	-	-	-
Vice President, Engineering Center-Department of Design	Republic of China	Ying-Te Liu	Male	2021.07.08	14,273	0.01	-	-	-	-	Experience: Assistant Vice President of Excel Air Cond. Co., Ltd. / Manager of L&K Engineering Co., Ltd. / Manager of Chung Yo Engineering Education: EMBA, National Taipei University	None	-	-	-	-

Title	Nationality	Name	Gender	Date Elected	Shares		Shares Held by Spouse & Minors		Shares Held Through Nominees		Main Experience (Education)	Current Positions at Other Companies	Managers who are Spouses or Within Two Degrees of Kinship			Remarks
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Vice President of the Project Division	Republic of China	Chih-Hsun Yao	Male	2025.07.26	940,256	0.40	9,571	0.00	587,164	0.25	Experience: Director, RSEA Engineering Corporation (privatized 2009) / Director, Shen Huei Investment Co., Ltd / Director, Unique Grand Limited / Person in charge of Yunze Investment Co., Ltd. / Director, Shen Shen Investment Co., Ltd. / Director, Cica-Huntek Chemical Technology Taiwan Co., Ltd. / Person in charge of Wei Ze Investment Co., Ltd. Education: Department of Energy and Refrigerating Air-conditioning Engineering, National Taipei University of Technology	None	Chairman	Chu-Shiang Yao	One Degree of Kinship	—
Vice President, CIS & QA and EHS Auditing Office	Republic of China	Kuei-Yao Yeh	Male	2021.04.14	6,000	0.00	-	-	-	-	Experience: Manager, TECO Electric & Machinery/ Assistant Director, L&K Engineering (SUZHOU) Co., Ltd. Education: Department of Business Administration, Tamkang University	None	-	-	-	-

Title	Nationality	Name	Gender	Date Elected	Shares		Shares Held by Spouse & Minors		Shares Held Through Nominees		Main Experience (Education)	Current Positions at Other Companies	Managers who are Spouses or Within Two Degrees of Kinship			Remarks
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
ESG officer	Republic of China	Shu-Ming Hsu	Male	2023.06.26	2,000	0.00	-	-	-	-	Experience: Special Assistant to the Chairman's Office at L&K Engineering Co., Ltd. / Project Manager, Technical Manager, General Manager, General Manager of the Indonesia Branch, Sinotech Engineering Consultants Education: Ph.D., Department of Civil and Construction Engineering, National Taiwan University of Science and Technology	None	-	-	-	-
Corporate Governance Officer	Republic of China	Shu-Ling Ko	Female	2021.03.05	1,618	0.00	-	-	-	-	Experience: Manager, Finance Department and Accounting Department L&K Engineering Co., Ltd./Deputy Director, Financial & Accounting Division Education: Department of Accounting, Ming Chuan University	None	-	-	-	-

Title	Nationality	Name	Gender	Date Elected	Shares		Shares Held by Spouse & Minors		Shares Held Through Nominees		Main Experience (Education)	Current Positions at Other Companies	Managers who are Spouses or Within Two Degrees of Kinship			Remarks
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Accounting Supervisor	Republic of China	Ya-Lin Chan	Female	2022.04.01	-	-	-	-	-	-	Experience: Deputy Manager of Audit Department at Deloitte Taiwan / Senior Tax Officer of Tax Department at PwC Taiwan / Manager, Finance Department and Accounting Department L&K Engineering Co., Ltd. Education: Master's in Accounting, Tamkang University	None	-	-	-	-
Chief Auditor	Republic of China	Nu-Chen Feng	Female	2024.04.01	-	-	-	-	-	-	Experience: Manager of Administration Division at L&K Engineering Co., Ltd. / Personnel Accountant at Dayi Automotive Repair Shop / Personnel Accountant at Pirelli Education: Master's degree from the Institute of Chinese Literature, Chinese Culture University	None	-	-	-	-

ii. Remunerations Paid During the Most Recent Fiscal Year to Directors, President, and Vice President

1. Remunerations Paid to General Directors and Independent Directors

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 Huei 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		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)		Pension (F)							
		The Company	All Consolidated Entities (Note 3)	The Company	All Consolidated Entities (Note 3)	The Company		All Consolidated Entities (Note 2)			The Company (%)
				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%	-

Note 1: The names of the Company's directors are listed below:

Chairman: Representative of Shen Shen Investment Co., Ltd.: Chu-Shiang Yao.

Director: Representative of Wei Ze Investment Co., Ltd.: Bor-Jen Chen ; Representative of White Young Investment Co., Ltd.: Chih-Hsun Yao ; Representative of Xun Huei Investment Co., Ltd.: Chung-Cheng Lo ; Tze-Hung Wang ; Chin-Jyy Shiao.

Independent Director: Chien-Jan Lee, Tung-Hao Ho, Cho-Lan Peng.

Note 2: The amount paid by the Company is the same as the amount paid by all consolidated entities.

Note 3: This represents the directors' remuneration to be distributed as approved by the Board of Directors before the shareholders' meeting on the proposal of distribution of employee remuneration and director remuneration for 2025.

Note 4: Independent Directors' remuneration policies, procedures, standards and structure, as well as the linkage to responsibilities, risks and time spent: The Board of Directors is authorized to determine the remunerations for the Directors and Independent Directors, taking into account the extent and value of the services provided for the management of the Company and the standards of the industry within the R.O.C. and overseas. The Remuneration Committee determines the salary and remunerations for the Company's President and Key Managers, taking into account individual performance, extent of contribution, and market trends.

Note 5: Except as disclosed above, the remuneration received by directors in the latest year for services (e.g., acting as a non-employee consultant to the parent company, all consolidated entities in the financial reports, or invested business) rendered to the Company: None.

Remuneration Range

Remuneration Paid to Directors by Range	Director Name			
	Total Remuneration from (A+B+C+D)		Total Remuneration from (A+B+C+D+E+F+G)	
	The Company	All Consolidated Entities H	The Company	All Consolidated Entities I
Under NT\$1,000,000	Chih-Hsun Yao Chung-Cheng Lo		Chung-Cheng Lo	
NT\$1,000,000 (incl.)-NT\$2,000,000	Chin-Jyy Shiao		Chin-Jyy Shiao	-
NT\$2,000,000 (incl.)-NT\$3,500,000	-		-	
NT\$3,500,000 (incl.)-NT\$5,000,000	Chu-Shiang Yao	-	Chu-Shiang Yao	-
NT\$5,000,000 (incl.)-NT\$10,000,000	Tze-Hung Wang Chien-Jan Lee Tung-Hao Ho Cho-Lan Peng	Chu-Shiang Yao Tze-Hung Wang Chien-Jan Lee Tung-Hao Ho Cho-Lan Peng	Chih-Hsun Yao Tze-Hung Wang Chien-Jan Lee Tung-Hao Ho Cho-Lan Peng	Chu-Shiang Yao Chih-Hsun Yao Tze-Hung Wang Chin-Jyy Shiao Chien-Jan Lee Tung-Hao Ho Cho-Lan Peng
NT\$10,000,000 (incl.)-NT\$15,000,000	Bor-Jen Chen		Bor-Jen Chen	
NT\$15,000,000 (incl.)-NT\$30,000,000	-		-	
NT\$30,000,000 (incl.)-NT\$50,000,000	Wei Ze Investment Co., Ltd. White Young Investment Co., Ltd. Xun Huei Investment Co., Ltd.		Wei Ze Investment Co., Ltd. White Young Investment Co., Ltd. Xun Huei Investment Co., Ltd.	
NT\$50,000,000 (incl.)-NT\$100,000,000	Shen Shen Investment Co., Ltd.		Shen Shen Investment Co., Ltd.	
Over NT\$100,000,000	-		-	
Total	13		13	

2. Remunerations Paid to President and Vice President

Unit: NT\$ 1,000

Title	Name	Salary (A)		Retirement pay and pension (B)		Rewards and special disbursements (C)		Employee profit-sharing compensation (D) (Note 2)				(A+B+C+D) as a % of Net Income		Remuneration received from investee enterprises other than subsidiaries or from the parent company
		The Company	All Consolidated Entities (Note 1)	The Company	All Consolidated Entities (Note 1)	The Company	All Consolidated Entities (Note 1)	The Company		All Consolidated Entities (Note 1)		The Company (%)	All Consolidated Entities (Note 1) (%)	
								Cash	Stock	Cash	Stock			
President	Hsiao-Ling Chiang	3,210	3,210	-	-	700	700	7,000	-	7,000	-	10,910 0.15%	10,910 0.12%	-
Executive Vice President	Min-Kui Hsu	2,839	2,839	-	-	675	675	6,600	-	6,600	-	10,114 0.14%	10,114 0.11%	-
Senior vice president	Shu-Chen Chen	2,712	2,712	-	-	675	675	6,000	-	6,000	-	9,387 0.13%	9,387 0.10%	-
Vice President, Engineering Center-Department of Design	Ying-Te Liu	2,252	2,252	-	-	560	560	6,000	-	6,000	-	8,812 0.12%	8,812 0.10%	-
Vice President, CIS & QA and EHS Auditing Office	Kuei-Yao Yeh	2,160	2,160	-	-	513	513	2,000	-	2,000	-	4,673 0.07%	4,673 0.05%	-

Note 1: The amount paid by the Company is the same as the amount paid by all consolidated entities.

Note 2: This represents the employees' remuneration to be distributed as approved by the Board of Directors before the shareholders' meeting on the proposal of distribution of employee remuneration and director remuneration for 2025.

Remuneration Range

Range of Remuneration Paid to Each President and Vice President of the Company	Name of President and Vice President	
	The Company	All Consolidated Entities
Under NT\$1,000,000	-	
NT\$1,000,000 (incl.)-NT\$2,000,000	-	
NT\$2,000,000 (incl.)-NT\$3,500,000	-	
NT\$3,500,000 (incl.)-NT\$5,000,000	Kuei-Yao Yeh	
NT\$5,000,000 (incl.)-NT\$10,000,000	Shu-Chen Chen, Ying-Te Liu	
NT\$10,000,000 (incl.)-NT\$15,000,000	Hsiao-Ling Chiang, Min-Kui Hsu	
NT\$15,000,000 (incl.)-NT\$30,000,000	-	
NT\$30,000,000 (incl.)-NT\$50,000,000	-	
NT\$50,000,000 (incl.)-NT\$100,000,000	-	
Over NT\$100,000,000	-	
Total	5	

Remuneration to the Five Highest Remunerated Management Personnel of a TWSE or TPEX listed Company (Individual Disclosure of Names and Remuneration Items)

Title	Name	Salary (A)		Retirement pay and pension (B)		Rewards and special disbursements (C)		Employee profit-sharing compensation (D) (Note 2)				(A+B+C+D) as a % of Net Income		Remuneration received from investee enterprises other than subsidiaries or from the parent company
		The Company	All Consolidated Entities (Note 1)	The Company	All Consolidated Entities (Note 1)	The Company	All Consolidated Entities (Note 1)	The Company		All Consolidated Entities (Note 1)		The Company (%)	All Consolidated Entities (Note 1) (%)	
								Cash	Stock	Cash	Stock			
President	Hsiao-Ling Chiang	3,210	3,210	-	-	700	700	7,000	-	7,000	-	10,910 0.15%	10,910 0.12%	-
Executive Vice President	Min-Kui Hsu	2,839	2,839	-	-	675	675	6,600	-	6,600	-	10,114 0.14%	10,114 0.11%	-
Senior vice president	Shu-Chen Chen	2,712	2,712	-	-	675	675	6,000	-	6,000	-	9,387 0.13%	9,387 0.10%	-
Vice President, Engineering Center-Department of Design	Ying-Te Liu	2,252	2,252	-	-	560	560	6,000	-	6,000	-	8,812 0.12%	8,812 0.10%	-
Vice President, CIS & QA and EHS Auditing Office	Kuei-Yao Yeh	2,160	2,160	-	-	513	513	2,000	-	2,000	-	4,673 0.07%	4,673 0.05%	-

3. Name of Managers to Whom Employee Remuneration is Distributed and Status of Distribution

Unit:NT\$ 1,000 2026/3/24

Title	Name	Stock	Cash	Total	Total as a Percentage of Net Income (%)
President Executive Vice President Senior vice president and Finance Supervisor Vice president Vice president ESG Officer Corporate Governance Officer Accounting Supervisor Chief Auditor	Hsiao-Ling Chiang, Min-Kui Hsu Shu-Chen Chen Ying-Te Liu Kuei-Yao Yeh Shu-Ming Hsu Shu-Ling Ko Ya-Lin Chan Nu-Chen Feng	-	66,151	66,151	0.93%

4. Separately compare and describe total remuneration, as a percentage of net income stated in the financial reports or individual financial reports, as paid by the Company and all other companies included in the consolidated financial statements during the past 2 fiscal years to directors, president, and vice president, and describe remuneration policies, standards and packages, and the procedure through which remunerations were determined, and their association with business performance and future risks.

Unit: NT\$ 1,000

Title	2025		2024	
	The Company	All consolidated entities	The Company	All consolidated entities
Director				
Independent Director	NT\$221,608 and 3.10%	NT\$226,995 and 2.46%	NT\$143,891 and 3.32%	NT\$148,836 and 2.65%
President, Vice President, and other Key Managers				

The Board of Directors is authorized to determine the remunerations for the Directors and Independent Directors, taking into account the extent and value of the services provided for the management of the Company and the standards of the industry within the R.O.C. and overseas. The Remuneration Committee determines the salary and remunerations for the Company's President and Key Managers, taking into account individual performance, extent of contribution, and market trends.

(1) Policies, standards, and packages of remuneration

- A. The directors of the Company receive no compensation other than transportation subsidies for each board meeting they attend. In addition, directors' remuneration shall be paid according to Article 32 of the Articles of Incorporation. If the company makes a profit during the fiscal year, the Board of Directors shall resolve to set aside three to five percent for employee remuneration and up to three percent for directors' remuneration. The distribution for directors' remuneration shall be conducted in accordance with the Company's Rules Governing the Principles for Directors' Remuneration Distribution, requiring submission to the Compensation Committee for review. Once approved by the Board of Directors, it will be submitted to the shareholders' meeting.
- B. The appointment and remuneration of the President and Vice President shall follow company regulations and industry salary standards. The compensation structure includes a base salary, additional pay based on positions, stipends, and bonuses.

(2) Procedures for setting remuneration

To refine the compensation system for the Company's directors and managers, the Company has established the Compensation Committee under the "Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange." The committee members evaluate the compensation policies and systems for the Company's directors and managers from a professional and objective perspective, providing suggestions to the Board of Directors for informed decision-making. The actual remuneration paid to directors and managers in 2023 was reviewed by the Compensation Committee and then proposed to the Board of Directors for approval.

(3) Relationship with operating performance and future risks

Based on its powers, the Compensation Committee develops and reviews the annual and long-term performance targets of the Company's directors and managers, along with the policies, systems, standards, and structure of their compensation, on a regular basis. The Committee also conducts periodic evaluations of the directors' and managers' achievements against these set targets. It evaluates the rationality of the relevance between individual performance and the company's operating performance and future risks by considering industry standards, work performance, internal compensation standards, the company's achievement of its short- and long-term operational targets, financial standing, etc.

(4) Link between directors and managers' performance evaluation and remuneration

Remuneration paid to directors:

1. According to Article 32 of the Company's Articles of Incorporation, if the Company generates profit for the year, no more than 3% of that year's profit shall be allocated as directors' remuneration, in accordance with the provisions of the Articles, with the specific amount to be determined by a resolution of the Board of Directors. However, if the Company has accumulated losses, the Company shall set aside a part of the surplus profit first for making up the losses.
2. Directors' salaries and remuneration are determined based on industry standards and may include additional pay for concurrently serving on functional committees. Directors' salaries and remuneration are determined by the Board of Directors, taking into consideration the results of the annual Board performance evaluation, as well as the differing responsibilities and risks borne by each director, providing reasonable and differentiated compensation.
3. The Company's directors' compensation primarily includes director remuneration, fixed monthly salaries, and transportation subsidies. The specifics of such directors' compensation are reviewed by the Remuneration Committee and submitted to the Board of Directors for approval.

4. The results of the Board of Directors' performance evaluation shall serve as a reference for the selection or nomination of directors. To maintain independence, the Company's independent directors only receive directors' remuneration and transportation subsidies, which are not linked to performance.

Remuneration paid to managers:

1. According to Article 32 of the Company's Articles of Incorporation, if the Company generates profit for the year, 3% to 5% of that year's profit shall be allocated as employee remuneration, with the specific amount to be determined by a resolution of the Board of Directors. However, if the Company has accumulated losses, the Company shall set aside a part of the surplus profit first for making up the losses.
2. The appointment, dismissal, and remuneration of the Company's managers are handled in accordance with the Articles of Incorporation and the results of performance evaluations, which also serve as a reference for the issuance of bonuses.

The compensation of the Company's managers is governed by the Salary Management Guidelines, which specify various allowances and bonuses as a means of recognizing and rewarding employees for their contributions at work. Related bonuses are determined based on the Company's annual business performance, financial condition, operational status, and individual job performance.

3. Managerial compensation includes fixed salary and variable incentive pay. The fixed salary is determined based on the position, responsibilities, and professional capabilities, with reference to industry standards. The variable incentive pay is closely tied to the Company's operational results as well as the individual's position and performance.
4. Performance evaluation for managers is divided into:
 - I. Financial indicators: Based on the Company's managerial profit and loss statements, the allocation is determined by each business unit's contribution to company profit, taking into account the individual manager's job performance and goal achievement rate.
 - II. Non-financial indicators: These are divided into two main areas: the implementation of the Company's core values and operational management capabilities, and participation in sustainable operations initiatives. These factors are used to calculate the operational performance-based compensation.

5. The reasonableness of managerial compensation is reviewed annually by the Compensation Committee and submitted to the Board of Directors for approval. The compensation system is also reviewed as needed based on the Company's actual operating conditions and relevant regulations, in order to balance sustainable operations and risk management.

The Company's primary principle is to link compensation with responsibilities, performance, and the outcomes of sustainable operations. Short-term profits are not the sole indicator for evaluating compensation and performance; the focus is on aligning with long-term shareholder value.

iii. Corporate Governance Operating Status

(I) Status of Board Operation

A total of 10 board meetings (A) were held in the most recent year (2025); directors' attendance records are presented below:

Title	Name	Actual Attendance (B)	Attendance by Proxy	Actual Attendance Rate (%) (B/A)	Remarks
Chairman	Shen Shen Investment Co., Ltd. Representative: Chu-Shiang Yao	10	0	100%	-
Director	Xun Huei Investment Co., Ltd. Representative: Chung-Cheng Lo	9	1	90%	-
Director	White Young Investment Co., Ltd. Representative: Chih-Hsun Yao	8	2	80%	-
Director	Wei Ze Investment Co., Ltd. Representative: Bor-Jen Chen	6	4	60%	-
Director	Tze-Hung Wang	9	1	90%	-
Director	Chin-Jyy Shiao	10	0	100%	-
Independent Director	Chien-Jan Lee	8	2	80%	-
Independent Director	Tung-Hao Ho	10	0	100%	-
Independent Director	Cho-Lan Peng	10	0	100%	-

Other matters that require reporting:

- i. The date of the Board meeting, the term, contents of the proposals, opinions of all Independent Directors, and the Company's handling of opinions of Independent Directors shall be recorded under the following circumstances in the operations of the Board of Directors meeting:
 - (I) Items specified in Article 14-3 of the Securities and Exchange Act: For details, For more information, please refer to the Status of Audit Committee Operations on Page 48-54 of the annual Report.
 - (II) With the exception of the aforementioned items, resolutions adopted by the Board of Directors, to which an Independent Director has a dissenting or qualified opinion that is on record or stated in a written statement: None.

- ii. Directors abstaining in certain proposals for being a stakeholder (the name of the Director(s), the content of the proposal, reasons for abstentions and the results of voting counts shall be stated): Details are as follows:

Date of board meeting	Agendas	Recusal of directors due to conflict of interests	Reason for Recusal and Status of Participation in Voting Process
2025/07/02	Discussion of the execution of a contract between the Company and a related party	Chu-Shiang Yao Chih-Hsun Yao	The board members in attendance during the meeting—the representative from Shen Shen Investment Co., Ltd., Chairman Chu-Shiang Yao; and the representative from White Young Investment Co., Ltd., Director Chih-Hsun Yao—abstained from participating in the discussion and voting due to conflicts of interest, as stipulated by the Rules of Procedure for the Board of Directors’ Meetings. Chairman Yao appointed Director Tung-Hao Ho to serve as the acting chair, overseeing the discussion and voting on this proposal. Following the acting chair’s inquiry, the proposal was approved as amended, without objection from the remaining directors present at the meeting.
2025/08/22	Discussion of the execution of a contract between the Company and a related party	Bor-Jen Chen	Except for Director Bor-Jen Chen, representative of Wei Ze Investment Co., Ltd., who recused himself from the discussion and voting in accordance with the law, all other directors present raised no objections and approved the proposal as presented.
2025/11/07	Discussion on the Company’s 2024 remuneration distribution proposal for managers and employees	Bor-Jen Chen Chih-Hsun Yao	Except for Director Bor-Jen Chen and Director Chih-Hsun Yao, representatives of Wei Ze Investment Co., Ltd., who recused himself from the discussion and voting in accordance with the law, all other directors present raised no objections and approved the proposal as presented.
2026/01/16	Discussion of the Company’s purchase of 15 parcels of land and buildings located in Zhongzheng District, Taipei City (Chengzhong Section, Subsection 1, Lot Nos. 800, 804, 806-1, 812, etc.) held by Junfu International Development Co., Ltd. and its related parties	Chu-Shiang Yao Chih-Hsun Yao Chin-Jyy Shiao	The board members in attendance during the meeting—the representative from Shen Shen Investment Co., Ltd., Chairman Chu-Shiang Yao and the representatives from White Young Investment Co., Ltd., Director Chih-Hsun Yao and Director Ching-Chih Hsiao—abstained from participating in the discussion and voting due to conflicts of interest, as stipulated by the Rules of Procedure for the Board of Directors’ Meetings. Chairman Yao appointed Director Chien-Jan Lee to serve as the acting chair, overseeing the discussion and voting on this proposal. Following the acting chair’s inquiry, the proposal was approved as amended, without objection from the remaining directors present at the meeting.

iii. Implementation Status of Board Evaluation:

For effective corporate governance and better board performance, the Company has established the "Board of Directors Performance Evaluation Guidelines" which was approved by the Board of Directors on 2019/5/7. Two types of performance evaluation methods are adopted in the guidelines: internal and external evaluations; an internal board performance evaluation shall be conducted at least once every year and may be conducted by an external independent professional institution or a panel of external experts and scholars as needed. A board agenda working group is the unit conducting internal evaluations of the Company's board of directors and provides necessary information and assistance when the company appoints a team of external experts to conduct external evaluation.

When the Company performs internal board performance evaluation, the scope includes the evaluation of board of directors (functional committees) as a whole and self-evaluation by individual board members. The results have all met the evaluation criteria, indicating that the overall board operation is effective.

Evaluation Cycle	Evaluation Period	Evaluation Range	Evaluation Method	Evaluation Content
From at the end of each fiscal year to before the end of the first quarter of the following year	2025/1/1 to 2025/12/31.	Performance evaluation of the board of directors as a whole, individual directors, and functional committees.	Methods of evaluations include the internal evaluation of the board, self-evaluation by individual board members, and evaluation by appointed external professional institutions, experts, or other appropriate methods as needed.	<p>Aspects evaluated:</p> <ul style="list-style-type: none"> ➤ The evaluation of board (functional committee) operation as a whole covers the following items: <ol style="list-style-type: none"> 1. Participation in the operation of the company 2. Improvement of the quality of the board of directors' decision making 3. Composition and structure of the board of directors 4. Election and continuing education of the directors 5. Internal control ➤ The self-evaluation of individual board members covers the following items: <ol style="list-style-type: none"> A. Directors' understanding of the company and awareness of their duties B. Participation in the operation of the company C. The director's professionalism and continuing education D. Internal control

iv. The results of the 2025 internal performance evaluation are presented below:

Evaluation results	The Board of Directors and all functional committees operated well in 2025. The Company will continue to enhance Board functions based on the results of this performance evaluation. Most evaluation indicators received a rating of “strongly agree,” indicating that directors fully expressed their opinions and recommendations on various proposals of the Company, effectively fulfilling the Board’s guiding and supervisory roles. Each committee diligently performed its duties, thoroughly evaluating and overseeing the Company’s risks while providing timely, professional, and objective recommendations for the Board’s decision-making. This has effectively strengthened Board functions and aligned with corporate governance requirements. The overall evaluation results are excellent and have been submitted for future reference at the second Board meeting of 2026.
Suggestions	Given the Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies, the continuing education of the Company’s directors requires further improvement. The Company will, from time to time, provide directors with training and awareness courses that are promoted by the competent authority, and encourage directors to participate in continuing education to acquire the knowledge for the latest rules and regulations and the expertise required for decision making.

v. Enhancements to the functionality of the board of directors in the current and the most recent year and the progress of such enhancements:

Objective	Performance evaluation
The board meetings shall be convened once every 3 months	<ul style="list-style-type: none"> ● The Company’s Board of Directors has held 10 meetings in 2025 in compliance with the Regulation and Procedure for Board of Directors Meetings, which states that board meetings shall be convened once every 3 months.
Information disclosure and improve information transparency.	<ul style="list-style-type: none"> ● Key agendas are disclosed in accordance with laws on the Market Observation Post System and the company’s website to ensure information disclosure and improve information transparency.
Established a strong governance system and sound supervisory capabilities for the board of directors and strengthened management capabilities	<ul style="list-style-type: none"> ● The Company has established a strong governance system and sound supervisory capabilities for the board of directors and strengthened management capabilities in line with the Company’s Regulation and Procedure for Board of Directors Meetings. In accordance with the Company’s Board of Directors Performance Evaluation Guidelines, the evaluation results are presented during the board meeting on 2026/3/13: The results of the 2025 evaluation were rated as “excellent”.
To impart more knowledge on business operations and laws and regulations	<ul style="list-style-type: none"> ● the Company occasionally organizes external courses for directors and supervisors, as well as courses and training on securities laws and regulations. ● To increase information transparency, the Company’s auditors present regular audit reports to independent directors, and independent directors will from time to time communicate with the head of finance and auditors to understand the company’s operating status

(II) Status of Audit Committee

A total of 9 committee meetings (A) were held in the most recent year (2025); attendance records are presented below:

Title	Name	Actual Attendance (B)	Attendance by Proxy	Actual Attendance Rate (%) (B/A)	Remarks
Independent Director	Chien-Jan Lee	7	2	78%	-
Independent Director	Tung-Hao Ho	9	0	100%	-
Independent Director	Cho-Lan Peng	9	0	100%	-

Other matters that require reporting:

- i. If any of the following circumstances exists, specify the audit committee meeting date, meeting session number, content of the motion(s), the content of any dissenting or qualified opinion or significant recommendation of the independent directors, the outcomes of audit committee resolutions, and the measures taken by the Company based on the opinions of the audit committee.
 - (I) Items specified in Article 14-5 of the Securities and Exchange Act: Appendix 1.
 - (II) With the exception of the aforementioned items, any issues that are not agreed by the Audit Committee but passed by more than two-thirds of all Directors:None.
- ii. The Independent Directors' avoidance of interest motion shall indicate the names of the Independent Directors, content of the motion and reasons of avoidance of interest as well as the involvement in voting:None.

iii. Composition and duties of the Audit Committee

Composition	It consists of three independent directors. A committee meeting is held at least once every 3 months. The Audit Committee is responsible for the fair presentation of the financial reports of the company; the hiring (and dismissal), independence, and performance of CPAs; the effective implementation of the company's internal control system; compliance with relevant laws and regulations by the company; and management of the existing or potential risks of the company.
Duties	<ol style="list-style-type: none"> (1) The adoption of or amendments to the internal control system pursuant to Article 14-1 of the Securities and Exchange Act. (2) Assessment of the effectiveness of the internal control system. (3) Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of any handling procedures for material financial or business transactions, such as the acquisition or disposal of assets, derivatives trading, loans of funds to others, and endorsements or guarantees for others. (4) Matters in which a director is an interested party. (5) Asset transactions or derivatives trading of a material nature. (6) Loans of funds, endorsements, or provision of guarantees of a material nature. (7) The offering, issuance, or private placement of equity-type securities. (8) The hiring or dismissal of a certified public accountant, or their compensation. (9) The appointment or discharge of a financial, accounting, or internal audit officer. (10) Annual and semi-annual financial reports. (11) Other material matters as may be required by this Corporation or by the competent authority.

iv. Independent Directors' communication with chief internal auditor and CPAs (which shall include material items, methods, and results of communication over the Company's financial and business status etc.):

I. The Company's Audit Committee is composed entirely of independent directors.

Meetings are held at least once per quarter and may be convened as needed.

II. Communication between the chief auditor and the Audit Committee:

Regular – Report audit findings and the progress of corrective actions for abnormalities to the Audit Committee, respond to questions raised by independent directors, and enhance audit procedures based on their instructions to ensure the effectiveness of internal control.

Ad-hoc – Communication is conducted via phone, email, or in-person meetings to discuss audit findings and continuous improvements in audit value. In the event of significant violations, independent directors are notified immediately.

➤ Chief Auditor:

Since the establishment of the Audit Committee, a total of 36 committee meetings have been held. The Committee has been operating smoothly without interruption. The independent directors have a channel through which to communicate directly with internal auditors and CPAs. Communication has been effective. The chief auditor sends a monthly internal control system audit report and presents an annual audit plan to the independent directors. The chief auditor also presents an audit report during the quarterly audit committee meeting. When reviewing financial reports, the independent directors will convene a meeting with accountants to thoroughly communicate and discuss financial and business issues addressed in the financial report.

Meeting Date	Description of matters communicated between chief auditor and Audit Committee members	Company response and communication outcome
2025/03/14	·Internal audit reports.	Noted.
	·Review of Revise the Company's Substitute Policy.	Submitted to the Board of Directors after review and approval.
2025/05/09	·Internal audit reports.	Noted.
2025/08/08	·Internal audit reports.	Noted.
2025/11/07	·Internal audit reports.	Noted.
	·Review of the 2026 Audit Plan. ·Review of the CW100 Payroll and Personnel Cycle revision proposal ·Review of the revision proposal for the Internal Control System Internal Audit Implementation Rules – Audit Procedures and Key Audit Focus Standard (CW100 Payroll and Personnel Cycle Audit).	Submitted to the Board of Directors after review and approval.

- Accountant: Communication meetings between accountant and those charged with governance.

Regular – The accountant communicates with the Audit Committee before and after the annual audit regarding the audit plan, audit scope, and findings.

Ad-hoc – Meetings are arranged depending on the circumstances if there are other individual issues about operation or internal control that require immediate discussion.

Meeting date	Description of matters communicated	Company response and communication outcome
2025/3/14	Audit completion stage – <ul style="list-style-type: none"> • The responsibility of auditors in examining financial statements. • Scope of audit. • Audit findings. • Other matters to be noted. • Independence. 	The most critical audit matters for the Group’s 2024 consolidated financial statements, as determined by the accountant’s professional judgment.
2025/11/7	Audit planning stage – <ul style="list-style-type: none"> • Scope and schedule of the 2025 audit. 	Will coordinate in accordance with the accounting firm’s proposed audit scope and schedule.

Appendix 1: Items specified in Article 14-5 of the Securities and Exchange Act

Date of board meeting	Motion and Subsequent Response	Any Independent Director Had a Dissenting Opinion or Qualified Opinion (leave blank if none)	Resolution (leave blank if approved as proposed)	Company's response to Audit Committees' opinions (leave blank if approved as proposed)
The 3rd session's 1st board meeting (2025.02.25)	(1) Partial amendments to the Company's "Articles of Incorporation."			
	(2) The Company's definition of the scope of non-executive employees			
The 3rd session's 2nd board meeting (2025.03.14)	(1). The Company's 2024 business report, financial statements, and consolidated financial statements.			
	(2). The Company's 2024 Self-Assessment and Statement of Internal Control System.			
	(3). The Company's 2024 proposal for distribution of earnings.			
	(4). The Company's regular evaluation of the independence of CPAs.			
	(5). Proposal to Revise the Company's "Regulations Governing the Receipt and Use of Negotiable Instruments.," "Regulations Governing the Use of Company Checks," and "Internal Control System - CR100 Finance Cycle."			
	(6). Proposal to Revise the Company's "AA-006 Substitute Policy."			
The 3rd session's 3rd board meeting (2025.05.09)	None			

Date of board meeting	Motion and Subsequent Response	Any Independent Director Had a Dissenting Opinion or Qualified Opinion (leave blank if none)	Resolution (leave blank if approved as proposed)	Company's response to Audit Committees' opinions (leave blank if approved as proposed)
The 3rd session's 4st board meeting (2025.06.16)	(1) Proposed disposal of the Company's marketable securities (PharmaEssentia shares).			
The 3rd session's 5st board meeting (2025.07.02)	(1) Proposed execution of a contract between the Company and a related party.			
The 3rd session's 6st board meeting (2025.08.08)	(1) Replacement of the certifying CPAs in response to internal personnel adjustments at the accounting firm.			
	(2) Proposed classification of the Company's accounts receivable overdue by more than three months beyond normal credit terms for Q2 2025 as non-loan in nature.			
	(3) The Company's consolidated financial statements for Q2 2025.			
	(4) Proposed investment by the Company to establish a subsidiary in Singapore.			
	(5) The Company's extension of the period of endorsement and guarantee provided to the sub-subsidiary L&K Engineering Vietnam Co., Ltd.			
The 3rd session's 7st board meeting (2025.08.22)	(1) The Company's plans to establish a limited liability partnership in Singapore, "L&K - LCB Joint Venture LLP," through L&K Engineering Co., Ltd (Singapore Branch) (hereinafter referred to as "the Company's Branch"), in collaboration with LUM CHANG BUILDERS PTE LTD (hereinafter referred to as "LCB"), to expand its business in Singapore.			

Date of board meeting	Motion and Subsequent Response	Any Independent Director Had a Dissenting Opinion or Qualified Opinion (leave blank if none)	Resolution (leave blank if approved as proposed)	Company's response to Audit Committees' opinions (leave blank if approved as proposed)
The 3rd session's 7st board meeting (2025.08.22)	(2) Proposed execution of a contract between the Company and a related party			
The 3rd session's 8rd board meeting (2025.11.07)	(1) The Company's consolidated financial statements for Q3 2025			
	(2) The Company's 2026 Audit Plan.			
	(3) Amendments to the Company's "CW100 Payroll and Personnel Cycle."			
	(4) Revision of the Company's Internal Control System Internal Audit Implementation Rules – Audit Procedures and Key Audit Focus Standard (CW100 Payroll and Personnel Cycle Audit).			
	(5) Proposal for partial amendments to the Company's "Guidelines for the Management of Related Parties, Specific Companies, and Corporate Group."			
	(6) Proposal for partial amendments to the Company's "Management Procedures for the Internal Processing of Important Information and Prevention of Insider Trading."			
	(7) The Company's extension of period of endorsement and guarantee provided to subsidiary RSEA Engineering Corporation (privatized 2009).			
The 3rd session's 9st board meeting (2025.12.16)	(1) The remittance of overseas earnings from the Company's Singapore branch, L&K Engineering Co., Ltd (Singapore Branch), to the headquarters			

Date of board meeting	Motion and Subsequent Response	Any Independent Director Had a Dissenting Opinion or Qualified Opinion (leave blank if none)	Resolution (leave blank if approved as proposed)	Company's response to Audit Committees' opinions (leave blank if approved as proposed)
The 3rd session's 1st board meeting (2026.01.16)	(1) Proposal for the Company's purchase of 15 parcels of land and buildings located in Zhongzheng District, Taipei City (Chengzhong Section, Subsection 1, Lot Nos. 800, 804, 806-1, 812, etc.) held by Junfu International Development Co., Ltd. and its related parties.			
The 3rd session's 2nd board meeting (2026.03.13)	(1) The Company's 2025 business report, financial statements, and consolidated financial statements.			
	(2) The Company's 2025 Self-Assessment and Statement of Internal Control System.			
	(3) The Company's 2025 proposal for distribution of earnings.			
	(4) The Company's regular evaluation of the independence of CPAs.			

(III) With the exception of the aforementioned items, any issues that are not agreed by the Audit Committee but passed by more than two-thirds of all Directors: None.

(IV) Describes any deviation in the Company’s actual governance from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and reasons for such deviation:

Items Assessed	Implementation Status		Summary	Any deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and reasons for such deviation
	Yes	No		
i. Does the Company follow “the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” to establish and disclose its corporate governance practices?	V		The Company has established the “Corporate Governance Best Practice Principles for L&K Engineering Co., Ltd.” made available on the Company’s website (www.lkeng.com.tw) under Major Internal Policies of the Corporate Governance page in the Investors section.	No significant difference.
ii. Shareholding structure and shareholders’ equity				
(I) Does the Company have Internal Operation Procedures for handling shareholders’ suggestions, concerns, disputes and litigation matters. If yes, have these procedures been implemented accordingly?	V		The Company has established the “Procedures for Handling Material Inside Information” and appointed a Spokesperson and Acting Spokesperson to communicate and handle shareholders’ suggestions or disputes, etc.	No significant difference.
(II) Does the Company possess a list of major shareholders and the ultimate owners of these major shareholders?	V		This Company hires a stock agency to manage the shareholding of our major shareholders. L&K Engineering Co., Ltd. keeps constant track of the stock and pledge holdings of directors, managers, and shareholders holding more than 10% of the Company’s shares.	No significant difference.
(III) Has the Company built and executed a risk management system and firewall between the Company and its affiliates?	V		The Company has established “Guidelines for the Management of Related Parties, Specific Companies, and Corporate Groups”, which clearly stipulate the rules to comply when transacting with affiliates.	No significant difference.

Items Assessed	Implementation Status			Any deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and reasons for such deviation
	Yes	No	Summary	
(IV) Has the Company established internal rules prohibiting insider trading on undisclosed information?	V		The Company has set up code of ethics for directors and senior managers and signed the Director and Manager Statement to clearly regulate insider-related compliance.	No significant difference.
iii. Composition and duties of the board of directors				
(I) Has the Board of Directors devised a diversity policy, set specific management goals, and implemented them accordingly?	V		The Company's Board of Directors consists of 9 members, 3 of whom are independent directors (33.3%). Each director is equipped with professional background in business management, finance and accounting, commerce, law, and IT, etc. Mr. Chien-Jan Lee and Ms. Cho-Lan Peng have a background in accounting and financial analysis, and Mr. Chung-Cheng Lo has expertise in law; they can provide the company with professional suggestions from different perspectives. This composition is in line with the Company's diversity policy for board composition. In addition, the Company also values gender equality in the composition of its Board of Directors; 1 of the 9 members is female, making up 11.11% of the Board. See Page 27 for information on board diversity.	No significant difference.

Items Assessed	Implementation Status			Any deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and reasons for such deviation
	Yes	No	Summary	
(II) Other than the Remuneration Committee and the Audit Committee which are required by law, does the Company voluntarily set up other functional committees?	V		The Company has established the Remuneration Committee, the Audit Committee, and the ESG Committee.	The Company may do so if needed, depending on the condition and size of its business in the future.
(III) Has the Company established methodology and guidelines for evaluating the performance of its Board of Directors, on an annual basis, reported the results of performance to the Board of Directors, and used the results as reference for directors' remuneration and renewal?	V		<p>The Company has reported the results of the evaluation to the Board of Directors on 2026/3/13: The results of the 2025 evaluation were rated as "excellent".</p> <p>1. Aspects evaluated:</p> <p>* The evaluation of board (functional committee) operation as a whole covers the following items:</p> <p>A. Participation in the operation of the company;</p> <p>B. Improvement of the quality of the board of directors' decision making;</p> <p>C. Composition and structure of the board of directors;</p> <p>D. Election and continuing education of the directors; and</p> <p>E. Internal control.</p> <p>* The self-evaluation of individual board members covers the following items:</p> <p>A. Directors' understanding of the company and awareness of</p>	No significant difference.

Items Assessed	Implementation Status			Any deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and reasons for such deviation
	Yes	No	Summary	
(III) Has the Company established methodology and guidelines for evaluating the performance of its Board of Directors, on an annual basis, reported the results of performance to the Board of Directors, and used the results as reference for directors' remuneration and renewal?	V		<p>their duties;</p> <p>B. Participation in the operation of the company;</p> <p>C. The director's professionalism and continuing education; and</p> <p>D. Internal control.</p> <p>2. Evaluation Period: 2025/1/1 to 2025/12/31.</p> <p>3. Evaluation results:</p> <p>The Board of Directors and all functional committees operated well in 2025. The Company will continue to enhance Board functions based on the results of this performance evaluation. Most evaluation indicators received a rating of "strongly agree," indicating that directors fully expressed their opinions and recommendations on various proposals of the Company, effectively fulfilling the Board's guiding and supervisory roles. Each committee diligently performed its duties, thoroughly evaluating and overseeing the Company's risks while providing timely, professional, and objective recommendations for the Board's decision-making. This has effectively strengthened Board functions and aligned with corporate governance requirements. The overall evaluation results are excellent and have been submitted for reference at the second Board meeting of 2026.</p>	No significant difference.

Items Assessed	Implementation Status			Any deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and reasons for such deviation
	Yes	No	Summary	
(IV) Does the Company regularly evaluate its CPAs' independence?	V		The Company's Audit Committee conducts an annual evaluation of the independence and competence of the certifying CPAs. In addition to requiring the certifying CPAs to provide a "Statement of Independence" and "Audit Quality Indicators (AQIs)," the evaluation is performed in accordance with the criteria set out in Note 1 and 13 AQI indicators. It has been confirmed that, apart from fees for audit and tax engagements, the CPAs have no other financial interests or business relationships with the Company, and that their family members do not violate independence requirements. Based on the AQI information, the CPAs and their firm are confirmed to be above the industry average in terms of audit experience and training hours. Furthermore, digital audit tools have been and will continue to be introduced over the most recent three years to enhance audit quality. The results of the most recent annual evaluation were reviewed and approved by the Audit Committee on March 13, 2026, and subsequently submitted to and approved by the Board of Directors on the same date regarding the assessment of the CPAs' independence and competence.	No significant difference.

Items Assessed	Implementation Status			Any deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and reasons for such deviation
	Yes	No	Summary	
iv. Has the TWSE/TPEX listed company appointed an adequate number of competent and appropriate corporate governance personnel and corporate governance officer to be in charge of corporate governance affairs handle governance related affairs (including but not limited to furnishing information required for business execution by directors, assisting directors and supervisors' compliance of law, handling matters related to board meetings and shareholders' meetings according to law, and recording minutes of board meetings and shareholders' meetings)?	V		On 2021/3/5, the Company has appointed a corporate governance officer and designated personnel to handle corporate governance affairs handle governance related affairs including but not limited to furnishing information required for business execution by directors, handling matters related to board meetings and shareholders' meetings according to law, processing company registration and change of registration, and recording minutes of board meetings and shareholders' meetings.	No significant difference.
v. Has the Company established a means of communicating with its stakeholders (including but not limited to shareholders, employees, customers, suppliers, etc.) or created a Stakeholders Section on its Company website? Does the Company respond to stakeholders' questions on corporate social responsibilities?	V		<ol style="list-style-type: none"> 1. The Company pays attention to the equilibrium in the power and obligations of its stakeholders (including shareholders, employees, customers, up/downstream suppliers, banks, and creditors). The Company has created a Stakeholders Section on its company website through which it properly responds to stakeholders' concerns regarding key corporate social responsibility issues. A feedback email fd1300@lkeng.com.tw has been created for stakeholder complaint, which will be handled by dedicated personnel. 2. The Company has created a Corporate Governance Section for investors to make inquiries and download corporate governance-related rules, major resolutions of board meetings, and material information. 	No significant difference.

Items Assessed	Implementation Status			Any deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and reasons for such deviation
	Yes	No	Summary	
vi. Has the Company appointed a professional registrar for handling affairs related to Shareholders' Meetings?	V		The Company has engaged Corporate Trust Operation and Service Department, CTBC Bank Co., Ltd. to handle matters relating to Shareholders' Meetings.	No significant difference.
vii. Information Disclosure				
(I) Has the Company established a corporate website to disclose information regarding its financials, business and corporate governance status?	V		The Company regularly discloses its financials, business, and corporate governance status on its website. The Company regularly updates its financials and business information on a Shareholder Service page. See the company's website at http://www.lkeng.com.tw .	No significant difference.
(II) Does the Company use other information disclosure channels (e.g. maintaining an English-language website, designating staff to handle information collection and disclosure, appointing spokespersons, webcasting investors conference etc.)?	V		The Company's website is available in Chinese and English language. The Company has created an Investor Section (Shareholder Service and Corporate Governance) and designated staff to regularly update its financials and business information. The Company has appointed a Spokesperson and an Acting Spokesperson and regularly discloses information related to the company on the Market Observation Post System and company website for investors.	No significant difference.

Items Assessed	Implementation Status			Any deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and reasons for such deviation
	Yes	No	Summary	
(III) Does the Company announce and report the annual financial statements within two months after the end of the fiscal year, and announce and report the first, second, and third quarter financial statements as well as the operating status of each month before the prescribed deadline?		V	The Company announces and reports the financial statements as well as the operating status of each month on the date indicated in the “List of Matters Required to Be Handled by Issuers of Listed Securities”.	No significant difference.
viii. Has the Company disclosed other information to facilitate a better understanding of its corporate governance practices (e.g. including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors and supervisors’ training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors and supervisors)?		V	<p>(I) Employee rights: With respect to employees’ stock option bonus, health management, social club and leisure activities, benefits, leaves, retirement system, and career development, the Company has a complete system in place, and discloses relevant information on the company website for employee’s reference.</p> <p>(II) Employee wellness: The Company sets up an employee care website, providing various services to address employee concerns such as career plans, interpersonal relations, self-understanding, emotions, etc. These services include direct consultations, referrals, and questionnaire surveys on mental health, personal interests, and careers, among other counseling services.</p> <p>(III) Supplier relations: The Company maintains a positive interaction with its suppliers. In addition to holding meetings from time to time to discuss market trends and price information, the Company</p>	No significant difference.

Items Assessed	Implementation Status			Any deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and reasons for such deviation
	Yes	No	Summary	
viii. Has the Company disclosed other information to facilitate a better understanding of its corporate governance practices (e.g. including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors and supervisors' training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors and supervisors)?	V		<p>frequently reviews its product delivery and quality performance. Since its establishment, the Company has never been late on payments and its suppliers have always made deliveries on time. The Company therefore takes advantage of this positive interaction to create a win-win situation for the company and its suppliers.</p> <p>(IV) Investor relations: The Company has appointed a spokesperson and acting spokesperson who handles shareholders and outsiders' questions and suggestions about the Company. In addition, to enhance business transparency, the Company announces financials, business, and material information on the Market Observation Post System on a monthly basis as required by law, and has created an Investor Relation section on its website to provide investor access to the financials and business information relating to the Company.</p> <p>(V) The rights of stakeholders: The Company always keeps its promises; maintains an excellent interaction and open channels of communication with its banks, employees, customers, and suppliers; and emphasizes and protects the legal rights of these stakeholders. The Company has appointed a spokesperson and acting spokesperson to answer and address stakeholders' problems,</p>	No significant difference.

Items Assessed	Implementation Status			Any deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and reasons for such deviation
	Yes	No	Summary	
viii. Has the Company disclosed other information to facilitate a better understanding of its corporate governance practices (e.g. including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors and supervisors' training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors and supervisors)?	V		<p>thereby protecting stakeholders' rights.</p> <p>(VI) Directors and supervisors' training records: From time to time, the Company informs directors of professional training and continuing education courses and complies with the Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies to ensure that directors continue to learn professional knowledge.</p> <p>(VII) The implementation of risk management policies and risk evaluation measures: The Company's risk management policies serve to create maximum investment value for shareholders and to protect the interests and rights of all shareholders, creditors, and employees, provided however that the company maintains steady business growth, guarantees safe operations, and ensures a balance between profit and risk.</p> <p>(VIII) The implementation of customer relations policies: The Company upholds the code of business ethics and maintains a positive relationship with its customers. Policies for customer quality cover aspects about R&D and innovation, ongoing improvements, rapid response, customer satisfaction, earth protection, and environmental care. Technicians are made available to communicate and resolve</p>	No significant difference.

Items Assessed	Implementation Status		Summary	Any deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and reasons for such deviation
	Yes	No		
viii. Has the Company disclosed other information to facilitate a better understanding of its corporate governance practices (e.g. including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors and supervisors' training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors and supervisors)?	V		<p>problems pertaining to the timely delivery of customer orders and after-sales product services.</p> <p>(IX) Purchasing insurance for directors and supervisors: The Company has purchased a NT\$316,100,000 director liability insurance for the period 2025/8/21 to 2026/8/21. The Company has reported the status of insurance renewal to the Board of Directors on 2025/11/07.</p>	No significant difference.

Note 1: CPA Independence Evaluation Criteria

Evaluation Item	Evaluation Result
1. As of the most recent audit engagement, there has been no failure to rotate after seven years.	Yes
2. No material financial interests with the client.	Yes
3. No improper relationships with the client.	Yes
4. The CPA ensures that assistants adhere to integrity, objectivity, and independence.	Yes
5. Financial statements of entities served within the previous two years are not audited or attested.	Yes
6. The CPA's name is not used by others.	Yes
7. No shareholdings in the Company or its affiliates.	Yes
8. No lending or guarantee relationships with the Company or its affiliates.	Yes
9. No joint investments or profit-sharing relationships with the Company or its affiliates.	Yes
10. Does not serve in a regular position at the Company or its affiliates with fixed compensation.	Yes
11. Not involved in management functions related to decision-making of the Company or its affiliates.	Yes
12. Not engaged in other businesses that may impair independence.	Yes
13. No spousal, lineal blood relative, lineal in-law, or second-degree collateral relative relationship with the Company's management.	Yes
14. The certifying CPA has no potential employment relationship while auditing the Company.	Yes
15. The certifying CPA has not accepted significant benefits or gifts from the Company, its directors, or management (exceeding normal social standards).	Yes
16. Has not received any commissions related to business activities.	Yes
17. The certifying CPA complies with the independence requirements under the Bulletin of Norm of Professional Ethics for Certified Public Accountant No. 10 and has provided an "Independence Statement."	Yes
18. As of the present, has not been subject to any sanctions or circumstances impairing independence.	Yes

- ix. Please describe the improvement status and provide the items and measures that shall be prioritized for improvement with regard to the corporate governance evaluation results issued by the Corporate Governance Center of Taiwan Stock Exchange in the most recent year:
With regard to the items that shall be prioritized for improvement according to the Company's 11th Corporate Governance Evaluation results:

Item	Subject	Improvement Status
2.17	Does the Company's Board of Directors regularly (at least once annually) evaluate the independence and competence of the certifying CPAs with reference to Audit Quality Indicators (AQIs), and fully discloses the evaluation procedures in the annual report?	The Company has fully disclosed the evaluation procedures in the annual report.

(IV) The Composition, Responsibilities, and Operation of the Remuneration Committee:

1. The Remuneration Committee serves to assist the Board of Directors with implementing and evaluating the company's remuneration and welfare policies, as well as remuneration for managers.
2. Information Regarding Remuneration Committee Members

Criteria		Professional Qualifications and Experience (Note 2)	Independence Status (Note 3)	Number of other public companies in which the member also serves as a member of their remuneration committee
Identity (Note 1)	Name			
Convener and Independent Director	Tung-Hao Ho	See Page 23~25 Disclosure of information on the professional qualifications of directors and independence of independent directors	(1) Not employed by the Company or any of its affiliated companies. (2) Not a director or supervisor of the Company or any of its affiliates. (3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of 1 percent or more of the total number of issued shares of the company or ranks as one of its top ten shareholders. (4) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of any of the officer in the preceding 1 subparagraph, or of any of the above persons in the preceding subparagraphs 2 and 3. (5) Not a director, supervisor, or employee of a corporate shareholder that directly holds 5% or more of the total number of issued shares of the Company or of a corporate shareholder that ranks among the top five in shareholdings or of a corporate shareholder that appoints a representative, as provided in Paragraphs 1 or 2, Article 27 of the Company Act, to act as a director or supervisor of the company. (6) Not a director, supervisor, or employee of other companies controlled by the same person with more than half of the company's director seat or voting shares. (7) Not a director, supervisor, or employee of another company or institution of the same person or spouse who is the company's chairman, president, or persons with equivalent position. (8) Not a director, supervisor, manager or shareholder holding 5% or more of the shares, of a specified company or institution that has a financial or business relationship with the company. (9) Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides commercial, legal, financial, accounting or related services to the Company or to any of its affiliate, or a spouse thereof, and the service provided is an audit service or a service with compensation. (10) Not a spouse or relative of second degree or closer to any other directors.	None
Independent Director	Chien-Jan Lee			2
Independent Director	Cho-Lan Peng			None

3. Operation of the Remuneration Committee

- (1). The Company's Remuneration Committee consists of 3 members.
- (2). The term of this Committee: 2024/08/02 to 2027/06/25.

A total of 2 committee meetings (A) were held in the most recent year (2025); attendance records are presented below:

Title	Name	Actual Attendance (B)	Attendance by Proxy	Actual Attendance Rate (%) (B/A) (Note)	Remarks
Convener	Tung-Hao Ho	2	0	100%	-
Member	Chien-Jan Lee	2	0	100%	-
Member	Cho-Lan Peng	2	0	100%	-
Other matters that require reporting:					
<ol style="list-style-type: none"> i. If the Board of Directors does not adopt or amend the Remuneration Committee's suggestions, specify the meeting date, term, contents of motion, resolution of the Board of Directors, and the Company's handling of the Remuneration Committee's opinions (if the remuneration approved by the Board of Directors is superior to that suggested by the Remuneration Committee, please specify the deviation and reason): None. ii. For resolution(s) made by the Remuneration Committee with the committee members voicing opposing or qualified opinions on the record or in writing, please state the meeting date, term, contents of motion, opinions of all members and the company's handling of the said opinions: None. 					

4. Resolutions of the Remuneration Committee:

Date	Discussing Items	Resolution	The Company's handling of the opinions of the Remuneration Committee members.
2025.03.14 The 5th Session (The 1st meeting)	1. Review and deliberation of the Company's proposal for distribution of employee and director remunerations in 2024.	Passed as proposed without objection from all Committee Members	None. The Company has submitted it to the Board for approval.
2025.11.07 The 5th Session (the 2nd meeting)	1. Discussion, review and deliberation on the Company's proposal for adjustments to remunerations of managers and employees in 2025. 2. Review and deliberation on the Company's proposal for the distribution of managers' remuneration for 2024.	Passed as proposed without objection from all Committee Members	None. The Company has submitted it to the Board for approval.
2026.03.13 The 5th Session (the 1st meeting)	1. Review and deliberation of the Company's proposal for distribution of employee and director remunerations in 2025.	Passed as proposed without objection from all Committee Members	None. The Company has submitted it to the Board for approval.

(V) The Composition, Responsibilities, and Operation of the ESG Committee:

1. The ESG Committee aims to fulfill its corporate social responsibility and promote economic, environmental, and social advancement for sustainable development.

2. Responsibilities:

(I). Develop the company's sustainability policies, systems, and relevant management guidelines.

(II). Establish goals, strategies, and implementation plans for the company's sustainability, including sustainable governance, ethical management, environmental concerns, and social aspects.

(III). Review, track, and revise the company's sustainability practices and their effectiveness, and report regularly to the Board of Directors.

(IV). Keep track of issues of concern to all stakeholders and oversee communication plans.

(V). Review risk management policies and related topics.

3. Composition

In 2023/6/26, the Board of L&K Engineering approved the establishment of an ESG Committee. The "Sustainable Development Best Practice Principles" have been developed as the company's foundational regulation for promoting sustainable development. To demonstrate its commitment to achieving a net-zero climate, the ESG Committee, with the chairman of the Board as the highest responsible authority, aims to elevate the quality and efficiency of decision-making. The ESG Officer, serving as the commander-in-chief, explains and advances relevant policies to the Board of Directors within the defined scope of powers and responsibilities. The Implementation Team is divided into the Sustainable Strategy Group, the Environment Group, the Governance Group, the Social Group, and the Economic Group. Each group is headed by middle and upper-level managers and comprises committee members reporting to them.

4. ESG Committee Members

Identity	Name	Professional Qualifications and Experience
Convener and Special Assistant to the Chairman	Shu-Ming Hsu	<p>Professional Qualifications: Master's degree, Senior Executives Program, College of Law, National Chung Cheng University Ph.D., Department of Civil and Construction Engineering, National Taiwan University of Science and Technology Master of Political Science, National Taiwan University Master of Economics, National Taiwan University Experience/Current Position: Educational Advisory Board member, St. John's University Educational Advisory Board member and Adjunct Assistant Professor, Department of Civil Engineering, Tamkang University Ph.D. researcher, Center for Civil Engineering, Karlsruhe Institute of Technology, Germany Project Manager, Technical Manager, and Special Assistant to the President at Sinotech Engineering Consultants General Manager, PT Sinotech Engineering Indonesia</p> <p>Professional Certifications: International Engineer (Registration No: 20230184) APEC Engineer (Registration No : 20200279) Certificate of Arbitrator (Certificate No.: 2023 Tai-Ying-Zhong-Zi No. 0026) Taipei City Unsafe and Old Building Reconstruction Promotion Specialist iPASS Net-Zero Carbon Planning and Management Specialist (Entry Level)</p> <p>Current Positions in Professional Engineers Associations and Engineering Societies: Chairman, Sustainable Development Committee, Taiwan Professional Civil Engineers Association Deputy Chairman, Academic Committee, New Taipei City Professional Civil Engineers Association Supervisor, Rail Engineering Society of Taiwan</p>
Independent Director	Tung-Hao Ho	<p>Professional Qualifications: Bachelor of Laws, College of Law, National Chengchi University Master of Laws, College of Law, National Chengchi University Doctor of Laws, College of Law, National Chengchi University</p> <p>Experience/Current Position: Associate Professor of Aletheia University, Nanhua University, Taipei Medical University, Taipei City University of Science and Technology, National Taipei University of Nursing and Health Sciences, and China University of Technology 3rd and 4th Member, NICI Private Advisory Board, Executive Yuan Director, Legislator's Research Office Chairman, TWN Mcommerce & Technology Co., Ltd. Chairman, Zhuocheng Advanced Information Co., Ltd. Vice President, St. John's University</p>

Identity	Name	Professional Qualifications and Experience
Senior vice president	Shu-Chen Chen	Professional Qualifications: Listed Company CFO Training Completion Certificate, awarded by the Shenzhen Stock Exchange ISO 9001:2015/ISO 14001 2015/OHSAS 18001:2007 Internal Auditor Experience/Current Position: Senior vice President, L&K Engineering Co., Ltd. Supervisor, L&K Engineering (Chongqing) Co., Ltd. (now renamed RSEA Construction Engineering [Chongqing] Co., Ltd.) Senior Vice President, Person in Charge of Finance, and Board Director at L&K Engineering (Suzhou) Co., Ltd. Chairman at Suzhou Xieyi Consulting and Management Co., Ltd. Director, PECURA Technology

5. Operations of the ESG Committee

(1) The Company's ESG Committee consists of 3 members.

(2) The term of this Committee: August 2, 2024, to June 25, 2026.

A total of 2 committee meetings (A) was held in the most recent year (2025). The qualifications and attendance of the committee members are as follows:

Title	Name	Actual Attendance (B)	Attendance by Proxy	Actual Attendance Rate (%) (B/A) (Note)	Remarks
Convener	Shu-Ming Hsu	2	0	100%	
Member	Tung-Hao Ho	2	0	100%	
Member	Shu-Chen Chen	2	0	100%	

6. Resolutions of the ESG Committee:

Date	Discussing Items	Resolution	The Company's Response to the ESG Committee's Opinions
2025.05.09 2nd session (the 2nd meeting)	The Company's [2024 Sustainability Report] has been completed and has undergone third-party verification.	Following the chair's inquiry, the proposal was unanimously approved as proposed by all members in attendance.	None.
2025.11.07 2nd session (the 3rd meeting)	None.	None.	None.

(V) Implementation of Sustainable Development, Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and Their Reasons

The Company’s systems and measures and its implementation status with respect to environmental protection, social engagement, social contribution, social services, charity and welfare, consumer interest, human rights, safety and health, and other socially responsible activities.

Evaluation Item	Operational Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Summary Description	
I. Has the Company established a governance framework for promoting sustainable development, and established an exclusively (or concurrently) dedicated unit to be in charge of promoting sustainable development? Has the Board of Directors authorized senior management to handle related matters under the supervision of the Board?	V		<p>1. In 2022, the Company established the ESG Committee as the unit responsible for promoting sustainable development, including one independent director to effectively advance the Company’s sustainability goals. Under this committee, the Company has established the Sustainability Strategy Group, the Environment Group, the Governance Group, the Social Group, and the Economic Group. The committee is convened by the ESG Officer, and each group is led by a team leader responsible for liaison, communication, and coordination, as well as compiling and providing information relevant to its designated responsibilities, in order to facilitate the promotion of various matters and respond to material issues across different functional areas.</p> <p>2. The ESG Committee convenes at least twice a year, with flexible adjustments made as necessary. In 2025, meetings were held on May 9 and November 7, during which the ESG Committee members reported on the progress of sustainable development initiatives.</p> <p>3. The Board of Directors’ supervision and scope of responsibilities for sustainable development include ensuring that the development of sustainability policies complies with applicable laws and regulations, formulating sustainability plans and related proposals, monitoring the implementation progress and results of such proposals, and overseeing sustainability reports. The ESG Officer reports the results of sustainable development implementation to the Board</p>	No significant difference


Evaluation Item	Operational Status		Summary Description	Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor						
	Yes	No								
I. Has the Company established a governance framework for promoting sustainable development, and established an exclusively (or concurrently) dedicated unit to be in charge of promoting sustainable development? Has the Board of Directors authorized senior management to handle related matters under the supervision of the Board?	V		<p>of Directors. The implementation status as of October 2025 was as follows:</p> <table border="1"> <thead> <tr> <th>Date</th> <th>Reporting Topics</th> </tr> </thead> <tbody> <tr> <td>2025.05.09 2nd Term (2nd Meeting)</td> <td> 1.In accordance with the FSC’s “Sustainable Development Roadmap,” subsidiaries will be included in consolidated greenhouse gas inventories starting from 2026. 2.In accordance with the materiality principle, the Company shall conduct risk assessments of environmental, social, or corporate governance issues pertaining to the operations of the Company and establish relevant risk management policies or strategies. 3.Stakeholders, issues of concern, communication channels, and response mechanisms. 4.Formulation and supervision of the implementation of ethical corporate management policies and preventive measures. </td> </tr> <tr> <td>2025.11.07 2nd Term (3rd Meeting)</td> <td> 1.The linkage, innovation, and application of AI and ESG. 2.Preparation of the Sustainability Report and the annual plan and implementation status of greenhouse gas inventories. 3.In accordance with the TWSE’s “Ethical Corporate Management Best Practice Principles TWSE/TPEX Listed Companies,” the Company shall establish preventive measures, clearly and comprehensively stipulating specific practices for ethical corporate management and the prevention of dishonest conduct, and shall regularly report to the Board of Directors on the supervision and </td> </tr> </tbody> </table>	Date	Reporting Topics	2025.05.09 2nd Term (2nd Meeting)	1.In accordance with the FSC’s “Sustainable Development Roadmap,” subsidiaries will be included in consolidated greenhouse gas inventories starting from 2026. 2.In accordance with the materiality principle, the Company shall conduct risk assessments of environmental, social, or corporate governance issues pertaining to the operations of the Company and establish relevant risk management policies or strategies. 3.Stakeholders, issues of concern, communication channels, and response mechanisms. 4.Formulation and supervision of the implementation of ethical corporate management policies and preventive measures.	2025.11.07 2nd Term (3rd Meeting)	1.The linkage, innovation, and application of AI and ESG. 2.Preparation of the Sustainability Report and the annual plan and implementation status of greenhouse gas inventories. 3.In accordance with the TWSE’s “Ethical Corporate Management Best Practice Principles TWSE/TPEX Listed Companies,” the Company shall establish preventive measures, clearly and comprehensively stipulating specific practices for ethical corporate management and the prevention of dishonest conduct, and shall regularly report to the Board of Directors on the supervision and	No significant difference
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Evaluation Item	Operational Status		Summary Description	Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor							
	Yes	No									
<p>I. Has the Company established a governance framework for promoting sustainable development, and established an exclusively (or concurrently) dedicated unit to be in charge of promoting sustainable development? Has the Board of Directors authorized senior management to handle related matters under the supervision of the Board?</p>	V		<p>2025.11.07 2nd Term (3rd Meeting)</p> <p>implementation of ethical corporate management policies and preventive measures. The Company's ethical corporate management preventive measures and their implementation status.</p> <p>4.In accordance with the climate-related financial disclosures issued by the Financial Stability Board (Task Force on Climate-related Financial Disclosures, TCFD), the Company shall disclose the governance of climate-related risks and opportunities, the Board of Directors' oversight of such risks and opportunities, and management's role in assessing and managing them.</p>	No significant difference							
			<table border="1"> <thead> <tr> <th>Date</th> <th>Agenda Item(s)</th> <th>Board of Directors' Opinion</th> </tr> </thead> <tbody> <tr> <td>2025.05.09</td> <td>The Company's [2024 Sustainability Report] has been completed and has undergone third-party verification.</td> <td>Passed as proposed without objection from all directors in attendance, following the Chair's inquiry to all directors in attendance.</td> </tr> </tbody> </table>		Date	Agenda Item(s)	Board of Directors' Opinion	2025.05.09	The Company's [2024 Sustainability Report] has been completed and has undergone third-party verification.	Passed as proposed without objection from all directors in attendance, following the Chair's inquiry to all directors in attendance.	
			Date		Agenda Item(s)	Board of Directors' Opinion					
2025.05.09	The Company's [2024 Sustainability Report] has been completed and has undergone third-party verification.	Passed as proposed without objection from all directors in attendance, following the Chair's inquiry to all directors in attendance.									

Evaluation Item	Operational Status		Summary Description	Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No		
I. Has the Company established a governance framework for promoting sustainable development, and established an exclusively (or concurrently) dedicated unit to be in charge of promoting sustainable development? Has the Board of Directors authorized senior management to handle related matters under the supervision of the Board?	V		<p>4. To demonstrate its firm commitment to net-zero climate transition, the Company's ESG Committee, with the Chairman as the highest responsible authority, aims to enhance the quality and efficiency of decision-making. The ESG Officer, serving as the commander-in-chief, reports on the progress of policy implementation to the Board of Directors within the defined scope of powers and responsibilities. The committee is responsible for planning and promoting sustainable development strategies and risk management policies, and for formulating development principles and directions by collecting and analyzing domestic and international trends, peer and cross-industry benchmarks, and key assessment results. A total of 23 hours of sustainability-related training were conducted in 2025, effectively enhancing the overall level of sustainability awareness across the Company.</p> <p>5. The Company prioritizes the use of environmentally friendly materials, selecting those with the EEWL label, radiation-free certification, and compliance with relevant product inspection standards. This includes office green energy-saving labels, FSC™ or PEFC forest certification, Taiwan Carbon Footprint Label, and certified recycled paper products.</p> <p>6. Office supplies procurement is handled on a need-to-use basis, with green procurement spending in 2025 decreasing by 48% compared to the 2022 base year. Donations for social assistance, care initiatives, and community contributions totaled NT\$20,800,000.</p> <p>7. In terms of industry engagement, the Company continues to leverage its core expertise in engineering to contribute knowledge and services to various projects. At the same time, we actively participate in professional associations and guilds, supporting their development and fostering international economic and cultural exchange. Additionally, we remain committed to professional talent training, enhancing the influence of engineering, promoting sustainable</p>	No significant difference

Evaluation Item	Operational Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Summary Description	
I. Has the Company established a governance framework for promoting sustainable development, and established an exclusively (or concurrently) dedicated unit to be in charge of promoting sustainable development? Has the Board of Directors authorized senior management to handle related matters under the supervision of the Board?	V		<p>industrial growth, and improving competitiveness.</p> <p>8. Building on industry-academia collaboration, the Company implements campus engagement programs to bridge the gap between academic learning and practical application and align with industry needs. In collaboration with St. John's University Department of Electrical Engineering, the Company adopts a four-year tuition-free scholarship recruitment model to cultivate engineering talent, address imbalances in supply and demand in society, and regularly supports the "enrollment-to-employment" program through donations.</p>	No significant difference
II. Does the Company conduct risk assessments of environmental, social and corporate governance (ESG)	V		<p>1. The disclosed information covers the period from January 1 to December 31, 2025, and includes various actions and performance data related to corporate management, environmental protection, and social engagement of the Company. The reporting boundary primarily covers the Company's operations in Taiwan. Internal and external stakeholders include employees, investors, suppliers, communities/regulatory authorities/schools, and</p>	No significant difference

Evaluation Item	Operational Status		Summary Description	Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No		
issues related to the Company's operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies?	V		<p>others (banks, lawyers, media, etc.).</p> <p>2.The ESG Committee is responsible for planning and promoting sustainable development strategies and risk management policies, and for formulating development principles and directions by collecting and analyzing domestic and international trends, peer and cross-industry benchmarks, and key assessment results, in order to enhance sustainability awareness and risk awareness.</p> <p>3.The Company's risk management policy aims to promote sound operations and sustainable development and to establish a comprehensive risk management culture. In accordance with the Company's overall operating policies, various risk management mechanisms are defined to prevent potential losses within an acceptable risk tolerance, and best practices are continuously optimized in response to changes in the internal and external environment, in order to protect the interests of employees, shareholders, partners, and customers, enhance corporate value, and achieve optimal resource allocation.</p> <p>4.In the risk management organization, the goal is to promote and implement the Company's overall risk management practices, clearly understand the operational risks the Company faces, and ensure the effectiveness of risk management.Risk management is coordinated and directed by the ESG Committee, which is responsible for promoting and implementing the risk management plan. In view of the increasing emphasis on management issues and the Company's active efforts to address and control the risks that should be considered during the operation process, the Company requires the heads of each risk management execution unit to assume responsibility for analyzing and monitoring relevant risks within their units, and to reasonably ensure the effective execution of risk management mechanisms and procedures.</p> <p>The procedures are as follows:</p>	No significant difference

Evaluation Item	Operational Status		Summary Description	Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No		
II. Does the Company conduct risk assessments of environmental, social and corporate governance (ESG) issues related to the Company's operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies?	V		 <p>5. In accordance with operational strategies and the characteristics of the mechanical, electrical, and construction engineering industries, risks related to operations, project execution, finance, regulatory compliance, environmental protection, and occupational health and safety are systematically identified, assessed, and controlled. Within an acceptable level of risk tolerance, the Company seeks to reduce the impact of uncertainty on operations and stakeholders, while capturing development opportunities to enhance long-term corporate value.</p> <p>6. Execution and control mechanisms: Heads of each execution unit are responsible, within their scope of authority, for the identification, analysis, and control of risks related to operations and engineering projects, ensuring that the mechanisms are effectively implemented in daily operations and at all stages of projects.</p> <p>7. Coordination and evaluation process: The QA and EHS Auditing Office coordinates risk and opportunity management, procedures, and implementation effectiveness, conducts</p>	No significant difference

Evaluation Item	Operational Status		Summary Description	Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No		
II. Does the Company conduct risk assessments of environmental, social and corporate governance (ESG) issues related to the Company's operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies?	V		<p>regular annual evaluations, and establishes KPIs and management measures in alignment with operational objectives. Through regular oversight, performance indicator analysis, and reviews, effectiveness is continuously monitored and improved.</p> <p>8. 2025 Annual performance: Two management review meetings were convened and completed as scheduled, serving as an important basis for enhancing corporate governance, strengthening operational resilience, and advancing sustainable development.</p> <p>9. Board oversight: The ESG Committee regularly reports major risk assessment results and corresponding response measures to the Board of Directors, thereby strengthening its oversight function.</p> <p>10. L&K follows the GRI Standards and the AA1000 Type 1 Stakeholder Engagement Standard to develop a materiality analysis framework based on identification, analysis, confirmation, and impact assessment. This framework is used to identify the Company's material topics as planning tools for sustainable development. Eight material topics were identified in 2025, with the following management approaches:</p>	No significant difference

Evaluation Item	Operational Status					Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor		
	Yes	No	Summary Description					
II. Does the Company conduct risk assessments of environmental, social and corporate governance (ESG) issues related to the Company's operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies?	V		Material topic	Short term	Short to medium term	Long term	Approach	No significant difference
			Occupational health and safety	Fines for occupational accidents	Increased insurance premiums Occupational safety certification	Employment pressure from automation transformation	<ol style="list-style-type: none"> 1. Comply with relevant regulations 2. Adhere to safety SOPs 3. Implement AI-based occupational safety monitoring 	
			Labor-management relations	Wage negotiation disputes	Strengthening of unions Increased costs	Intergenerational value conflicts	<ol style="list-style-type: none"> 1. Establish a regular labor-management committee and implement a quarterly dialogue mechanism 	

Evaluation Item	Operational Status					Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor		
	Yes	No	Summary Description					
II. Does the Company conduct risk assessments of environmental, social and corporate governance (ESG) issues related to the Company's operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies?	V		Employer-employee relations	Wrongful termination litigation	Labor regulations	Population aging Labor shortages	1. Establish a regular labor-management committee and implement a quarterly dialogue mechanism	No significant difference
			Training and education	Insufficient training	Skills lagging Inability to bid for projects	AI replacing traditional technical labor	1. System engineer training through BIM practical training and cross-system conflict coordination to enhance integration capabilities.	

Evaluation Item	Operational Status					Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor	
	Yes	No	Summary Description				
II. Does the Company conduct risk assessments of environmental, social and corporate governance (ESG) issues related to the Company's operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies?	V					<p>2. EPC project manager training program, with a medium-term goal of developing new project managers.</p> <p>3. Establish internal training and a skills certification system for in-house construction teams</p>	No significant difference

Evaluation Item	Operational Status						Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor	
	Yes	No	Summary Description					
II. Does the Company conduct risk assessments of environmental, social and corporate governance (ESG) issues related to the Company's operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies?		V	Material topic	Short term	Short to medium term	Long term	Approach	No significant difference
			Market position	Losses in competitive bidding	Exclusion from tenders due to ESG thresholds	Lagging in green transition leading to elimination[segtodelete] [segtodelete]	1. BIM + AI forecasting system: Allocate an appropriate annual budget for BIM/LEED training and integrate building information modeling with AI-based demand forecasting to improve bid-winning rates and maintain a technological edge over competitors 2. Green energy integration certification: Assist	

Evaluation Item	Operational Status						Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Summary Description				
II. Does the Company conduct risk assessments of environmental, social and corporate governance (ESG) issues related to the Company's operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies?	V					<ul style="list-style-type: none"> clients in obtaining LEED and EDGE certifications to secure priority in government green building tenders 3. ESG governance: Obtain third-party verification and increase award recognition 4. Actively develop new clients in other regions 5. Seek to include appropriate raw material price adjustment clauses in contracts and secure backup options within the local supply chain. 	No significant difference


Evaluation Item	Operational Status					Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor	
	Yes	No	Summary Description				
II. Does the Company conduct risk assessments of environmental, social and corporate governance (ESG) issues related to the Company's operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies?	V					6. Strengthen quality management of in-house construction teams, control project schedules, and implement flexible workforce allocation mechanisms to build brand differentiation	No significant difference

Evaluation Item	Operational Status						Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor	
	Yes	No	Summary Description					
II. Does the Company conduct risk assessments of environmental, social and corporate governance (ESG) issues related to the Company's operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies?	V		Material topic	Short term	Short to medium term	Long term	Approach	No significant difference
			Employee diversity and equality	Controversies over equality policies	Multicultural integration costs[segtodelete] [segtodelete]	Intense global talent competition[segtodelete] [segtodelete]	<ol style="list-style-type: none"> 1. Recruit female engineers 2. Prevent workplace sexual harassment disputes 3. Employ a sufficient number of persons with disabilities and provide accessible facilities 4. Employ suitable middle-aged and senior workers 	

Evaluation Item	Operational Status						Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor	
	Yes	No	Summary Description					
II. Does the Company conduct risk assessments of environmental, social and corporate governance (ESG) issues related to the Company's operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies?	V		Material topic	Short term	Short to medium term	Long term	Approach	No significant difference
			Economic performance	Economic cycle fluctuations	Rising carbon fees/energy costs	Peak capital expenditures for net-zero transition	<ol style="list-style-type: none"> 1. Maintain a debt ratio of <70% and a current ratio of >130% 2. Seek to include raw material price adjustment clauses and a higher proportion of full advance payments in contracts 3. Diversify project types undertaken 4. Strengthen quality management 	

Evaluation Item	Operational Status					Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor	
	Yes	No	Summary Description				
II. Does the Company conduct risk assessments of environmental, social and corporate governance (ESG) issues related to the Company's operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies?	V					of in-house construction teams, control project schedules, and reduce reliance on external labor, with continuous long-term optimization of costs and efficiency	No significant difference
			Waste	Fines for violations	Circular economy regulatory pressure[segtodelete] [segtodelete]	Landfill saturation Carbon tax burden	

Evaluation Item	Operational Status					Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor	
	Yes	No	Summary Description				
II. Does the Company conduct risk assessments of environmental, social and corporate governance (ESG) issues related to the Company's operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies?	V					waste collection and disposal contractors	No significant difference
III.Environmental issues			Note: Short-term targets aim to be achieved within 1 year, mid-term within 1–3 years, and long-term in 3 years or more.				
(I) Has the Company set an environmental management system designed to industry characteristics?	V		The Company has implemented the ISO 14001 Environmental Management Systems, adopting an integrated management approach to environmental factors. In practical execution, it has been consolidated with the ISO 45001:2018 Occupational Safety and Health Management Systems to form a unified environmental, health, and safety management system. This integration facilitates incorporation into the Company's overall daily operations, ensuring comprehensive management of related risks. The system has also been certified by a third party, with the certification valid from September 15, 2024, to September 15, 2027. To ensure the effectiveness of the environmental management system, in addition to regular and ad-hoc internal audits, third-party verification agencies also conduct annual external audits				No significant difference

Evaluation Item	Operational Status		Summary Description	Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No		
(I) Has the Company set an environmental management system designed to industry characteristics?	V		<p>at the Company and sampled project sites. Over the past five years, the Company has not experienced any major environmental pollution incidents or received any significant environmental fines (defined as fines exceeding US\$10,000 per instance), reflecting the Company's efforts and achievements in environmental management.</p> 	No significant difference

Evaluation Item	Operational Status		Summary Description	Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No		
(II) Does the Company endeavor to use energy more efficiently and to use renewable materials with low environmental impact?	V		<ol style="list-style-type: none"> 1. The Company establishes environmental, safety, and health policies and regularly promotes them to all employees. 2. The Company has installed recycling bins for resource classification and regularly promotes resource recycling and waste reduction and reuse. 3. The Company controls air-conditioning temperatures during summer and effectively utilizes energy to achieve the goals of energy conservation and carbon reduction. 4. To enhance the efficient use of resources, the Company replaces appliances with energy-efficient models and installs water-saving valves on faucets. 5. The Company procures office paper products that are PEFC-certified, ensuring they do not contribute to the destruction of natural forests and help protect the natural ecosystem. 6. To reduce environmental impact, the Company promotes various carbon reduction initiatives and encourages employees to emphasize the importance of conserving electricity, water, and fuel in their daily activities, starting from a change in mindset and embedding these practices into routine behavior. 	No significant difference
(III) Has the Company evaluated the potential risks and opportunities posed by climate change for its business now and in the future and adopted relevant	V		<p>The Company supports the four core elements of the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) under the Financial Stability Board (FSB): governance, strategy, risk management, and metrics and targets. Accordingly, the Company has initiated governance practices related to climate change risks and opportunities, and discloses the year's progress and outcomes in accordance with this framework.</p> <p>The Company identified four material risks, including "technical services," and two opportunities, including "products and services," through a matrix analysis, and assessed their potential financial impacts using scenario analysis. The Company adopts diversified management strategies to mitigate risks. In terms of climate change adaptation, the Company</p>	No significant difference

Evaluation Item	Operational Status		Summary Description	Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No		
measures to address them?	V		has strengthened foundational measures and incorporated outdoor heat hazard risk regulations to ensure sustainable operational capability, while actively capturing related business opportunities.	No significant difference
(IV) Did the Company collect data for the past two years on greenhouse gas emissions, volume of water consumption, and the total weight of waste, and establish policies for greenhouse gas reduction, reduction of water consumption, or management of other wastes?	V		<p>The Company operates in the engineering services industry, with business volume driven by client demand, and employees are frequently assigned across projects. Among these, fixed energy consumption accounts for approximately 70%, with limited potential for reduction; therefore, conservative reduction targets have been set.</p> <p>The Company's greenhouse gas inventories cover three office locations under its operational control: Xizhi, Hsinchu, and Tainan. The initial inventory was conducted in 2022, which serves as the baseline year. Relevant data is collected, and emission reduction plans are implemented, detailing the measures taken and their execution to achieve the targets.</p> <p>In accordance with the "Guidelines for Greenhouse Gas Emissions Inventory" defined by the Ministry of Environment, major energy consumption sources are not considered to have a material impact on the Company's greenhouse gas inventory.</p> <p>The Company's total Scope 1 and Scope 2 greenhouse gas emissions in 2025 amounted to 427.5703 t CO₂e, of which Scope 1 accounted for 95.9728 t CO₂e (22.4461% of the total), and Scope 2 accounted for 331.5975 t CO₂e (77.5539% of the total).</p>	No significant difference

Evaluation Item	Operational Status		Summary Description	Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor																												
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(IV) Did the Company collect data for the past two years on greenhouse gas emissions, volume of water consumption, and the total weight of waste, and establish policies for greenhouse gas reduction, reduction of water consumption, or management of other wastes?	V		<p>Based on the above analysis, the disclosed greenhouse gas emissions are as follows:</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Scope 1 Carbon emissions (t CO2e)</th> <th>Reduction target (%)</th> <th>Change (+/-) (%)</th> </tr> </thead> <tbody> <tr> <td>2022</td> <td>116.35</td> <td rowspan="3">1%</td> <td>Base year</td> </tr> <tr> <td>2024</td> <td>97.89</td> <td>-15.87%</td> </tr> <tr> <td>2025</td> <td>95.97</td> <td>-17.52%</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th>Year</th> <th>Scope 2 Carbon emissions (t CO2e)</th> <th>Reduction target</th> <th>Change (+/-) (%)</th> </tr> </thead> <tbody> <tr> <td>2022</td> <td>211.53</td> <td rowspan="3">0.5%</td> <td>Base year</td> </tr> <tr> <td>2024</td> <td>356.28</td> <td>+68.43%</td> </tr> <tr> <td>2025</td> <td>331.60</td> <td>+56.76%</td> </tr> </tbody> </table>	Year	Scope 1 Carbon emissions (t CO2e)	Reduction target (%)	Change (+/-) (%)	2022	116.35	1%	Base year	2024	97.89	-15.87%	2025	95.97	-17.52%	Year	Scope 2 Carbon emissions (t CO2e)	Reduction target	Change (+/-) (%)	2022	211.53	0.5%	Base year	2024	356.28	+68.43%	2025	331.60	+56.76%	No significant difference
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(IV) Did the Company collect data for the past two years on greenhouse gas emissions, volume of water consumption, and the total weight of waste, and establish policies for greenhouse gas reduction, reduction of water consumption, or management of other wastes?	V		<p>Water resources</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Water consumption Carbon emissions (t CO2e)</th> <th>Reduction target</th> <th>Change (+/-) (%)</th> </tr> </thead> <tbody> <tr> <td>2022</td> <td>576.23</td> <td rowspan="3">0.5%</td> <td>Base year</td> </tr> <tr> <td>2024</td> <td>618.15</td> <td>+7.27%</td> </tr> <tr> <td>2025</td> <td>554.77</td> <td>-3.72%</td> </tr> </tbody> </table> <p>Waste</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Processing volume Carbon emissions (t CO2e)</th> <th>Reduction target</th> <th>Change (+/-) (%)</th> </tr> </thead> <tbody> <tr> <td>2022</td> <td>24.66</td> <td rowspan="3">0.3%</td> <td>Base year</td> </tr> <tr> <td>2024</td> <td>41.56</td> <td>+68.55%</td> </tr> <tr> <td>2025</td> <td>34.77</td> <td>+40.99%</td> </tr> </tbody> </table>	Year	Water consumption Carbon emissions (t CO2e)	Reduction target	Change (+/-) (%)	2022	576.23	0.5%	Base year	2024	618.15	+7.27%	2025	554.77	-3.72%	Year	Processing volume Carbon emissions (t CO2e)	Reduction target	Change (+/-) (%)	2022	24.66	0.3%	Base year	2024	41.56	+68.55%	2025	34.77	+40.99%	No significant difference
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(IV) Did the Company collect data for the past two years on greenhouse gas emissions, volume of water consumption, and the total weight of waste, and establish policies for greenhouse gas reduction, reduction of water consumption, or management of other wastes?	V		<p>The Company continues to monitor and manage energy-saving measures, and additional carbon reduction measures have been implemented, with the following actions and benefits:</p> <ol style="list-style-type: none"> 1. Purchase and lease hybrid vehicles for company use to reduce direct carbon emissions. In 2025, hybrid vehicles accounted for 24%. 2. Replace lighting with LED fixtures, and install zoned switches or sensors in some areas to avoid lights being left on when spaces are unoccupied. 3. Set computers, copiers, and water dispensers to automatic sleep mode to reduce standby power consumption. 4. Post water-saving reminders to encourage employees to use water responsibly. 5. Conduct regular maintenance of air-conditioning equipment to maintain efficiency and reduce energy consumption and emissions. 6. Prioritize the use of appliances with top-tier energy efficiency labels to avoid prolonged use of high energy-consuming equipment. <p>Through the continuous promotion of office energy conservation and carbon reduction, the Company focuses on three key areas, namely equipment replacement, management, and behavioral improvement, with the aim of embedding energy-saving practices into daily operations.</p>	No significant difference
(V) Has the Company established and		V	The Company plans to establish a biodiversity policy, committing to implement the “avoid–minimize–restore–offset” principles in its engineering projects and operations to achieve a no net loss target, in alignment with the TNFD framework and GRI 101 Standards. The policy	No significant difference

Evaluation Item	Operational Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Summary Description	
disclosed a biodiversity policy or commitment, and explained its implementation status?		V	has been published on the Company's website and applies to offices, engineering projects, and suppliers across all regions. Plans include conducting biodiversity risk inventory, identification, and integration, as well as assessing mitigation measures. In addition, supply chain management will be promoted and incorporated into contractual clauses. Finally, the ESG Committee will provide oversight, support education and training, and ensure third-party verification.	No significant difference
(VI) Has the Company established and disclosed strategies and measures to promote natural carbon sinks, and explained their implementation status?		V	The Company plans to establish a "Natural Carbon Sink Strategy," aiming to support engineering projects and office greening efforts in alignment with the Ministry of Environment's natural carbon sink matching platform and the TNFD framework. The strategy focuses on office locations and engineering projects across all regions, with future expansion to include the supply chain. Plans include implementing greening initiatives in offices and engineering projects, with future expansion to promote supply chain participation in greening actions. The ESG Committee will oversee performance, supporting the national 2050 net-zero target.	No significant difference

Evaluation Item	Operational Status		Summary Description	Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No		
IV.Social issues				
(I) Has the Company formulated relevant management policies and procedures in accordance with relevant laws and regulations and international human rights conventions?	V		<p>The Company references the United Nations Guiding Principles on Business and Human Rights, the Universal Declaration of Human Rights, and Taiwan’s National Action Plan on Business and Human Rights, and commits to safeguarding labor rights, freedom of association, non-discrimination, and a supply chain free of forced labor. This commitment applies to all offices and engineering projects across all regions.</p> <p>Core policy content includes:</p> <ol style="list-style-type: none"> 1. Labor rights: Comply with the Labor Standards Act and implement a digital working hours system, with 100% coverage. 2. Non-discrimination principle: Ensure equality regardless of gender, age, or nationality; female employees account for 30%, and employment of persons with disabilities meets statutory requirements. 3. Supply chain management: Require suppliers to comply with the Labor Standards Act. 4. Grievance mechanism: Establish a reporting hotline. <p>Responsible units: The ESG Committee oversees policy implementation, while management units are responsible for training and risk assessment. No major violations occurred in 2025.</p>	No significant difference
(II) Has the Company established and disclosed a human rights due diligence		V	<p>The Company plans to establish a human rights due diligence procedure, with reference to Taiwan’s National Action Plan on Business and Human Rights and the United Nations Guiding Principles on Business and Human Rights, adopting a phased process of identification, assessment, mitigation, and tracking. This process will cover employees, suppliers, and communities across all locations and engineering projects.</p> <p>The due diligence process is as follows:</p>	No significant difference

Evaluation Item	Operational Status		Summary Description	Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No		
process and its implementation status?		V	<p>1. Identification stage: Regularly review and identify human rights issues.</p> <p>2. Risk assessment: Conduct quantitative scoring.</p> <p>3. Mitigation measures: Implement improvement actions for high-risk units.</p> <p>4. Tracking and disclosure: Overseen by the ESG Committee.</p> <p>Responsible units: The Administration Division leads implementation, the ESG Committee provides oversight, and the Auditing Office is responsible for grievance investigations and anonymous reporting channels. The process will be expanded to the supply chain in the future.</p>	No significant difference
(III) Does the Company provide employees with a safe and healthy working environment, and implement regular safety and health education for employees?		V	<p>The Company's overall compensation structure is designed to achieve internal equity and external competitiveness, while being linked to performance to achieve a motivational effect. The Company provides a diversified benefits system and a comprehensive retirement scheme in compliance with applicable regulations. For details of employee benefit measures, please refer to the labor-management relations section of this annual report.</p> <p>Work rules: Established in accordance with the Labor Standards Act, covering compensation, bonuses, working hours, leave, attendance, performance evaluation, and benefits.</p> <p>Job grade system: Different job grades are assigned based on employees' skills, with salary adjustment rates determined according to grade differences (excluding employees in the lowest performance tier), and adjusted in response to changes in price levels.</p> <p>Retirement system: A "Labor Pension Supervisory Committee" has been established in accordance with regulations. Pension contributions are regularly deposited into accounts held with Bank of Taiwan, and regular meetings are held to review pension contributions and their utilization. For employees who opt into the new system, 6% of monthly salary is contributed to individual accounts with the Bureau of Labor Insurance.</p> <p>Employee remuneration: In accordance with the Corporate Charter (Article of Incorporation),</p>	No significant difference

Evaluation Item	Operational Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Summary Description	
(III) Does the Company provide employees with a safe and healthy working environment, and implement regular safety and health education for employees?	V		3%–5% of annual profits are allocated as employee remuneration. Performance-based incentives: A performance evaluation and incentive system is in place, under which operating profits are shared with employees based on performance, enabling employee compensation to grow alongside the Company's operations.	No significant difference
(IV) Has the Company established effective career development training programs for employees?	V		The Company plans functional training for both managerial and non-managerial employees at all levels, tailored to their specific positions. The training includes newcomer training, professional training, and training for managers, among others, to help employees continuously learn and grow through diverse learning methods. Additionally, relevant personnel are assigned to participate in external professional training courses based on the training plans or needs proposed by their managers, further cultivating employees' key professional competencies. Employees may also take the initiative to request further education based on their duties or professional needs, and participate in legally required continuing education or qualification training courses to obtain relevant certificates or professional skills to enhance their career development potential. In addition, during the performance assessment and promotion process, the Company considers employee performance status and actively encourages self-	No significant difference

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(IV) Has the Company established effective career development training programs for employees?	V		<p>learning and the strengthening of professional competencies required for their positions. This aims to further integrate personal, family, and work life, thereby creating a virtuous cycle that supports both the Company's talent cultivation and retention as well as employees' personal growth. The business performance or achievements of the Company shall be appropriately reflected in the employee remuneration policy to ensure the recruitment, retention, and motivation of human resources, and achieve the objective of sustainable operations.</p> <p>Three-year talent training hours:</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Number of participants</th> <th>Total hours</th> <th>Average hours</th> </tr> </thead> <tbody> <tr> <td>2023</td> <td>1,744</td> <td>7,492</td> <td>15</td> </tr> <tr> <td>2024</td> <td>2,121</td> <td>7,997</td> <td>17</td> </tr> <tr> <td>2025</td> <td>1,625</td> <td>11,327</td> <td>22</td> </tr> </tbody> </table>	Year	Number of participants	Total hours	Average hours	2023	1,744	7,492	15	2024	2,121	7,997	17	2025	1,625	11,327	22	No significant difference
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(V) Does the Company comply with the relevant laws and international standards with regards to customer health and safety, customer privacy, and marketing and labeling of products	V		The Company specializes in engineering and offers services in business, design, construction, procurement, and technical consulting, among others. The Company enters into contracts that comply with applicable laws and international standards with clients before proceeding with the provision of related services. Moreover, channels of communication with suppliers are maintained to safeguard the reasonable interests and rights of both parties on the basis of mutual trust and reciprocity. The Company complies with personal data protection and information security systems at both the management and technical levels to meet the information security requirements of customers, employees, and suppliers, while also protecting the privacy and property rights of all relevant stakeholders. The Company, in compliance with applicable	No significant difference																

Evaluation Item	Operational Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Summary Description	
and services, and implement consumer protection and grievance policies?	V		regulations and international standards, has established a code of conduct covering customer health and safety and customer privacy. In addition, a “Whistleblower Mailbox” has been set up on the Company’s website, an “Employee Feedback Box” has been installed in the offices, and a “Complaint Mailbox” has been placed at each project site to provide all stakeholders with channels to ask questions, file complaints, or make suggestions. The Company upholds the principle of integrity and ensures proper handling of these matters. Anonymous reports are also accepted. Upon receiving a report, the President and the Chief Auditor shall handle the receipt, classification, analysis, investigation, reporting, arbitration, and follow-up on improvement results in accordance with applicable SOPs. The identity of the whistleblower and the contents of the report are strictly kept confidential. Appropriate protective measures are taken in compliance with the law to prevent unfair retaliation or treatment.	No significant difference
(VI) Does the Company comply with the relevant laws and international standards with regards to customer health and safety, customer privacy, and marketing and labeling of products and services, and implement consumer	V		The Company specializes in engineering and offers services in business, design, construction, procurement, and technical consulting, among others. All contracts comply with applicable regulations and international standards, and subsequent operations are initiated only after execution by the client. Open channels of communication are maintained with suppliers to safeguard the reasonable interests and rights of both parties on the basis of mutual trust and reciprocity. The Company strictly complies with personal data protection and information security systems at both the management and technical levels to ensure the information security of customers, employees, and suppliers, while also protecting the privacy and property rights of all relevant stakeholders. The Company has established a code of conduct in accordance with applicable regulations and international standards, emphasizing customer health and safety and the protection of customer privacy.	No significant difference

Evaluation Item	Operational Status		Summary Description	Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No		
protection and grievance policies?	V		To strengthen integrity mechanisms, a “Whistleblower Mailbox” has been set up on the Company’s website, an “Employee Feedback Box” has been installed in the offices, and a “Complaint Mailbox” has been placed at each project site to provide all stakeholders with channels to ask questions, file complaints, or make suggestions. The Company upholds the principle of integrity in handling such matters and accepts anonymous reports. Upon receipt, the President and the Chief Auditor handle the case in accordance with SOPs, including receipt, classification, analysis, investigation, reporting, arbitration, and follow-up on improvements. The identity of the whistleblower and the contents of the report are strictly kept confidential, and protective measures are taken in accordance with the law to prevent unfair retaliation. The Company regularly communicates to employees the confidentiality agreement, the Code of Ethical Conduct, the Personal Data Collection Notice and Consent, and the workplace sexual harassment prevention policy and Gender Equality Act complaint channels, and requires employees to complete the signing of the documents.	No significant difference
(VII) Has the Company formulated supplier management policies requiring suppliers to comply with relevant regulations on issues such as environmental protection, occupational safety	V		The Company has established relevant evaluation and management guidelines and has implemented the “Guidelines for New Supplier Adoption and Supplier Evaluation and Selection.” The Company stipulates suppliers’ compliance obligations in its business contracts and communicates to suppliers the Company’s supplier management system (which covers environmental, occupational safety and health, or human rights requirements), and strictly prohibits suppliers and their personnel from offering any benefits to the Company’s personnel for the purpose of facilitating contract signing, seeking unlawful gains, avoiding losses, or for any other illicit purposes. The Company’s contracts with major suppliers include clauses stating that the contract may be	No significant difference

Evaluation Item	Operational Status		Summary Description	Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor												
	Yes	No														
and health, or labor rights, and what is the status of their implementation?	V		terminated or rescinded at any time if a supplier violates relevant laws or regulations and causes a significant impact on the environment or society.	No significant difference												
(VIII) Does the Company assess risks or opportunities related to the community and implement corresponding measures, and disclose the specific actions taken and their implementation effectiveness?	V		<p>Acting in the engineering domain, L&K conducts risk or opportunity assessments in the early stages of project construction and implements relevant measures to strengthen interaction, consultation, and dispute resolution with affected communities.</p> <table border="1"> <thead> <tr> <th>Risks</th> <th>Item</th> <th>Corresponding Measures</th> </tr> </thead> <tbody> <tr> <td>Noise</td> <td>Equipment operation disturbing residents' rest</td> <td>Use low-noise equipment, install sound barriers, prohibit nighttime construction</td> </tr> <tr> <td>Dust emissions</td> <td>Affecting residents' health</td> <td>Regular operation of water-spraying vehicles Cover exposed ground or stockpiled materials with dust-proof sheets (nets)</td> </tr> <tr> <td>Traffic congestion</td> <td>Road closures for hoisting delay commuting; increased parking demand</td> <td>Plan alternative routes; deploy volunteers for traffic guidance</td> </tr> </tbody> </table>	Risks	Item	Corresponding Measures	Noise	Equipment operation disturbing residents' rest	Use low-noise equipment, install sound barriers, prohibit nighttime construction	Dust emissions	Affecting residents' health	Regular operation of water-spraying vehicles Cover exposed ground or stockpiled materials with dust-proof sheets (nets)	Traffic congestion	Road closures for hoisting delay commuting; increased parking demand	Plan alternative routes; deploy volunteers for traffic guidance	No significant difference
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(VIII) Does the Company assess risks or opportunities related to the community and implement corresponding measures, and disclose the specific actions taken and their implementation effectiveness?	V		<table border="1"> <thead> <tr> <th>Opportunities</th> <th>Item</th> <th>Corresponding Measures</th> </tr> </thead> <tbody> <tr> <td>Labor demand</td> <td>Creating local employment</td> <td>Local hiring</td> </tr> <tr> <td>Waste recycling</td> <td>Creating green business opportunities</td> <td>Resident participation in waste recycling</td> </tr> </tbody> </table>	Opportunities	Item	Corresponding Measures	Labor demand	Creating local employment	Local hiring	Waste recycling	Creating green business opportunities	Resident participation in waste recycling	No significant difference
Opportunities	Item	Corresponding Measures											
Labor demand	Creating local employment	Local hiring											
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V. Does the Company refer to international reporting standards or guidelines when preparing its sustainability report and other reports disclosing non-financial information? Does the Company obtain third party assurance or certification for the reports above?	V		<p>The Company's Sustainability Report discloses relevant sustainability information based on material topics, the GRI Standards, the Sustainability Accounting Standards Board (SASB) standards, and the Task Force on Climate-related Financial Disclosures (TCFD) guidelines, and is also verified by an external verification body.</p> <p>The latest Sustainability Report was published in June 2025 and was verified by the third-party international assurance provider AFNOR Asia Ltd. in accordance with the GRI Standards and the AA1000 Assurance Standard (moderate assurance, Type 1), with an assurance statement issued.</p>	No significant difference									

Evaluation Item	Operational Status			Summary Description	Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No			
<p>VI. If the Company has adopted its own sustainable development best practice principles based on the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, please describe any deviation from the principles in the Company's operations: The Company has formulated the Sustainable Development Practices Guidelines, and there are no significant deviations in its operations from the prescribed principles.</p>					
<p>VII. Other important information to facilitate better understanding of the Company's promotion of sustainable development:</p> <ol style="list-style-type: none"> 1. Environmental protection: The Company implements environmental control and management in accordance with regulations. Please see information on environmental expenditures. 2. Human rights: All employees of the Company are provided with equal employment opportunities, irrespective of their sex, religion, or party affiliation. The Company fosters a positive workplace environment to ensure that employees are free from discrimination and harassment. 3. Safety and health: The Company implements safety and health control and management in accordance with governmental laws and regulations. 4. Social services: The Company participates in social service activities on an occasional basis to enhance its social engagement, contributions, and services, and actively takes part in external emergency relief efforts, for example: <ol style="list-style-type: none"> (1) Providing care to children supported by the Taiwan Fund for Children and Families in Hsinchu through regular donations of supplies and funds. (2) Making regular donations to the Friends of the Police Association in Hsinchu County. (3) Making regular donations to the Xingang Fengtian Temple in Chiayi County. (4) Making donations to the Taiwan High-Tech Facility Association. (5) Making donations to the National Taipei University. (6) The Company has long maintained industry-academia collaborations with St. John's University, Cheng Shiu University, Tungnan University, Lunghwa University of Science and Technology, Chien Hsin University of Science and Technology, Southern Taiwan University of Science and Technology, Kun Shan University, Ming Chi University of Technology, National Penghu University of 					

Evaluation Item	Operational Status			Summary Description	Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor	
	Yes	No				
Science and Technology, and National Taipei University of Technology.						
Number of interns		2021	2022	2023	2024	2025
		25	39	36	12	15
<p>(7) The Company has established scholarship and retention bonus programs to encourage young students to participate in workplace internships and to build a talent pipeline for sustainable operations. In 2023, following a resolution by the Board of Directors, the Company partnered with St. John's University and donates NT\$20 million annually to support education, cultivate professional talent in the engineering field, promote industry workforce development, and fulfill its corporate social responsibility.</p> <p>(8) The Company emphasizes workplace equality and diversity and inclusion, covering equal treatment regardless of gender, age, and family caregiving responsibilities. The completion rate for signing acknowledgments of workplace sexual harassment prevention and Gender Equality Act awareness reaches 100%, fully aligning with the Sustainable Development Goals (SDGs). (9) Promoting road adoption and the optimization of pedestrian environments. Starting in 2024, the Company has adopted a section of Ren'ai Road (adjacent to the office, located in a mixed industrial, commercial, and residential area). In response to safety concerns caused by long-term curbside parking occupying the white line and forcing pedestrians into the roadway, the Company has prioritized routine cleaning, greening, and environmental maintenance to enhance the area's visual appeal and usability. In the short term, the Company plans to install sidewalks and safety markings to clearly separate pedestrian and vehicular flows, reduce traffic risks, and ensure safe passage for both pedestrians and vehicles. Through road adoption and infrastructure improvements, the Company is committed to enhancing the quality of public spaces in the community, strengthening traffic order, and demonstrating its commitment to local development, community integration, and a sustainable environment, thereby creating long-term positive impacts for nearby residents.</p>						

Status of Climate-Related Information Implementation

Item	Implementation Status
<p>1. Elaboration on the supervision and governance of climate-related risks and opportunities by the Board of Directors and management.</p>	<p>The ESG Committee, with the Chairman as the highest responsible authority, demonstrates commitment to net-zero climate, and is coordinated by the ESG Officer, who regularly reports to the Board of Directors on the progress and outcomes of policy implementation, thereby enhancing the quality and efficiency of decision-making.</p> <p>The implementation teams under the committee are divided into the Sustainable Strategy Group, the Environment Group, the Governance Group, the Social Group, and the Economic Group, each responsible for its respective business area. Progress and effectiveness of implementation are regularly reported to the Board of Directors.</p> <p>To address the impact of climate change on sustainable operations, the Company strengthens management’s professional knowledge and practical experience in climate-related issues, and assesses the financial impacts, likelihood of occurrence, response measures, and oversight mechanisms of climate-related risks and opportunities, with regular reporting to the Board of Directors.</p>
<p>2. Elaboration on how identified climate-related risks and opportunities impact the Company’s business, strategies, and finances (short-, medium-, and long-term).</p>	<p>The Company utilizes a risk matrix to identify material climate-related risks and opportunities from the perspectives of the organization, suppliers, and customers. The impacts at each stage are as follows:</p> <ul style="list-style-type: none"> ♦ Short-term (within 1 year) <ul style="list-style-type: none"> Risks: Cybersecurity threats, labor shortages, and rising raw material and labor costs, leading to increased procurement costs. Opportunities: Strengthening information security infrastructure and deepening technical collaboration with suppliers to reduce operating costs. ♦ Medium-term (1–3 years) <ul style="list-style-type: none"> Risks: Constraints on business scope, gaps in technical talent, environmental impacts, and occupational hazards, which may weaken competitiveness and lead to customer loss. Opportunities: Expanding company scale to develop international business, strengthening EPC project track records, promoting diversified employee career development, supporting government environmental policies, and building a low-risk, zero-occupational-accident workplace. ♦ Long-term (over 3 years) <ul style="list-style-type: none"> Risks: Missing low-carbon and green energy business opportunities, resulting in a decline in newly signed contract value.

Item	Implementation Status
2. Elaboration on how identified climate-related risks and opportunities impact the Company's business, strategies, and finances (short-, medium-, and long-term).	<p>Opportunities: Meeting customers' net-zero transition needs and developing green energy businesses, leading to an increase in newly signed contract value.</p> <ul style="list-style-type: none"> ◆Financial impact: On the risk side, increased operating costs and compressed revenue; on the opportunity side, revenue growth driven by strengthened management systems and technical capabilities. ◆Strategic direction: Transitioning toward green engineering contracting, designing energy-saving and carbon-reduction systems for clients, and building a strong track record to capture business opportunities.
3. Elaboration on the impact of extreme climate events and transition actions on finances.	<p>The Company has identified two material climate-related financial risks: "policies and regulations" and "technical services," which may lead to increased operating costs, a rise in penalties, and a decline in revenue. Multiple action plans have been developed to enhance market competitiveness.</p> <p>At the same time, two material opportunities have been identified: "energy sources" and "products/services," which can reduce operating costs and drive revenue growth.</p>
4. Elaboration on how climate-related risk identification, assessment, and management processes are integrated into the overall risk management system.	<p>The Company, in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), assesses transition risks and physical risks.</p> <p>Groups under the ESG Committee discuss climate change issues, evaluate impacts across the value chain, identify material risks and opportunities, assess corresponding short-, medium-, and long-term strategies and financial impacts, and formulate energy-saving and carbon reduction plans.</p> <p>This framework promotes climate-related information disclosure and stakeholder communication, enhances organizational climate resilience, and effectively supports adaptation to and mitigation of climate-related risk impacts.</p>
5. When using scenario analysis to assess resilience to climate change risks, it is required to explain the scenarios, parameters, assumptions, analysis factors, and major financial impacts used.	<p>The Company, in accordance with the TCFD framework, analyzes transition risks and physical risks, evaluates the impacts on operations and the value chain under different global greenhouse gas emission scenarios, and formulates corresponding response measures.</p> <p>Physical risks: With reference to the Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report (2021), global climate models and Shared Socioeconomic Pathways (SSPs) are adopted to estimate the long-term impacts of future climate change across regions.</p> <p>Transition risks: Taking into account the global net-zero trend by 2050 and Taiwan's climate policies, the Company uses the net-zero scenario in the IEA World Energy Outlook 2022 and Taiwan's Nationally Determined Contributions (NDC) as the basis for assessment to plan its net-zero transition pathway.</p>

Item	Implementation Status
<p>6. If there is a transition plan in response to climate-related risk management, please describe the plan content, along with the indicators and targets used to identify and manage both physical and transition risks.</p>	<p>The Company operates in the engineering services industry and does not engage in manufacturing or production. It has implemented reduction plans at its three offices in Xizhi, Hsinchu, and Tainan, which fall under its operational control, and plans to invite upstream business partners to participate.</p> <p>The reduction targets are based on the Science Based Targets initiative (SBTi) 1.5°C scenario, using 2022 as the base year, with the following Scope 1 and Scope 2 emission targets: Short-term (within 1 year) and medium-term (1–3 years): Scope 1 reduced by 1% and Scope 2 reduced by 0.5% Long-term (over 3 years): Continuous implementation of relevant reduction measures</p>
<p>7. If internal carbon pricing is used as a planning tool, it is required to explain the basis for price setting.</p>	<p>In accordance with GRI 305 established by the Global Reporting Initiative (GRI), L&K voluntarily discloses that the total Scope 1 and Scope 2 greenhouse gas emissions under operational control are approximately 500 tons of CO_{2e}. The current announced carbon fee in Taiwan is NT\$300 per ton of CO_{2e}, which is used as the basis for internal carbon pricing. Based on an annual total emissions volume of 500 tons, the estimated annual internal carbon cost is NT\$150,000. This carbon cost estimate is not an actual payment, but is used as a financial reference for future capital expenditures and operational decision-making, to facilitate cost-benefit comparisons for energy-saving and carbon reduction measures.</p>
<p>8. If any climate-related targets are established, it is required to provide information including the activities covered, the scope of GHG emissions, the planned timeline, and annual progress toward the targets. If carbon offsets or renewable energy certificates (RECs) are used to achieve relevant targets, it is required to detail the source and quantity of the carbon reduction credits used for offsets, or the number of renewable energy certificates (RECs).</p>	<p>The Company, for its three offices in Xizhi, Hsinchu, and Tainan under operational control, has set greenhouse gas reduction targets based on the Science Based Targets initiative (SBTi) 1.5°C scenario, using 2022 as the base year.</p> <p>The targets for each phase are as follows: Short-term (within 1 year), medium-term (1–3 years), and long-term (over 3 years): Scope 1 emissions reduced by 1% and Scope 2 emissions reduced by 0.5%.</p> <p>Scope 1 emissions mainly come from fuel use in company vehicles and are affected by project scale. The Company does not use carbon offsets or renewable energy certificates.</p>
<p>9. Inventory and assurance of GHG emissions, reduction targets, strategies, and tangible action plans (details provided in 1-1 and 1-2).</p>	<p>1. Please refer to Appendix 1-1 below for details of greenhouse gas inventory and assurance. 2. Please refer to Appendix 1-2 below for details of reduction targets, strategies, and specific action plans.</p>

Appendix 1-1 GHG Inventory and Assurance for the Last Two Years

<p>Company Profile</p> <p><input type="checkbox"/> Companies with capital of NT\$10 billion or more, or those in the steel or cement industries</p> <p><input type="checkbox"/> Companies with capital of NT\$5 billion or more but under NT\$10 billion</p> <p><input checked="" type="checkbox"/> Companies with capital under NT\$5 billion</p>	<p>According to the Sustainable Development Guidemap for TWSE- and TPEX- Listed Companies, the minimum required disclosures are</p> <p><input checked="" type="checkbox"/> Inventory of the parent company as an individual entity</p> <p><input type="checkbox"/> Inventory of subsidiaries included in consolidated financial statements</p> <p><input checked="" type="checkbox"/> Assurance of the parent company as an individual entity</p> <p><input type="checkbox"/> Assurance of subsidiaries included in consolidated financial statements</p>
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Data coverage: The greenhouse gas inventory adopts the “operational control approach.” The boundary includes greenhouse gas emission sources under the control of the following sites; construction sites are not included in the inventory as they are not under operational control.

No.	Facility/Site	Site Type	Address	Factory Registration Certificate
1	Xizhi Office	Office	14F, No. 175, Sec. 1, Datong Rd., Xizhi Dist., New Taipei City	None
2	Hsinchu Office	Factory	No. 9, Ren'ai Rd., Hukou Township, Hsinchu County	99-630275-00
3	Tainan Office	Factory	No. 219 & 219-1, Shenei Vil., Xinshi Dist., Tainan City	None

Emission type	Total emissions (metric tons of CO2e)	Intensity (metric tons of CO2e per NT\$ million)	Assurance Body	Assurance Details
Scope 1				
2024	97.886	0.003743	None	None
2025	95.973	0.003210	AFNOR Asia Ltd.	None
Scope 2				
2024	356.276	0.013623	None	None
2025	331.598	0.008570	AFNOR Asia Ltd.	None
Scope 3 (voluntary disclosure)				
Waste	34.766	0.000899	None	None
Water energy	554.776	0.0474339	None	None

Appendix 1-2 Reduction Targets, Strategies, and Specific Action Plans

- The Company’s greenhouse gas reduction targets are set based on the 1.5°C scenario of the SBTi and aligned with its operational activities. Using 2022 as the baseline year, the targets are established based on the greenhouse gas inventory of its three offices in Xizhi, Hsinchu, and Tainan, which fall under its operational control. The short-term (2025), medium-term (2030), and long-term (2050) targets aim for
 - a 1% reduction in Scope 1 emissions.
 - 0.5% reduction in Scope 2 emissions.
 - Voluntary disclosure- Waste and Water energy in Scope 3 emissions.

Item	Strategy	Action Plan
Scope 1 – Fuel	Support government initiatives and align with relevant energy reduction policies. Promote and post signage; cultivate daily life habits Phase-out, procure, or lease of energy-saving vehicles Reduce unnecessary travel	In 2025, hybrid vehicles accounted for 24% Shared use and carpooling of official vehicles Online meetings are adopted as appropriate based on needs
Scope 2 – Electricity	Support government initiatives and align with relevant energy reduction policies. Reduce printing Procure or lease energy-saving vehicles	Prioritize procurement of Grade 1 energy-saving products Office equipment and electronic devices enter power-saving mode automatically after a period of inactivity Regular upkeep and daily maintenance of air conditioning equipment to maintain high-efficiency operation Install blinds on office windows to reduce solar heat gain and lower air conditioning electricity consumption
Water energy	Promote recycling method Set up waste sorting bins Provide reusable items Purchase eco-friendly products	Use reusable tableware for company-provided meals In 2025, the amount of procurement of eco-labeled products decreased by 48% compared to the base year (2022). (Explanation: procurement based on business needs) Recycling and reuse of packaging materials
Waste	Install water-saving equipment Air conditioning temperature control Post water-saving reminder signage	Replace water-saving fixtures and check for leaks to prevent resource waste Set air conditioning temperature no lower than 24°C in summer Procure or lease Grade 1 energy-saving products Post signage to reinforce employees’ energy-saving habits

- 2025 reduction target achievement status:
The Company's carbon emission reduction target is based on 2022 as the base year, and the implementation performance is as follows.

Unit: t CO₂e

Year	Loss target (%)	2022 (basic year)	2024	2025		
Scope 1	1%	116.349	97.886	95.973	-17.51%	Achieved
Scope 2	0.5%	211.533	356.276	331.598	56.76%	Not achieved
Waste	0.3%	24.658	41.561	34.766	40.99%	Not achieved
Water energy	0.5%	576.232	618.148	554.776	-3.72%	Achieved

- Please refer to the ESG Digital Platform for the Sustainability Report
<https://esggenplus.twse.com.tw/inquiry/report?market=0&industry=&companyCode=6139&year=2024>

(VI) Ethical Corporate Management and Deviations from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies, and Reasons for Such Deviation:

Items Assessed	Implementation Status			Any deviation from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies, and reasons for such deviation
	Yes	No	Summary	
i. Establishment of ethical corporate management policies and programs				
(I) Has the Company formulated its ethical corporate management policies approved by the Board of Directors and declared the policies and procedures in its guidelines and external documents, as well as the commitment from its board and senior management to implement the policies?	V		The Company has adopted the “Ethical Corporate Management Best Practice Principles” and the “Code of Ethics” as approved by the Board of Directors, and clearly discloses its ethical corporate management policies and practices in its Corporate Charter (Article of Incorporation), on its website, and in external documents. It conducts regular promotion, actively supervises implementation, and reports on the status of implementation to the Board of Directors on a regular basis to ensure that ethical corporate management policies are implemented throughout the Company.	No significant difference
(II) Does the Company have mechanisms in place to assess the risk of unethical conduct and perform regular analysis and assessment of business activities with a higher risk of unethical conduct within the scope of business? Does the Company implement programs to prevent unethical conduct based on the above and ensure the programs cover at least the matters described in Paragraph 2, Article 7 of the	V		The Company has established regulations such as the “Ethical Corporate Management Best Practice Principles” and the “Code of Ethics,” approved by the Board of Directors, and has set up a risk assessment mechanism to regularly analyze high-risk business activities such as procurement, tendering, and contract negotiations. The prevention measures comprehensively cover the	No significant difference

Items Assessed	Implementation Status			Any deviation from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies, and reasons for such deviation
	Yes	No	Summary	
Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies?	V		acts set out in Article 7, Paragraph 2 of the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies,” including prohibitions on bribery, improper political contributions, and improper benefits. Implementation is carried out through internal audits, employee training, and a whistleblowing system, and the evaluation results and improvement measures are reported to the Board of Directors on a regular basis.	
(III) Does the Company specify operating procedures, behavior guidelines, disciplinary penalties and grievance system in the program to prevent dishonesty, and implement it, and regularly review and revise the aforementioned program?	V		The Company sets out detailed prevention measures in the “Ethical Corporate Management Best Practice Principles” and the “Code of Ethics,” including prohibitions on bribery and improper benefits. Violations are subject to disciplinary actions in accordance with the disciplinary regulations, and a whistleblowing mailbox and anonymous reporting system are established.	No significant difference

Items Assessed	Implementation Status			Any deviation from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies, and reasons for such deviation
	Yes	No	Summary	
ii. Implementation of Ethical Management				
(I) Does the Company evaluate business partners' ethical records and include ethics-related clauses in business contracts?	V		In the new supplier onboarding and evaluation procedures, the Company assesses the integrity records of counterparties such as suppliers and customers, including checks for illegal or dishonest conduct. All commercial contracts explicitly stipulate integrity clauses, including prohibitions on bribery, improper benefits, and illegal conduct; in the event of a violation, the contract may be terminated, and the counterparty will be included in subsequent transaction blacklist management.	No significant difference
(II) Does the Company establish a dedicated unit supervised by the Board to be in charge of corporate integrity, and regularly (at least once a year) report its ethical management policies and preventive measures as well as its implementation of supervision to the Board of Directors?	V		The Company's ESG Committee under the Board of Directors reports at least once a year to the Board of Directors on the ethical corporate management policies and the implementation of measures to prevent dishonest conduct. The Auditing Office conducts audits in accordance with the audit plan and prepares audit reports to the Board of Directors.	No significant difference
(III) Does the Company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it?	V		The Company has established the "Ethical Corporate Management Best Practice Principles" and the "Code of Ethics,"	No significant difference

Items Assessed	Implementation Status			Any deviation from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies, and reasons for such deviation
	Yes	No	Summary	
(III) Does the Company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it?	V		and employees sign confidentiality agreements and the Code of Ethical Conduct, while suppliers sign conflict of interest declaration letters.	No significant difference
(IV) Does the Company have effective accounting and internal control systems in place to uphold business integrity? Does the internal audit unit follow the results of risk assessments for unethical behavior and devise plans to audit the systems accordingly to prevent unethical conduct, or hire accountants to conduct the audits?	V		The Company has established comprehensive accounting and internal control systems, and its financial statements are audited by certifying CPAs to ensure fairness. The internal audit unit formulates an annual audit plan based on risk assessment results, reviews compliance, and reports the implementation results to the Board of Directors and the Audit Committee.	No significant difference
(V) Does the Company regularly hold internal and external educational trainings on operational integrity?	V		The Company regularly communicates relevant ethical corporate management regulations, with a 100% signing rate. Employees participated in internal and external training totaling 20 attendances and 24 hours.	No significant difference
iii. Implementation of Complaint Procedures				
(I) Does the Company establish specific complaint and reward procedures, setup conveniently accessible complaint channels, and designate responsible individuals to handle the complaint received?	V		1. The Company has a set of "Work Rules" in place. If employees break these rules, disciplinary actions will be taken against them according to the severity of their violation. 2. An "Employee Mailbox" has been set up in the office area of	No significant difference

Items Assessed	Implementation Status			Any deviation from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies, and reasons for such deviation
	Yes	No	Summary	
(I) Does the Company establish specific complaint and reward procedures, setup conveniently accessible complaint channels, and designate responsible individuals to handle the complaint received?	V		<p>the company to encourage employees to give feedback and report any violations and grievances to their direct supervisor or the Auditing Office.</p> <p>3. Mailboxes for complaints are in place at all construction sites, providing channels for all stakeholders to whistle-blow. The engineering safety management team is authorized to accept and seal these complaints, submitting them to the head of the Auditing Office.</p> <p>4. The company has set up a whistleblowing email: whistleblower@lkeng.com.tw. Emails sent to this address are automatically forwarded to the two responsible persons: the President and the Chief Auditor.</p>	No significant difference
(II) Has the Company established standard operating procedures for investigating and processing reports, as well as follow-up actions and relevant post-investigation confidentiality measures?	V		<p>1. Illegal activities or unethical conduct, as well as anonymous reports, can be submitted using the Company's reporting system - "Employee Mailbox," available internally and externally on its website. The President and the independent Chief Auditor are responsible for investigating the</p>	No significant difference

Items Assessed	Implementation Status			Any deviation from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies, and reasons for such deviation
	Yes	No	Summary	
(II) Has the Company established standard operating procedures for investigating and processing reports, as well as follow-up actions and relevant post-investigation confidentiality measures?	V		<p>reports and ensuring the confidentiality of the identity of the whistleblower and the content of the filed report.</p> <p>2. After accepting reports, the President and the Chief Auditor shall handle the receipt process, classification, analysis, investigation, reporting, arbitration, and follow-up on improvement results in accordance with any applicable SOP.</p> <p>3. The mechanism for protecting whistleblowers ensures that the personal information and reporting documents provided by the whistleblower are kept confidential, unless otherwise required by law. We take appropriate protective measures in accordance the law to safeguard the whistleblower from retaliation or unfair treatment.</p> <p>4. The investigation report shall be completed within two months of the case being established and submitted to the President for approval. If the investigation unit deems it necessary to extend the investigation period by the due date,</p>	No significant difference

Items Assessed	Implementation Status			Any deviation from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies, and reasons for such deviation
	Yes	No	Summary	
(II) Has the Company established standard operating procedures for investigating and processing reports, as well as follow-up actions and relevant post-investigation confidentiality measures?	V		it may provide justification and submit it to the President for approval.	No significant difference
(III) Does the Company adopt measures for protecting whistle-blowers from inappropriate disciplinary actions due to their whistle-blowing?	V		1. Grievance procedures and confidentiality mechanisms are provided in relevant regulations. The mechanism for protecting whistleblowers ensures that the personal information and reporting documents provided by the whistleblower are kept confidential, unless otherwise required by law. We take appropriate protective measures in accordance the law to safeguard the whistleblower from retaliation or unfair treatment.	No significant difference
iv. Enhancement of Information Disclosure				
Does the Company disclose its guidelines on business ethics as well as information about implementation of such guidelines on its website and the Market Observation Post System?	V		The Company publicly discloses the full text of the “Ethical Corporate Management Best Practice Principles” on its official website and discloses implementation results, including a 100% employee training signing	No significant difference

Items Assessed	Implementation Status			Any deviation from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies, and reasons for such deviation
	Yes	No	Summary	
Does the Company disclose its guidelines on business ethics as well as information about implementation of such guidelines on its website and the Market Observation Post System?	V		rate, no whistleblowing cases during the period, and internal audit results.	No significant difference
<p>v. If the Company has established the ethical corporate management policies based on the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies, please describe any discrepancy between the policies and their implementation: The Company has established its own “Ethical Corporate Management Best Practice Principles” with reference to the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies,” and there are no material differences between the two. The Company’s guidelines comprehensively cover policy statements, prevention measures, whistleblowing systems, internal controls, and Board oversight as required by regulations. However, in light of the characteristics of the engineering services industry, industry-specific anti-bribery measures have been added to supplier evaluation and engineering tendering procedures, and the real-time handling mechanism of the digital whistleblowing system (whistleblower@lkeng.com.tw) has been strengthened.</p>				
<p>vi. Other important information to facilitate better understanding of the company’s ethical corporate management policies: (e.g., review and amend its policies):</p> <p>(I) The Company has established the “Corporate Governance Principles” which is distributed internally to facilitate the Board and senior managements’ implementation of corporate governance compliance. These Principles are also made available to shareholders, investors, and stakeholders on the company’s website (http://www.lkeng.com.tw) under Investors section.</p> <p>(II) To prevent insider trading, the Company’s Board of Directors has approved the Procedures for Handling Material Inside Information on 2009.12.18. Every elected directors and supervisors are asked to sign a non-disclosure agreement. Employment contracts signed when an employee reports for duty also include a non-disclosure clause.</p> <p>(III) Each year, the Auditing Office evaluates regulatory changes and implementation effectiveness to ensure that the guidelines comply with the latest requirements of the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies” and the characteristics of the engineering services industry.</p>				

(VII) Implementation Status of Internal Control System

1. Internal Control System

L&K Engineering Co., Ltd.
Statement of Internal Control System

Date: 2026/3/13

Based on the findings of a self-assessment, L&K Engineering Co., Ltd. states the following with regard to its internal control system during the year 2025:

- (1). The Company acknowledges that the establishment, implementation, and maintenance of internal control system are the responsibility of Board of Directors and management, and the Company has established such system. The internal capital system aims to reasonably assure that the goals such as the effectiveness and the efficiency of operations (including profitability, performance, and safeguarding of assets), the reliability, timeliness, transparency, and regulatory compliance of reporting, and the compliance with applicable laws, regulations, and bylaws are achieved.
- (2). An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reasonable assurance of accomplishing its stated objectives. Moreover, the effectiveness of an internal control system may be subject to changes due to extenuating circumstances beyond our control. Nevertheless, our internal control system contains self-monitoring mechanisms, and the Company takes immediate remedial actions in response to any identified deficiencies.
- (3). The Company evaluates the design and operating effectiveness of its internal control system based on the criteria provided in the "Regulations Governing the Establishment of Internal Control Systems by Public Companies" (herein below, the "Regulations"). The criteria adopted by the Regulations divide internal control into five components in line with the process of management control: (1) control environment, (2) risk assessment, (3) control activities, (4) information and communications, and (5) monitoring activities. Each component also contains several criteria. Please refer to the "Regulations" for details.
- (4). The Company has evaluated the design and operating effectiveness of its internal control system according to the aforesaid Regulations.
- (5). Based on the findings of such evaluation, the Company believes that on 2025/12/31, the design and implementation of its internal control system, consisting of the effectiveness and efficiency of business operations, reporting that encompass reliability, timeliness, transparency, or other terms as set forth by regulators, and compliance with applicable laws and regulations, are effective and reasonably assure the achievement of the aforementioned goals.
- (6). This Statement constitutes part of the Company's annual report and prospectus, and shall be disclosed to the public. Any false representation or concealment in this Statement shall be subjected to legal consequences as stipulated in Articles 20, 32, 171, and 174 of the Securities and Exchange Act.
- (7). This Statement has been passed by the Board of Directors in their meeting held on 2026/3/13 with 0 of the 9 attending directors expressing dissenting opinions, and the remainder all affirming the content of this Statement.

L&K Engineering Co., Ltd.

Chairman: Chu-Shiang Yao

President: Hsiao-Ling Chiang

Relevant announcements can be accessed on the Market Observation Post System under Corporate Governance → Internal Control Section → Statement of Internal Control Announcements <https://mops.twse.com.tw/mops/web/t06sg20>

2. If the internal control policy was reviewed by an external accountant, the report of such review shall be disclosed: None.

(VIII) Material resolutions of a shareholders' meeting or board meetings during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report and implementation status of resolutions of shareholders' meeting

(1) Major Resolutions of the 2025 Shareholders' Meeting

Date	Name of Meeting	Major Resolutions
2025.05.16	Annual Shareholders' Meeting 2025	I. Matters for Acknowledgments i. Acknowledgment of the Company's 2024 business report and financial statements ii. Acknowledgment of the Company's 2024 proposal of distribution of earnings

(2) Implementation Status of the Major Resolutions of the 2025 Shareholders' Meeting

Items to be Resolved	Major Resolutions
1. Acknowledgment of the Company's 2024 business report, financial statements, and consolidated financial statements	This resolution has been approved at the Shareholders' Meeting and announced on the Market Observation Post System in accordance with regulations.
2. Acknowledgment of the Company's 2024 proposal of distribution of earnings	This resolution has been approved at the Shareholders' Meeting and announced on the Market Observation Post System in accordance with regulations. Distribution of NT\$3,265,939,530 in cash dividends for shareholders has been approved; the baseline date for dividend distribution was set to 2025/09/10, and distribution was completed on 2025/09/30.

(3) Major Resolutions of Board Meetings

Date	Name of Meeting	Major Resolutions	Resolution
2025.02.25	The 1st meeting of 2025	1. Discussion on partial amendments to the Company's "Articles of Incorporation." 2. Discussion on the Company's definition of the scope of non-executive employees. 3. The time, venue, and agenda items of the 2025 Shareholders' Meeting.	<input checked="" type="radio"/> Independent Director: No opinions at this meeting. <input checked="" type="radio"/> Passed as proposed without objection from directors present in the meeting.

Date	Name of Meeting	Major Resolutions	Resolution
2025.03.14	The 2nd meeting of 2025	<ol style="list-style-type: none"> 1. The Company's 2024 business report, financial statements, and consolidated financial statements. 2. Discussion on the Company's 2024 Self-Assessment and Statement of Internal Control System. 3. Discussion on the Company's 2024 proposal for distribution of employee and director/supervisor remunerations. 4. Discussion on the Company's 2024 proposal for distribution of earnings. 5. Discussion on the Company's regular evaluation of the independence of CPAs 6. Discussion on the Company's application for credit extension with various financial institutions for business purpose.. 7. Discussion on setting the base date for the issuance of new shares for the Company's fourth domestic unsecured convertible bonds converted into common stock. 8. Discussion on the Proposal to Revise the Company's "Regulations Governing the Receipt and Use of Negotiable Instruments.," "Regulations Governing the Use of Company Checks," and "Internal Control System - CR100 Finance Cycle." 9. Discussion on the Proposal to Revise the Company's "AA-006 Substitute Policy." 	<p>◎ Independent Director:No opinions at this meeting.</p> <p>◎ Passed as proposed without objection from directors present in the meeting.</p>
2025.05.09	The 3rd meeting of 2025	<ol style="list-style-type: none"> 1. Discussion of the Company's [2024 Sustainability Report], which has been completed and has undergone third-party verification. 2. Discussion of the application by the Company's Singapore branch for a credit line with United Overseas Bank Limited due to operating needs. 3. Discussion of setting the base date for the issuance of new shares for the conversion of the Company's fourth domestic unsecured convertible bonds into common stock. 	<p>◎ Independent Director:No opinions at this meeting.</p> <p>◎ Passed as proposed without objection from directors present in the meeting.</p>
2025.05.16	The 4th meeting of 2025	<ol style="list-style-type: none"> 1. Discussion of setting the base date and the payment date for the Company's 2024 distribution of earnings as cash dividends. 2. Discussion of the Company's application for a credit line with DBS Bank (Taiwan) Ltd. due to operating needs. 3. Discussion of the Company's application for a credit line with International Bills Finance Corporation for business purpose. 	<p>◎ Independent Director:No opinions at this meeting.</p> <p>◎ Passed as proposed without objection from directors present in the meeting.</p>

Date	Name of Meeting	Major Resolutions	Resolution
2025.06.16	The 5th meeting of 2025	1. Discussion of the disposal of the Company's marketable securities (PharmaEssentia shares).	<input type="radio"/> Independent Director:No opinions at this meeting. <input checked="" type="radio"/> Passed as proposed without objection from directors present in the meeting.
2025.07.02	The 6th meeting of 2025	1. Discussion of the execution of a contract between the Company and a related party. 2. Discussion of the Company's application for a medium-term working capital credit line with Land Bank of Taiwan, Xihu Branch due to the need to distribute 2024 cash dividend. Discussion of the Company's application for a credit line with Yuanta Commercial Bank due to operating needs.	<input checked="" type="radio"/> Independent Director:No opinions at this meeting. <input checked="" type="radio"/> Passed as proposed without objection from directors present in the meeting.
2025.08.08	The 7th meeting of 2025	1. Discussion of the replacement of the certifying CPAs in response to internal personnel adjustments at the accounting firm. 2. Discussion of the classification of the Company's accounts receivable overdue by more than three months beyond normal credit terms for Q2 2025 as non-loan in nature. 3. Discussion of the Company's consolidated financial statements for Q2 2025. 4. Discussion of setting the base date for the issuance of new shares for the conversion of the Company's fourth domestic unsecured convertible bonds into common stock. 5. Discussion of the investment by the Company to establish a subsidiary in Singapore. 6. Discussion of the Company's extension of the period of endorsement and guarantee provided to the sub-subsidiary L&K Engineering Vietnam Co., Ltd. 7. Discussion of the Company's application for a credit line with Mega International Commercial Bank due to operating needs.	<input checked="" type="radio"/> Independent Director:No opinions at this meeting. <input checked="" type="radio"/> Passed as proposed without objection from directors present in the meeting.

Date	Name of Meeting	Major Resolutions	Resolution
2025.08.22	The 8th meeting of 2025	<ol style="list-style-type: none"> 1. Discussion of the Company’s plans to establish a limited liability partnership in Singapore, “L&K - LCB Joint Venture LLP,” through L&K Engineering Co., Ltd (Singapore Branch) (hereinafter referred to as “the Company’s Branch”), in collaboration with LUM CHANG BUILDERS PTE LTD (hereinafter referred to as “LCB”), to expand its business in Singapore. 2. Discussion of the execution of a contract between the Company and a related party. 3. Discussion of the Company’s application for a credit line with CTBC Bank due to operating needs. 4. Discussion of the Company’s application for a credit line with First Commercial Bank due to operating needs. 	<p>⊙ Independent Director:No opinions at this meeting.</p> <p>⊙ Passed as proposed without objection from directors present in the meeting.</p>
2025.11.07	The 9th meeting of 2025	<ol style="list-style-type: none"> 1. Discussion of the Company’s consolidated financial statements for Q3 2025. 2. Discussion of setting the base date for the issuance of new shares for the conversion of the Company’s fourth domestic unsecured convertible bonds into common stock. 3. Discussion of the Company’s 2026 business plan. 4. Discussion of the Company’s 2026 audit plan. 5. Discussion of the amendments to the Company’s “CW100 Payroll and Personnel Cycle.” 6. Discussion of the revision of the Company’s Internal Control System Internal Audit Implementation Rules – Audit Procedures and Key Audit Focus Standard (CW100 Payroll and Personnel Cycle Audit). 7. Discussion of the proposal for partial amendments to the Company’s “Guidelines for the Management of Related Parties, Specific Companies, and Corporate Group.” 8. Discussion of the partial amendments to the Company’s “Management Procedures for the Internal Processing of Important Information and Prevention of Insider Trading.” 9. Discussion of the Company’s extension of the period of endorsement and guarantee provided to subsidiary RSEA Engineering Corporation. 10. Discussion of adjustments to the Company’s 2025 remuneration for managers. 11. Discussion of the Company’s 2024 remuneration distribution proposal for managers and employees. 12. Discussion of the Company’s application for credit lines with various financial institutions due to operating needs. 13. Discussion of the application by the Company’s Singapore branch for a credit line with United Overseas Bank Limited due to operating needs. 	<p>⊙ Independent Director:No opinions at this meeting.</p> <p>⊙ Passed as proposed without objection from directors present in the meeting.</p>

Date	Name of Meeting	Major Resolutions	Resolution
2025.12.16	The 10th meeting of 2025	<ol style="list-style-type: none"> 1. Discussion of matters related to the exercise of the redemption right of the Company's fourth domestic unsecured convertible bonds. 2. Discussion of the remittance of overseas funds from the Company's Singapore branch, L&K Engineering Co., Ltd (Singapore Branch), to the headquarters. 	<p>⊙ Independent Director:No opinions at this meeting.</p> <p>⊙ Passed as proposed without objection from directors present in the meeting.</p>
2026.01.16	The 1st meeting of 2026	<ol style="list-style-type: none"> 1. Discussion of the date, venue, format, and agenda items of the Company's 2026 General Meeting. 2. Discussion of the Company's purchase of 15 parcels of land and buildings located in Zhongzheng District, Taipei City (Chengzhong Section, Subsection 1, Lot Nos. 800, 804, 806-1, 812, etc.) held by Junfu International Development Co., Ltd. and its related parties. 3. Discussion of the Company's application for a credit line with Hua Nan Bank due to operating needs. 4. Discussion of the Company's application for a credit line with First Commercial Bank due to operating needs. 	<p>⊙ Independent Director:No opinions at this meeting.</p> <p>⊙ Passed as proposed without objection from directors present in the meeting.</p>
2026.03.13	The 2nd meeting of 2026	<ol style="list-style-type: none"> 1. The Company's 2025 business report, financial statements, and consolidated financial statements. 2. The Company's 2025 self-assessment report of the internal control system and statement of the internal control system. 3. The Company's 2025 distribution proposal for employee and director compensation. 4. The Company's 2025 proposal for distribution of earnings. 5. The Company's regular evaluation of the independence and suitability of the certifying CPAs. 6. Discussion of the Company's application for a credit line with Shin Kong Commercial Bank due to operating needs. 7. Proposal for setting the base date for the issuance of new shares for the conversion of the Company's fourth domestic unsecured convertible bonds into common stock. 	<p>⊙ Independent Director:No opinions at this meeting.</p> <p>⊙ Passed as proposed without objection from directors present in the meeting.</p>

(X) Major issues of record or written statements made by any director dissenting to major resolutions passed by the board of directors during the most recent year and as of the date of this annual report: N/A.

iv. Information on CPA Professional Fees

Unit: NT\$ 1,000

Accounting Firm Name	Name of Accountant	Period Covered by CPA's Audit	Audit Fee	Non-Audit Fee	Total	Remarks
L.H. Chen & Co., CPAs	Tseng-Kuo Huang	2025.01.01~ 2025.06.30	\$3,260	\$233	\$3,493	-
	Jung Hua Chen					
L.H. Chen & Co., CPAs	Chih-Jou Tai	2025.07.01~ 2025.12.31				
	Jung Hua Chen					

Details of Information Regarding CPA Non-Audit Fee

Unit: NT\$ 1,000

System Design	Company Registration	Human Resources	Others	Subtotal
\$100	\$100	\$33	\$-	\$233

- (II) When the company changes its accounting firm and the audit fees paid for the fiscal year in which such change took place are lower than those for the previous fiscal year, the amounts of the audit fees before and after the change and the reasons shall be disclosed: N/A.
- (III) When the audit fees paid for the current fiscal year are lower than those for the previous fiscal year by ten percent or more, the reduction in the amount of audit fees, reduction percentage, and reason(s) therefor shall be disclosed: N/A.

v. Information on Replacement of CPA:

(I) Regarding the former CPA

Date of Replacement	June 30, 2025		
Date of and reason for replacement	The accounting firm underwent internal management adjustment, in which CPAs Tseng-Kuo Huang and Jung Hua Chen were replaced by CPAs Chih-Jou Tai and Jung Hua Chen.		
Whether it was the CPA that voluntarily ended the engagement or declined further engagement	Party	CPA	Principal
	Reason for Service Termination		
	Service voluntarily terminated by		
	Service no longer accepted (continued) by	V	
The opinion and reasons for issuing an audit report expressing other than an unqualified opinion in the recent two years	None		
Disagreements with the company	Yes		Accounting principles or practices
			Disclosure of financial report
			Auditing scope or procedure
			Others
	None	V	
	Description		
Other disclosures (Matters that shall be disclosed in Article 10, Subparagraph 6, Item 1, Points 4 to 7 of these Guidelines)	None		

(II) Regarding the succeeding CPA

Firm Name	L.H. Chen & Co., CPAs
Name of Accountant	Chih-Jou Tai, Jung Hua Chen
Date of Engagement	June 30, 2025
Inquiries and results relating to the accounting handling methods or accounting principles of certain transactions, or any opinions likely issued in the financial reports prior to engagement	None
Written disagreements from the succeeding CPA against the opinions made by the former CPA	None

- (III) The reply letters on Article 10, Subparagraph 6, Item 1, and Item 2, Point 3, of these Guidelines from the previous CPA:None.
- vi. Where the company's chairman, president, or any managerial officer in charge of finance or accounting matters has in the most recent year held a position at the accounting firm of its certified public accountant or at an affiliated enterprise of such accounting firm, the name and position of the person, and the period during which the position was held, shall be disclosed: None.

- vii. any transfer of equity interests and pledge of or change in equity interests by a director, manager, and shareholder holding more than ten percent during the most recent fiscal year and during the current fiscal year up to the date of publication of the annual report:

The latest updates on equity transfers can be found at: Market Observation Post System → Basic Information → Shareholding, Pledge, and Transfer by Directors, Supervisors, and Major Shareholders --> Registration Form for Insiders to Report Ex-Post Changes in Shareholding

https://mops.twse.com.tw/mops/web/query6_1

(I) Changes in Shareholding

Title	Name	2025		2026 (as of March 24, 2026)	
		Net Change in Shareholding	Net Change in Shares Pledged	Net Change in Shareholding	Net Change in Shares Pledged
Chairman	Shen Shen Investment Co., Ltd. Representative: Chu-Shiang Yao	823,207	-	-	-
Vice Chairman	Wei Ze Investment Co., Ltd. Representative: Bor-Jen Chen	-	(128,000)	-	-
Director	White Young Investment Co., Ltd. Representative: Chih-Hsun Yao	464,763	-	-	-
Director	Xun Hwei Investment Co., Ltd. Representative: Chung-Cheng Lo	140,000	(158,000)	-	-
Director	Tze-Hung Wang	-	-	-	-
Director	Chin-Jyy Shiao	-	-	-	-
Independent Director	Chien-Jan Lee	-	-	-	-
Independent Director	Tung-Hao Ho	-	-	-	-
Independent Director	Cho-Lan Peng	-	-	-	-
President	Hsiao-Ling Chiang	-	-	-	-
Executive Vice President	Min-Kui Hsu	-	-	-	-

Title	Name	2025		2026 (as of March 24, 2026)	
		Net Change in Shareholding	Net Change in Shares Pledged	Net Change in Shareholding	Net Change in Shares Pledged
Senior vice president and Finance Supervisor	Shu-Chen Chen	-	-	-	-
Vice President	Ying-Te Liu	-	-	-	-
Vice President	Kuei-Yao, Yeh	(4,000)	-	-	-
ESG officer	Shu-Ming Hsu	-	-	-	-
Project Division Vice Director	Chih-Hsun Yao	-	-	-	-
Corporate Governance Officer	Shu-Ling Ko	-	-	-	-
Accounting Supervisor	Ya-Lin Chan	(1,000)	-	-	-
Chief Auditor	Nu-Chen Feng	-	-	-	-

viii. Relationship information, if among the company's ten largest shareholders any one is a related party or a relative within the second degree of kinship of another:

2026/3/24

Name	Shares Held by Themselves		Shares Held by Spouse & Minors		Total Shares Held Through Nominees		Names and the relationship among the top ten shareholders in the relationship of related parties or spouses, blood relatives within the second degree of kinship		Remarks
	Shares	%	Shares	%	Shares	%	Name	Relationship	
Shen Shen Investment Co., Ltd.	25,271,042	10.73%	-	-	-	-	White Young Investment Co., Ltd. Xun Huei Investment Co., Ltd. Wei Ze Investment Co., Ltd. Shen Huei Investment Co., Ltd. Yu-Hua Chao Chu-Shiang Yao	The chairpersons are in a spousal relationship. The chairpersons are in a spousal relationship. The chairpersons are relatives within the second degree of kinship The chairpersons are in a spousal relationship. A spousal relationship of Representative of Juristic person director. Representative of Juristic person director	- - - - - -
Shen Shen Investment Co., Ltd. (Representative: Chu-Shiang Yao)	6,515,877	2.77%	3,454,685	1.47%	-	-	Shen Shen Investment Co., Ltd. White Young Investment Co., Ltd. Xun Huei Investment Co., Ltd. Wei Ze Investment Co., Ltd. Shen Huei Investment Co., Ltd. Yu-Hua Chao	Representative of Juristic person director The chairpersons are in a spousal relationship. The chairpersons are in a spousal relationship. The chairpersons are relatives within the second degree of kinship The chairpersons are in a spousal relationship. Spouse.	- - - - - -

Name	Shares Held by Themselves		Shares Held by Spouse & Minors		Total Shares Held Through Nominees		Names and the relationship among the top ten shareholders in the relationship of related parties or spouses, blood relatives within the second degree of kinship		Remarks
	Shares	%	Shares	%	Shares	%	Name	Relationship	
White Young Investment Co., Ltd.	14,562,007	6.18%	-	-	-	-	Shen Shen Investment Co., Ltd. Xun Huei Investment Co., Ltd. Wei Ze Investment Co., Ltd. Shen Huei Investment Co., Ltd. Chu-Shiang Yao	The chairpersons are in a spousal relationship. Same chairperson The chairpersons are relatives within the second degree of kinship Same chairperson The chairpersons are in a spousal relationship.	- - - - -
White Young Investment Co., Ltd. (Representative: Yu-Hua Chao)	3,454,685	1.47%	6,515,877	2.77%	-	-	Shen Shen Investment Co., Ltd. Xun Huei Investment Co., Ltd. Wei Ze Investment Co., Ltd. Shen Huei Investment Co., Ltd. Chu-Shiang Yao	The chairpersons are in a spousal relationship. Same chairperson The chairpersons are relatives within the second degree of kinship Same chairperson Spouse.	- - - - -
Xun Huei Investment Co., Ltd.	11,643,464	4.94%	-	-	-	-	Shen Shen Investment Co., Ltd. White Young Investment Co., Ltd. Wei Ze Investment Co., Ltd. Shen Huei Investment Co., Ltd. Chu-Shiang Yao	The chairpersons are in a spousal relationship. Same chairperson The chairpersons are relatives within the second degree of kinship Same chairperson The chairpersons are in a spousal relationship.	- - - - -
Xun Huei Investment Co., Ltd. (Representative: Yu-Hua Chao)	3,454,685	1.47%	6,515,877	2.77%	-	-	Shen Shen Investment Co., Ltd. White Young Investment Co., Ltd. Wei Ze Investment Co., Ltd. Shen Huei Investment Co., Ltd. Chu-Shiang Yao	The chairpersons are in a spousal relationship. Same chairperson The chairpersons are relatives within the second degree of kinship Same chairperson Spouse.	- - - - -

Name	Shares Held by Themselves		Shares Held by Spouse & Minors		Total Shares Held Through Nominees		Names and the relationship among the top ten shareholders in the relationship of related parties or spouses, blood relatives within the second degree of kinship		Remarks
	Shares	%	Shares	%	Shares	%	Name	Relationship	
Wei Ze Investment Co., Ltd.	9,053,483	3.84%	-	-	-	-	Shen Shen Investment Co., Ltd. White Young Investment Co., Ltd. Xun Huei Investment Co., Ltd. Shen Huei Investment Co., Ltd. Yu-Hua Chao Chu-Shiang Yao	The chairpersons are relatives within the second degree of kinship The chairpersons are relatives within the second degree of kinship The chairpersons are relatives within the second degree of kinship The chairpersons are relatives within the second degree of kinship Relatives within the second degree of kinship Relatives within the second degree of kinship	- - - - - -
Wei Ze Investment Co., Ltd. (Representative: Chih-Hsun Yao)	940,256	0.40%	9,571	0.00%	587,164	0.25%	Shen Shen Investment Co., Ltd. White Young Investment Co., Ltd. Xun Huei Investment Co., Ltd. Shen Huei Investment Co., Ltd. Yu-Hua Chao Chu-Shiang Yao	The chairpersons are relatives within the second degree of kinship The chairpersons are relatives within the second degree of kinship The chairpersons are relatives within the second degree of kinship The chairpersons are relatives within the second degree of kinship Relatives within the second degree of kinship Relatives within the second degree of kinship	- - - - - -
Yuanta Financial Holding Co., Ltd as custodian of Capital Union Bank Ltd. Investment Account	7,168,299	3.04%	-	-	-	-	-	-	-

Name	Shares Held by Themselves		Shares Held by Spouse & Minors		Total Shares Held Through Nominees		Names and the relationship among the top ten shareholders in the relationship of related parties or spouses, blood relatives within the second degree of kinship		Remarks
	Shares	%	Shares	%	Shares	%	Name	Relationship	
Chu-Shiang Yao	6,515,877	2.77%	3,454,685	1.47%	-	-	Shen Shen Investment Co., Ltd. White Young Investment Co., Ltd. Xun Huei Investment Co., Ltd. Wei Ze Investment Co., Ltd. Shen Huei Investment Co., Ltd. Yu-Hua Chao	Representative of Juristic person director The chairpersons are in a spousal relationship. The chairpersons are in a spousal relationship. The chairpersons are relatives within the second degree of kinship The chairpersons are in a spousal relationship. Spouse.	- - - - - -
The Dunhua North Branch of Standard Chartered International Commercial Bank as custodian of KGI Capital Asia Limited Investment Account	6,085,911	2.58%	-	-	-	-	-	-	-
Shen Huei Investment Co., Ltd.	5,960,215	2.53%	-	-	-	-	Shen Shen Investment Co., Ltd. White Young Investment Co., Ltd. Xun Huei Investment Co., Ltd. Wei Ze Investment Co., Ltd. Chu-Shiang Yao	The chairpersons are in a spousal relationship. The chairpersons are in a spousal relationship. The chairpersons are in a spousal relationship. The chairpersons are relatives within the second degree of kinship Spousal relationship.	- - - - -

Name	Shares Held by Themselves		Shares Held by Spouse & Minors		Total Shares Held Through Nominees		Names and the relationship among the top ten shareholders in the relationship of related parties or spouses, blood relatives within the second degree of kinship		Remarks
	Shares	%	Shares	%	Shares	%	Name	Relationship	
Shen Hwei Investment Co., Ltd. (Representative: Yu-Hua Chao)	3,454,685	1.47%	6,515,877	2.77%	-	-	Shen Shen Investment Co., Ltd. White Young Investment Co., Ltd. Xun Hwei Investment Co., Ltd. Wei Ze Investment Co., Ltd. Chu-Shiang Yao	The chairpersons are in a spousal relationship. Same chairperson Same chairperson The chairpersons are relatives within the second degree of kinship Spouse.	- - - - -
Citibank Custody UBS Europe SE Investment Account	4,387,457	1.86%	-	-	-	-	-	-	-
Yu-Hua Chao	3,454,685	1.47%	6,515,877	2.77%	-	-	Shen Shen Investment Co., Ltd. White Young Investment Co., Ltd. Xun Hwei Investment Co., Ltd. Wei Ze Investment Co., Ltd. Chu-Shiang Yao	The chairpersons are in a spousal relationship. Same chairperson Same chairperson The chairpersons are relatives within the second degree of kinship Spouse.	- - - - -

- ix. The total number of shares and total equity stake held in any single enterprise by the company, its directors managers, and any companies controlled either directly or indirectly by the company:

2025/12/31

Invested Business (Note1)	Investment by the Company		Investment by Directors, Supervisors, Managers, and Directly or Indirectly Controlled Businesses		Total Investment	
	Shares (thousands)	%	Shares (thousands)	%	Shares (thousands)	%
L&K Engineering Co., Ltd. (BVI)	-	100.00%	-	-	-	100.00%
L&K Engineering (SUZHOU) Co., Ltd.	115,200	53.99%	1,600	0.75%	116,800	54.74%
RSEA Construction Engineering (Chongqing) Co., Ltd.	-	-	-	100.00%	-	53.99%
L&K Engineering Vietnam Co., Ltd.	-	-	-	51.00%	-	51.00%
RSEA Engineering Corporation privatized 2009	413,180	82.64%	25,630	5.13%	438,810	87.77%
Unique Grand Limited	-	49.80%	-	25.10%	-	74.90%
Formosa Medical Devices, Inc.	4,904	40.88%	-	-	4,904	40.88%
L&K Engineering Company Limited	-	-	-	100.00%	-	53.99%
Suzhou Xiang Sheng Trade Company Ltd.	-	-	-	100.00%	-	53.99%
Sunshine (China) Inc.	-	-	-	100.00%	-	74.90%
Sunshine Investment Co., Ltd.	-	-	-	100.00%	-	74.90%
LIMK ENGINEERING PTE. LTD.	-	-	-	100.00%	-	100.00%
L&K ENGINEERING PTE.LTD.	-	100.00%	-	-	-	100.00%
L&K-LCB Joint Venture LLP	-	70.00%	-	-	-	70.00%

Note1: Long-term investments recognized under the equity method.

IV. Operational Highlights

i. Capital and Shares

(I) Sources of Capital

1. Capitalization

Unit: Thousand shares; NT\$1,000

Year/Month/Day	Issue Price (NT\$)	Authorized Share Capital		Paid-in Capital		Remarks		
		Shares	Amount	Shares	Amount	Sources of Capital	Capital Increase by Assets Other than Cash	Others
Until 2026/3/24	10	350,000	3,500,000	235,576	2,355,757	-	-	-

2. Type of Stock

Unit: Thousand shares

Share Type	Authorized Share Capital					Remarks
	Issued Shares			Un-issued Shares	Total	
	Listed	Non-listed	Total			
Registered Common Stock	235,576	—	235,576	114,424	350,000	Shares of listed company

3. Shelf registration: None.

(II) List of Major Shareholders

Name, shareholding, and shareholding percentage of shareholders with a stake of five percent or greater, or shareholders who rank in the top ten in shareholding percentage.
2026/3/24

Name of Major Shareholder	Share	Number of shares held	%
Shen Shen Investment Co., Ltd.		25,271,042	10.73%
White Young Investment Co., Ltd.		14,562,007	6.18%
Xun Huei Investment Co., Ltd.		11,643,464	4.94%
Wei Ze Investment Co., Ltd.		9,053,483	3.84%
Yuanta Financial Holding Co., Ltd as custodian of Capital Union Bank Ltd. Investment Account.		7,168,299	3.04%
Chu-Shiang Yao		6,515,877	2.77%
The Dunhua North Branch of Standard Chartered International Commercial Bank as custodian of KGI Capital Asia Limited Investment Account.		6,085,911	2.58%
Shen Huei Investment Co., Ltd.		5,960,215	2.53%
Citibank Custody UBS Europe SE Investment Account		4,387,457	1.86%
Yu-Hua Chao		3,454,685	1.47%

(III) Dividend policy and Execution

1. Dividend policy established in the Articles of Incorporation

According to Article 32 of the Company's Articles of Incorporation: The Dividend policy established in 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. 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.

If the employee remuneration in the preceding two paragraphs is distributed in stocks or cash, the recipients may include employees of controlled or affiliated companies who meet certain conditions, which shall be determined by the Board of Directors through a resolution.

The allocation of employee remuneration and director remuneration, as well as the determination of the allocation ratio for the current year, must be approved 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 must be reported to the Shareholders' Meeting.

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.

In addition, according to Article 33 of the Company's Articles of Incorporation: The Company's dividend payment 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.

2. Distribution of dividend proposed in the current shareholders' meeting

A cash dividend of NT\$5,417,343,533 is proposed in this earnings distribution proposal. The calculation is based on 235,575,724 shares outstanding as of March 13, 2026. This equates to a dividend of NT\$23 per share. If future events such as the conversion of convertible bonds into common stock, the repurchase of the Company's shares, or the transfer or cancellation of treasury stock affect the shareholders' per-share dividend payout ratio to the extent that the ratio changes, it is proposed to authorize the Chairman to adjust the payout ratio according to the actual number of shares outstanding on the ex-dividend record date.

- (VII) Impact upon Business Performance and EPS Resulting from Non-Remunerative Share Allotment Made at the Recent Shareholders' Meeting: N/A.
- (VIII) Remuneration of employees and directors:
1. Percentages or ranges of remuneration of employees and directors under the Articles of Incorporation:
For details, see Dividend policy established in the Articles of Incorporation on Page 143 of this Annual Report.
 2. Basis for estimating the amount of remuneration of employees and directors, basis for calculating the number of shares to be distributed as employee remuneration, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated amount, for the current period:
 - (1). Basis for estimating the amount of remuneration of employees and directors:
In accordance with the Company Act and the Jin-Guan-Zheng-Shan Letter No. 1050001900 issued by the Financial Supervisory Commission on 2016/1/30, the basis for estimating the amount of remuneration of employees and directors is the profit of the current year (i.e., pre-tax profit remaining before employee and director remunerations are deducted). Pre-tax profit takes into consideration the income tax of a profitable business and the balance after provision for 10% statutory surplus reserve and is then separately estimated according to the Articles of Incorporation.
 - (2). Basis for calculating the number of shares to be distributed as employee remuneration:
The Company does not expect to distribute stock as employee remuneration for the current period.
 - (3). When the actual distributed amount and method of distribution as per the resolution of the Shareholders' Meeting differ from the estimated amount and method of estimation, this discrepancy is recognized as profit and loss adjustment for the year in the resolution of the Shareholders' Meeting.
 3. Remuneration proposals passed by the board of directors:
 - (1). Employee remuneration distributed in the form of cash or stock - NT\$375,446,847 in cash.
(Including remuneration for non-executive employees: NT\$93,861,712.)
 - (2). Director remuneration distributed in the form of cash or stock - NT\$187,723,423 in cash.
 - (3). Amount of employee remuneration distributed in the form of stocks, as a percentage of the net income after taxes provided in the standalone or consolidated financial statements of the current period, and as a percentage of total employee remuneration: N/A.

4. Distribution of remuneration of employees and directors in previous year:

Item	Originally Proposed at the Board Meeting	Actually Distributed
Employee remuneration - Cash	NT\$227,137,298	NT\$227,137,298
Director remuneration	NT\$113,568,649	NT\$113,568,649

(IX) Buyback of the Company's Common Stock:

The Company did not buy back its shares in recent years and up to the publication date of this annual report.

- ii. Issuance of Corporate Bonds: None.
- iii. Status of Preferred Shares: None.
- iv. Status of Global Depositary Receipts: None.
- v. Status of Employee Stock Options: None.
- vi. Status of Restricted stock awards: None.
- vii. Status of New Share Issuance in Connection with Mergers and Acquisitions: None.
- viii. Financing Plans and Implementation: None.

V. Operational Highlights

i. Business Activities

(I) Business Scope

1. Main Business Activities of the Company

The Company and its subsidiaries are mainly involved in the design and construction of biochemical cleanrooms, cleanrooms for electronic industries, and relevant M&E and process plumbing systems.

2. Business Distribution

Product Items	Business Distribution
Cleanroom projects	7.80%
Process plumbing projects	3.81%
M&E projects	25.01%
Others (including turnkey projects)	63.38%

3. Current Products and Services

The main business activities of the Company include the design and construction of biochemical sterile rooms, cleanrooms for electronic industries, and related M&E and process piping systems, as well as the renovation of existing factories, with particular expertise in turnkey projects (the general responsibility being contracting integrated engineering services from design, construction, testing, and verification to maintenance).

The scope of industries we serve includes: construction, optoelectronics manufacturing plants, semiconductor manufacturing plants, hospitals, biopharmaceuticals, business buildings, residential buildings, chemical plants, solar-energy materials manufacturing plants, solar power plants and improvements of energy saving. L&K Engineering Co., Ltd. provides services to all of the above.

4. Products planned for development

Building Information Modelling (BIM) is applied in the whole life cycle of construction projects, from design, construction, operation to maintenance. This management concept has become the trend in the industry. With the technology of BIM, project teams are able to discover issues at an early stage through 3D modelling, which saves significant amount of time and money spent of amendments and re-construction.

The Company has introduced BIM in 2010. In addition, the Company sets an ad-hoc team for BIM development, which devotes itself to the development and application of BIM in practice.

The main benefit of applying BIM in construction sites is that it serves as an auxiliary tool in the management and progressing of construction, which helps to ensure the quality of construction, keep track of constructions and fulfill life cycle of architecture (LCA), energy control and operation.

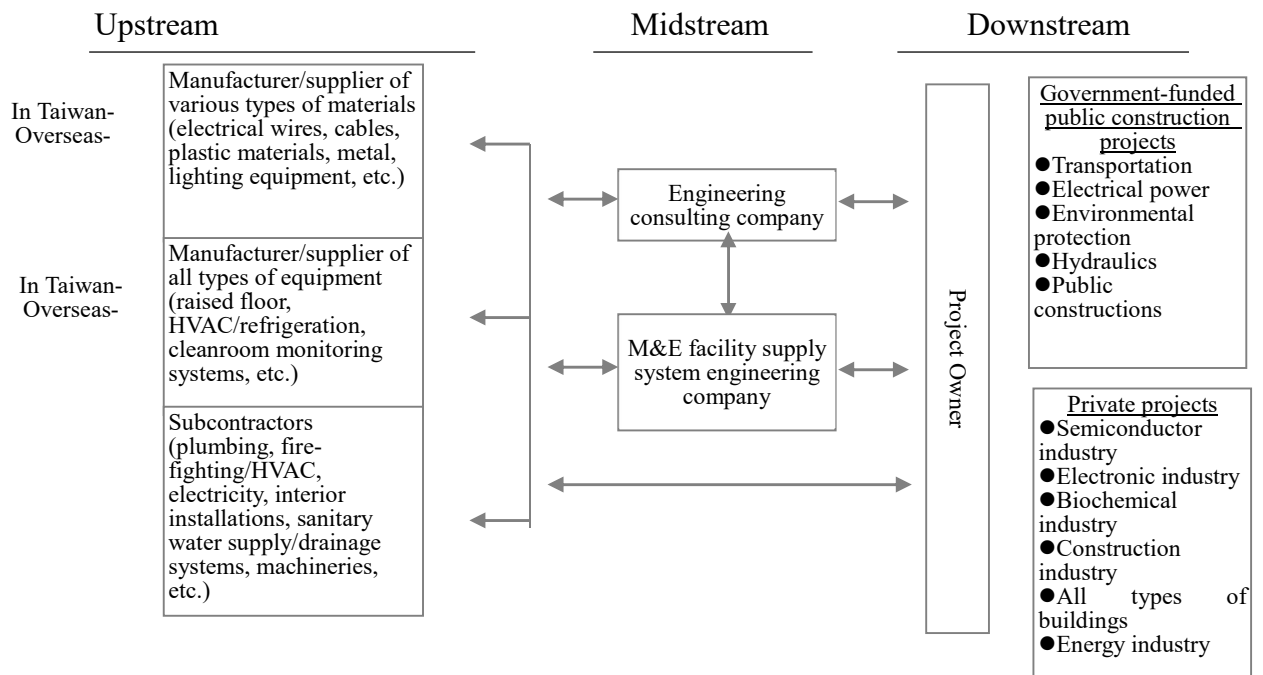
(II) Industry Overview

1. Current Status and Development of the Industry

Industrial engineering is a fundamental industry involving the integrated application of civil, building, M&E, HVAC, and fire-fighting systems that is evolving rapidly in response to the development and revolution of different industries. Taiwan's economy and industries have underwent rigorous transformation and development over the past decade. Traditional industries are slowly transforming into high-tech industries, giving rise to other industries associated with them such as electronic, communications, biotechnology, and healthcare. The industrial engineering industry happened upon this opportunity and subsequently, thanks to information and Internet technologies under the growing impact of high-tech industries and global informatization, it was able to quickly access a vast range of information on the industry's supply chain, further accelerating the internationalization of the construction industry, which contributed to the prosperity in the technological development of Taiwan's industrial engineering and facilitated the global synchronization of this industry.

2. Relationships with suppliers in the industry's supply chain

The engineering service sector involving industrial M&E facilities integrated with supply systems, plays a role in between a project owner, manufacturers and suppliers of construction materials and equipment, project subcontractors, the labor market, and its peripheral service sectors. Specifically, this service sector combines the engineering technologies of different professional fields based on the construction requirements of project owner, to provide clients with integrated engineering services such as whole-plant M&E construction, cleanroom turnkey contracting services, or the establishment of M&E system architectures. In other words, it provides an operating environment that is fully capable of meeting a project owner's production needs. The relationship among up/mid/downstream suppliers is illustrated below.



3. Development trends and competition relating to products

With the trend of global informatization, high-tech industries are projected to continuously develop upward while keeping pace with the constant innovation and evolution of technologies and applications such as electric vehicles, self-driving cars, robots, Internet of Things (IoT), big data, artificial intelligence, metaverse, and 5G telecommunication networks. The society will eventually continue to promote smart living, smart manufacturing, and smart city development. This trend will drive the growth of semiconductor wafer manufacturing, memory, testing and packaging, display, and biotech and healthcare industries. In turn, these industries will continue to drive capital investments in production line upgrade and production expansion, in an effort to meet end-consumer demands for value-added and niche products and to keep up with the innovation of service models. The future development of clean room and MEP engineering is still prosperous.

Industrial engineering is the foundation facilitating human civilization and the advancement of different industries. As knowledge and intelligence continuously evolve, the industrial engineering market is ever-changing so that keeping pace with market changes and further expanding the development potential of industrial engineering are the only ways to survive and grow under a market mechanism that is defined by survival of the fittest.

Because industrial engineering companies around the world are competing fiercely against one another, the enhancement of the economies of scale and efficiency is their key success factor. The sound development of components in industrial engineering and the adoption of professional technologies are the only proper course of action for expanding engineering businesses and creating business opportunities.

Based on the types of competition within the engineering industry, the ability to quickly access raw material sources and provide clients with customized, efficient, and the most advanced engineering services is the key to establishing a leading status in the industry. In light of this phenomenon, the Company continues to engage in the development and production of new products. Additionally, we conduct extensive research on energy-saving and disaster prevention systems, with a particular focus on system compatibility, to meet the needs for whole-plane system integration.

After years of cultivation in the field of industrial engineering, L&K Engineering Co., Ltd. realized the fundamental definition of running a construction business, the attribute of which is a highly sophisticated and complex technological management service system. Reputation building and market evaluation are knowledge that best demonstrate our competitiveness and is vital to providing a comprehensive range of integrative engineering management services (i.e., planning, design, manufacturing, installation, testing, verification, and repair/maintenance), provided that excellent engineering quality and advanced technologies are ensured. Our exceptional performance in real-life practices is a testament to the industrial competitiveness of L&K Engineering Co., Ltd..

(III) Technology and R&D Overview

1. R&D expenditure in recent year and this year: Unit: NT\$ 1,000

Item	2025
R&D Expenses	\$240,188

2. Technologies or products successfully developed in recent year: See Page 5 of this Annual Report.

(IV) Long- and short-term business development plans

1. Short-term business development plans

- (1). Reduce construction cost, ensure cleanroom construction quality, and increase competitiveness

Project cost management has a direct influence on business profit. The planning, coordination, and monitoring of the technologies, methods, and management practices used during project implementation and of expense spending and resource utilization can effectively control the consumption of resources in construction cost. For this reason, unnecessary losses can be effectively avoided by strengthening the abilities to conduct project pre-planning and reach pre-work consensus and carrying out regular project inspection and budget control. In recent years, changes in the external environment have led to a shortage of material supply and labor forces, exerting a direct impact on project progress and construction quality, which in turn caused annual increase in project management costs. To improve this problem, a subcontracting management model, in which the design and planning operations of business partners are supervised, is adopted internally to disperse risks, thereby achieving efficient monitoring, increased efficiency, and lower cost. The Company actively develops standard operating procedures for cleanroom construction and quality inspection. The main purpose of these procedures is to check and confirm works in a construction process, and to identify problems and address them immediately. Such procedures can not only greatly shorten a project schedule but also ensure the quality of the constructed cleanroom, effectively reduce construction costs, and simultaneously improve the competitiveness of the company.

- (2). Improve our ability to diagnose technical problems

The Company plans to leverage the project experiences of its management team, cooperate with major universities and research institutes, extensively use consulting networks and information channels in Taiwan and overseas, conduct theoretical analysis of construction or testing/verification data, and produce the most precise judgment and fastest response based on the analysis results.

- (3). Cultivate outstanding talents who can be the best service providers in the market

In a fiercely competitive market environment, the use of human resources must be adjusted and adapted to a changing industrial structure. Talent cultivation and training programs must be redesigned and reconstructed with flexibility and adaptability. The Company hopes to implement a career blue print that provides comprehensive training, accurate evaluation mechanisms, and effective incentives, which in turn

boost teamwork, increase employee participation, and reduce employee turnover, thereby facilitating stronger organizational functionality and bolstering the company's core competitiveness.

"People" are the main pillars of industrial engineering. To secure competitive advantages in an industry, engineers must be able to learn quickly and constantly and apply knowledge and innovative technologies. Given its future business directions, the Company will actively cultivate skilled technicians who will create maximum benefit and be the best service provider in the engineering market.

(4). Construct an Engineering Intelligence Center

Data form the foundation of all applications. L&K Engineering Co., Ltd. has spent decades building up a project database in its electronic project management system (e-POMS). The Company will therefore continue to promote the integration and evaluation of project information and data, assist project developers and supervisors to keep track of the operating status and operations of various projects, and improve management efficiency and operational performance. Recently, the Company has made plans to reorganize its existing ERP systems and construct an intelligence center in line with the diverse direction of the group's business development.

(5). Strengthen price and payment collection management for clients

Being able to collect receivables as scheduled is the key to ensuring the normal and steady operation of a construction company. If payments cannot be collected quickly and as planned due to a client's malicious refusal to pay, payment extension, or bad debts, the company may fail to achieve its business goals, resulting in significant financial loss or impact on its cash flow. The Company will improve its early warning systems against client's credit risk, and cultivate and strengthen our project managers and financial personnel's sensitivity toward and their abilities to monitor, analyze, and predict account receivables. In doing so, we hope to reduce the operational risk resulting from unexpected delays in account receivables, limit unnecessary loss from bad debts, and in turn increase the company's profitability and competitiveness.

2. Mid- and long-term business development plans

(1). Seize opportunities in overseas engineering market

To increase our market share, the Company will not only continue to expand its local businesses, but also actively develop the international market by adding more business locations overseas. Given the current market competitiveness and the necessity to develop new markets, the Company will recruit talented engineers from Singapore and mainland China and invest competitive labor resources in overseas engineering markets.

(2). Develop new products and new construction methods to increase technological level and expand the scope of market applications

Customers are demanding for better engineering quality as they constantly upgrade products in response to changes in market demands. L&K Engineering Co., Ltd. is committed to producing superior quality and meeting customer needs in the shortest time possible. To fulfill this commitment, the Company will continue to invest in the development of new products and methods, train engineers, increase its engineering technology level, and subsequently create a niche market that is characterized by a broader scope of market application.

ii. Market and Sales Overview

(I) Market Analysis

1. Locations where products (services) are mainly sold (provided):

L&K Engineering Co., Ltd. initially started off as a provider of cleanroom construction service, slowly developing into a provider of EPC services. Specifically, the Company takes into consideration a client's actual needs and devises construction plans accordingly. This customer-oriented concept of "customization" eventually became the company's main strategic approach to market management.

In recent years, customers involved in high-tech plant construction have invested most of their human resources in product manufacturing-related departments, while considering the need to lower costs on a yearly basis. Moreover, there is a growing shortage every year of system operators that support the operation of manufacturing facilities. Therefore, L&K Engineering Co., Ltd. has in recent years undertaken a number of turnkey construction projects and forged a longstanding cooperative relationship with customers in after-sales services and operations.

To strive for the promotion and communication of turnkey businesses, we must help customers to learn the benefits of a turnkey project: The prerequisite for a successful turnkey operation is to improve planning, design, and project management. Turnkey contractors must increase project personnel costs. However, customers must understand the high-quality services that turnkey contractors can provide with respect to construction schedule control, interfacial coordination, and construction quality control. Initial and operation costs proposed during the bidding process must be analyzed and compared to show project owners that the long-term operating cost and the labor cost of plant construction are considerably higher than the management cost added to a turnkey contract. With this understanding, project owners will then be willing to use the customized turnkey services provided by L&K Engineering Co., Ltd.

2. Market Share Analysis:

Since 1989, L&K Engineering Co., Ltd. has invested years of robust efforts to reversing the market ecology. By integrating relevant product systems of industrially developed countries around the globe and purchasing a wide range of testing instruments and advanced equipment, the Company has achieved professional R&D and verification capabilities, becoming the most competitive company in Taiwan that partakes in the R&D and construction of cleanrooms for semiconductor and electronics industries, undertakes construction projects for high-tech and electronics industries, and has changed the local market of cleanroom constructions which was previously monopolized by foreign companies.

In 2007, the Company began extending its reach to the energy industry by investing in projects commissioned by NexPower, a company invested by UMC, and by Auria Solar Co., Ltd., a company invested by E-Ton Solar Tech Co., Ltd. In addition, L&K Engineering Co., Ltd. leverages its years of engineering experiences and professional

knowledge and integrates various systems and technologies to undertake turnkey projects that encompass a wide range of operations from design, contracting, procurement, to pilot operations. The Company has generated more than NT\$5 billion in revenue from contracts signed in 2006 and 2007, which tallies with its annual business goal.

The 2009 financial crisis struck worldwide, spreading its effect across all manners of life in Taiwan. High-tech industries exhibited negative growth, prompting L&K Engineering Co., Ltd. to completely halt its wafer and optoelectronic plant construction projects. Recognizing its responsibility to the society, the Company rejects the idea of layoffs and pay cuts, and insists on enduring hardship with all of its employees. Despite clients' continuous demand for lower construction cost, the Company remains committed to maintaining L&K's high-quality standards in the market while being an active participant in the biotech and pharmaceutical markets. In such mature market plagued by intense competitions, the Company leveraged its dual competitive edge in high quality and reasonable pricing, and successfully secured Orient Pharma's Huwei Science Park turnkey project. In 2010/3, L&K Engineering Co., Ltd. received the Outstanding Eco-Jobsite Award from the Environmental Protection Bureau of Yunlin County. Subsequently, in the beginning of the second quarter of 2010, the Company obtained PhytoHealth's Botanical Drug Materials Refining Plant Project, further verifying L&K Engineering Co., Ltd. as the leading constructor of biotech and pharmaceutical plants in Taiwan.

In addition to subsidiaries in mainland China and branches in Singapore, a subsidiary in Vietnam was also established in 2008. Meanwhile, the Company received an invite from Corning Taiwan to assist Corning Japan with plant construction matters in Japan, marking the start of our expansion across Asia. Under globalization, L&K Engineering Co., Ltd. aims to not only gain the highest market share in Taiwan but also strive toward becoming an international business competing against international vendors.

Since 2013, L&K Engineering Co., Ltd. has continued to secure a variety of engineering projects in the semiconductor, display, and biomedical industries: tsmc's Fab14 P7 construction; ASE Group's Zhongli Plant production line expansion; Innolux Corporation's LTPS6_ARRAY and G8.6 CF cleanroom construction; Taiwan Apple's PTC production expansion; Pharmaessentia's GMP-certified pharmaceutical pilot plant construction; National Yang Ming Chiao Tung University Hospital's construction, renovation, and MEP turnkey project; United BioPharma's protein raw materials plant construction; Nanya Technology's FAB-3A-N cleanroom construction; Macronix's FAB5 System MEP Expansion; Taiwan Apple's LY3 plant construction; Winbond Electronics' Kaohsiung plant general MEP construction; Macronix's FAB5 BAY29&30 cleanroom construction; Macronix's Bay29&30 plant system MEP expansion construction (Phase I); tsmc's F18P4/P5/P6/P7 underground piping systems and tsmc's RD center underground piping package; tsmc's F14 P8 underground piping package; UMC's P5 HPCW expansion project; Nan Ya Printed Circuit Board Corporation's

Shulin plant-cleanroom & HVAC system; UMC's FAB 12A P6 cleanroom and MEP Turnkey project; PSMC's P5-cleanroom construction project phase I (20K) Project; the design and construction of PDMC's PDMC-1D Cleanroom Expansion Project, the Singapore Branch of UMC's FAB 12i P3/P4 EPC Project, LY3 L30/L40 clean room phase 1 expansion project of Taiwan Apple, LLC, Taiwan Branch (U.S.A.), UMC's 8F Cleanroom Expansion and Utility Construction project, and Taiwan Semiconductor Manufacturing's F22P1 Underground piping package. In addition, the synergy resulting from a merger with RSEA Engineering Corporation (privatized 2009) slowly demonstrates our competitiveness in commercial building and public constructions, which is evident by the public construction projects we secured since the merge: the Construction of Chinatrust Commercial Bank New Headquarters Project - MEP & HVAC Subcontract; Railway Reconstruction Bureau's ACL212 Kaohsiung Railway Underground (Cut and Cover Construction); National Kaohsiung Center for the Arts' special equipment installation; Mercedes Benz Taiwan's Guandu AH500 Exhibition Center construction; Academia Sinica's National Biotechnology Research Park construction; the Taipei Performing Arts Center Theater professional equipment installation project as commissioned by the Second District Project Office, Department of Rapid Transit Systems, Taipei City Government; Taipei Dome Complex Large Indoor Stadium Development Project - MEP Construction; Railway Reconstruction Bureau's ACL212-1 Kaohsiung Station canopy (roof truss) construction; Taiwan Life Insurance's Taipei City Nangang District Jingmao Section land serial no.15 superficies construction, Taoyuan International Airport Terminal 3 Building Civil Engineering Construction Project - Road Mechanical and Electrical and T3 Temporary Electrical Engineering, the City Rezoning Development Project for the 1-1 and 1-2 Districts of Wenzizun Area across New Taipei City's Xinzhuang and Taishan Districts - Mechanical and Electrical, Lighting, and Traffic Light Engineering, Jingmei Girls High School General Building and Underground Parking Lot Project - Mechanical and Electrical Phase II and Construction Works of Civil and Track from Guanshan (Not Included) to Shanli, LOT CB05 of the Eastern Region Engineering Branch Office, Railway Bureau, Ministry of Transportation and Communications, the Kaohsiung MRT Siaogang-Linyuan Line Water Environment Project, the Taipower Renwu-Xiongjiwu-Xiongjizi Line Civil Engineering Turnkey Project, and the Empyrion Digital Neihu Data Center (TW1) New Construction Project. All of these abovementioned projects have successfully facilitated the Company's expansion into the industrial service sector, laying a robust foundation for our future development.

In addition to recent projects such as the FAB Expansion Project for Taichung Photonics, the F14P8 Underground Piping System for TSMC, the AP8 Facility Demolition and New Construction for TSMC, the Plant Building MEP Design for Tekscend Photomask Corp., the Kaohsiung Campus Construction Project for Garuda Technology, the F22P3 Underground Piping System for TSMC, the F20P3 MEP Package for TSMC, and the Yangmei Plant Reconstruction Project for King Yuan Electronics, the Company has leveraged its experience in group strategic integration to secure projects from UMC's Singapore branch since 2022. These include the FAB 12i P3/P4 EPC Project, the VSMC FAB Construction-GC (CSA+MEP) Project, and the Memory FAB EPC Project, gradually expanding the Company's track record in high-tech manufacturing facility construction in Southeast Asia.

Facing an industrial supply and demand trend in the market that is ever-changing,

L&K Engineering Co., Ltd. endeavors to maintain its leading industry status and keep up with the changes. By focusing on marketing strategies coupled with effective customer relations management, the Company constantly adjusts the outcome measures of its core client groups and target markets to market changes and proposes the following response measures:

- Maintain high share of the market: Expand the scale of our industrial services, reduce unit cost, and raise the group's business revenues and market shares by undertaking large contract works.
- Maintain customer loyalty: Keep producing works of consistent quality and providing excellent after-sales service that make customers want to continue to support us and use our products and services.
- Customer capture rate: Discover new industrial markets, and solicit new customers especially industry leaders to gain market recognition and trust.
- Customer satisfaction: Continue to develop new products based on customer needs and establish new construction techniques with our rich industry experience.
- Customer profitability: Reduce cost, shorten construction schedule, and improve production environment for increased product yield rate to show our appreciation for the customers' support, and create win-win outcomes.

3. Future Market Supply and Demand and Future Growth:

In 2025, the world is rapidly accelerating toward a new era driven by artificial intelligence (AI). Generative AI, edge computing, and automated decision-making systems are swiftly permeating all industries like a surging tide, not only transforming production models, service logic, and talent structures, but also fundamentally reshaping the rules of international industrial competition.

Global advances in technology are driving technological innovation and cross-disciplinary collaboration, accelerating the development of pharmaceutical and healthcare products. The adoption of digitalization and artificial intelligence (AI) connects diverse health and medical data, facilitating the development and application of technology products for personalized health prevention and wellness. This, in turn, enhances medical technologies, promotes the development of emerging biomedical industries such as precision medicine, digital health, and regenerative medicine, and creates new market opportunities.

Since its promulgation and implementation on July 4, 2007, the Act for the Development of Biotech and Pharmaceutical Industry has undergone two amendments, extending its implementation period to the end of 2031. The scope of application has also been expanded to cover new drugs and new formulations, high-risk medical devices, regenerative medicine, precision medicine, digital health, and innovative technology platforms dedicated to the biotechnology and pharmaceutical industry, and contract development and manufacturing organizations (CDMO) have also been included as eligible entities. As of June 2025, a total of 226 companies and 586 products have passed the qualification review for biotechnology and pharmaceutical companies

and biotechnology and pharmaceutical products under the Act for the Development of Biotech and Pharmaceutical Industry. Among them, 95 products have been launched in both domestic and international markets. Their contribution to the revenue of Taiwan's biotechnology industry has also increased year by year, and as products currently under development are successively approved for market launch, this is expected to help expand the scale of the biotechnology and pharmaceutical industry.

The promotion of commercial buildings and public infrastructure serves as a key driver of domestic economic development. Since 2021, the government has advanced the Forward-looking Infrastructure Development Program 2.0, continuously strengthening critical national infrastructure, prioritizing ongoing and major projects that can be completed by 2025, promoting initiatives that support balanced regional development and public infrastructure in rural and remote areas, and laying the groundwork for future industrial needs. Accordingly, in addition to continuing initiatives for balanced regional development and strengthening infrastructure in rural and remote areas, the Forward-looking Infrastructure Development Program 2.0 will continue to promote infrastructure required for the development of the six core strategic industries, including 5G, digital development, AI, and cybersecurity, while also expanding related programs in digital transformation, environmental sustainability, and the building of a resilient nation.

By offering a comprehensive range of engineering management service that integrates biomedicine, pharmaceuticals, commercial buildings, and public constructions, L&K Engineering Co., Ltd. strives to construct high-tech facilities that meet schedule and quality requirements, abide by rigorous construction and quality control procedures, and introduce biomedicine, pharmaceuticals, commercial building, and public construction projects to create new-generation management models and novel outcomes for our clients.

4. Competitive niche

(1). Excellent reputation

“Reputation” is the key factor for a company to sustain its business and gain customer trust. The Company prides itself on having forty-seven years of experience in construction contracts and a long history of quality assurance, cooperation, and a determined attitude toward meeting customer requirements, which is why the Company has repeatedly won the trust of project owners in the domestic engineering market.

(2). Outstanding track record

The Company is the only contractor in Taiwan offering cleanroom construction and general MEP, HVAC, and fire-fighting installation services for 8"/12" semiconductor, optoelectronic, and biochemical industries.

The Company is one of the few engineering companies in Taiwan with records of success in construction contract works for different industry fields, both at home and abroad, such as optoelectronics, electronics, hospitals, biopharmaceuticals, and energy.

Since 1980, the Company has undertaken projects covering the [semiconductor industry], where it has built four 6-inch wafer fabs, ten 8-inch wafer

fabs, two 8-inch memory fabs, thirteen 12-inch wafer fabs, one 12-inch silicon wafer manufacturing plant, eight 12-inch memory fabs, one advanced packaging plant, five photomask plants, five assembly and test plants, four equipment and materials plants, and two PCB substrate plants; the [optoelectronics industry], where it has built two Micro LED plants, one IMOD plant, one Mirasol plant, nineteen TFT-LCD plants, one LTPS plant, four LCM plants, nine CF plants, two OLED plants, one touch panel plant, three glass substrate manufacturing plants, and one optoelectronic materials plant; the [PCB industry], where it has built three PCB substrate plants; the [solar cell industry], where it has built five solar cell plants; and the [biotechnology and pharmaceutical industry], where it has built one biotech park, three biotech factories, fourteen pharmaceutical plants, and four hospitals, providing cleanrooms, process systems, civil engineering, interior finishing, and general electromechanical engineering services.

In particular, including two 12-inch semiconductor wafer fab (United Microelectronics Corporation [Singapore Branch]: UMC FAB 12i P3/P4 PROJECT [turnkey project for the entire plant]), Memory FAB EPC Project, the Company was also involved in turnkey projects: the Company was also involved in turnkey projects: One eight-inch semiconductor fab plant (ProQ Technologies Incorporated (Chongqing): an eight-inch wafer factory in Xiyong Micro-electronics Industrial Park); one generation 4.5 optoelectronic factory (Sollink Optoelectronics Co., Ltd.: Longke Plant); two semiconductor/optoelectronic equipment manufacturing facilities (Tokyo Electron Limited.: headquarters in Hsinchu Science Park; Hermes Epitek Corp.: Phase II MEP/Cleanroom Project in Tainan Science Park); one semiconductor packaging/testing plant (Tong Hsing Electronic Industries, Ltd.: Electronic Area B Whole Plant Turnkey Project); one thin-film solar cell manufacturing facility (AURIA Solar Co., Ltd.: Southern Taiwan Science Park Plant Construction Project); three photomask plant turnkey (Photronics Dnp Mask Corporation: ID Plant Phase II Construction Project Photronics Semiconductor Mask Corp.: Taichung Manufacturing Facility Turnkey Project); one national healthcare biotech R&D center (National Health Research Institutes.: Vaccine R&D Center Project); and five biopharmaceutical manufacturing facilities (Orient PHARMA Co., Ltd.: Yunlin plant in Central Taiwan Science Park; PhytoHealth Corporation: Yang Mei Plant Turnkey Project; HWANG'S Pharmaceutical Co., Ltd.: PIC/S GMP fab cleanroom expansion and renovation turnkey project; Synpac-Kingdom Pharmaceutical Co., Ltd.: Luzhu PIC/S Fab for Ophthalmic Preparations Turnkey Project; United BioPharma Inc.: Protein Plant Design, Planning, and Construction Turnkey Project).

With its engineering execution experience, the Company has reached a total cleanroom construction area reaching 4,205,252 square meters (as of December 2025). Additionally, the Company has successfully completed seven main factory buildings, achieving a total cleanroom area of 240,390 square meters. The Company has undertaken a single optoelectronics panel plant project with a contract value as high as NT\$10 billion, featuring a cleanroom area of 153,390 square meters. Furthermore, the Company has executed a turnkey project for a single 12-inch wafer fab, with a contract value reaching NT\$64.5 billion, and a cleanroom area of 25,365 square meters. The above achievements indicate that L&K Engineering Co., Ltd. has years of construction contract experiences in all types of industries, and these experiences are conducive to the development and expansion of the Company's businesses in the future.

- (3). Enhance internal organization, strengthen the group's vertical and horizontal

cooperation, and increase our flexibility in different market operations

Our internal administration system is based primarily on a rigorous division of labor framework, in which the project organization allows for flexible labor allocation through the group's mutual technical support to facilitate the organization's effective use of human capital. Information systems are integrated to enable resource sharing and achieve simple operating procedures, thereby maximizing the benefits of overall applications to collectively attain business goals. Regarding the company's organizational development, we will reinforce the formation of a team of legal experts in engineering laws and strengthen their legal practices and knowledge management. In the future, we will adopt preventive measures in our engineering management to ensure a proactive legal management that would reduce the risks of legal disputes and litigations. Furthermore, documentation control will be enforced systematically on a daily basis to reserve effective resources in case of legal disputes in the future and to serve as an effective measure for safeguarding the company's interests.

The Company is proud to have a team of well-rounded, experienced engineers, led by supervisors of various core departments all of whom have more than 20 years of experience in construction contract works. Our other system designers and project managers are also characterized by years of experience in cleanroom construction. In addition, the Company has long placed emphasis on the cultivation of engineers and continued to organize training programs to hone their techniques, impart knowledge, and share experiences, thereby bolstering the company's competitiveness.

(4). Improve methodology and establish standard operating procedures

Engineering is the application of science, in which different types of knowledge are combined to form techniques through continual innovation and development. The Company constantly learns and integrates the advanced technologies of various countries, applies them to cleanroom construction, and blends and integrates the experiences gained into the essence of the Company's technology. Furthermore, the Company continues to develop new techniques and innovative technologies and establishes standard operating procedures and process systems to ensure that our engineering techniques can produce works of the highest quality and efficiency.

(5). Access to key technologies

The Company is one of the few engineering companies in Taiwan to offer a complete range of engineering services from self-planning, design, manufacturing, installation, testing, verification to repair and maintenance. A comprehensive service can fully satisfy the different engineering requirements of project owners. Because the technologies used in each process are closely linked to each other, the integration of these engineering service procedures is conducive to determining the future service trends and enables engineering services to be reviewed and developed into technologies for market management.

The Company persists in innovation and verification, conducts self-reflection and integration with international resources, provides advanced engineering services, continues to be the industry leader, and realizes its ideology.

"People" are the source of future industrial engineering structures and resources and the power of knowledge-based economy. A company and its employees form a community. The pursuit for truth, benefits, and the effective

establishment of a harmonious group personality are the foundation underpinning corporate sustainable development.

L&K Engineering Co., Ltd. has learned to grow in its first 25 years of establishment and continued to ferment in the second 25 years. The Company's emphasis on employees' education and their passion for work is deep-rooted in its corporate culture. To be loyal, perceive the importance of loyalty, and survive in a fiercely competitive international market, L&K Engineering Co., Ltd. employees must recognize the inevitability of becoming an international engineer. They share the vision of learning from the best international engineers, developing ways to manage the "new" operating environment, and being fully prepared to embrace the challenges and impacts of different eras.

Since its transformation from a traditional M&E company into an EPC contractor, L&K Engineering Co., Ltd. became the force promoting the development of cleanroom industries in Taiwan, during which the Company has continuously created novel concepts, demonstrated great ambitions, and adopted technologies. The Company envisions building a world-class engineering management company.

Industrial engineering is a technical service sector and also a fundamental industry. L&K Engineering Co., Ltd. perseveres in building a community with various industries, providing a total range of professional services, forging business partnerships with clients, creating mutually beneficial relationships of endless possibilities. Given that competition is the driver of industrial advancement, competition in the engineering industry is a war for the "value" of existence, whereas the constant creation of value by L&K Engineering Co., Ltd. employees is the longstanding commitment of L&K Engineering Co., Ltd..

5. Favorable and unfavorable factors for future development and response strategies

(1). Favorable Factors

- The government is vigorously promoting high-tech, electronic, communications, and biomedical industries.
- Investments in private high-tech industries are growing continuously.
- L&K's leading profession in cleanroom constructions, its business management capabilities, and its capacity to construct whole plants for relevant M&E industries still exhibit room for development.
- L&K Engineering Co., Ltd. has been the leader of the cleanroom markets in Taiwan for more than two years and is continuously committed to widening this gap.
- Engineering is a combination of applied science and engineering management. L&K Engineering Co., Ltd. has accumulated robust experiences in these two key aspects and translated them into tangible results.
- The Company has become an integral part of a transnational engineering network and food chain, gaining a leading status in product manufacturing, which is very competitive.
- The Company has cooperated with universities and colleges since 1999, providing scholarships to promising engineers, in order to reserve space for the expansion of the company's business in the future.
- Our professionalism, practice, and 20 years of progressive and continuous business growth have underwent a relatively complete process, without any interruptions.
- The Company is equipped with the professional abilities to implement the

improvement and management of design, construction, production R&D, testing, balancing, adjustment, diagnosis, and energy conservation.

- L&K Engineering Co., Ltd. is the only engineering company in Taiwan carrying out sophisticated and professional works for high-tech industries for the longest time and with the most extensive range of technologies.

(2). Unfavorable Factors

- Optoelectronic industries and semiconductor wafer fabrication plants around the world are approaching a point of saturation, which leads to increased investment, greater investment risks, and rapid outward migration of Taiwan's high-tech industries.
- Industries in the United States, Japan, and European countries are still in recession. International competitors are turning to the Taiwanese and mainland Chinese markets, which will further intensify competition especially between Taiwanese and mainland Chinese companies.
- Engineering companies are part of the service sector. Large companies are struggling financially. Apart from the need for continuous improvement of their technological capabilities and management, factors associated with market uncertainty, economic fluctuations, the work attitude of professionals, technological development, and employee turnover and aging, are all risks that businesses must face.
- There is a gradual shortage of labor in Taiwan, and labor costs in Taiwan are higher than those in Southeast Asian countries.

(3). Response Strategies

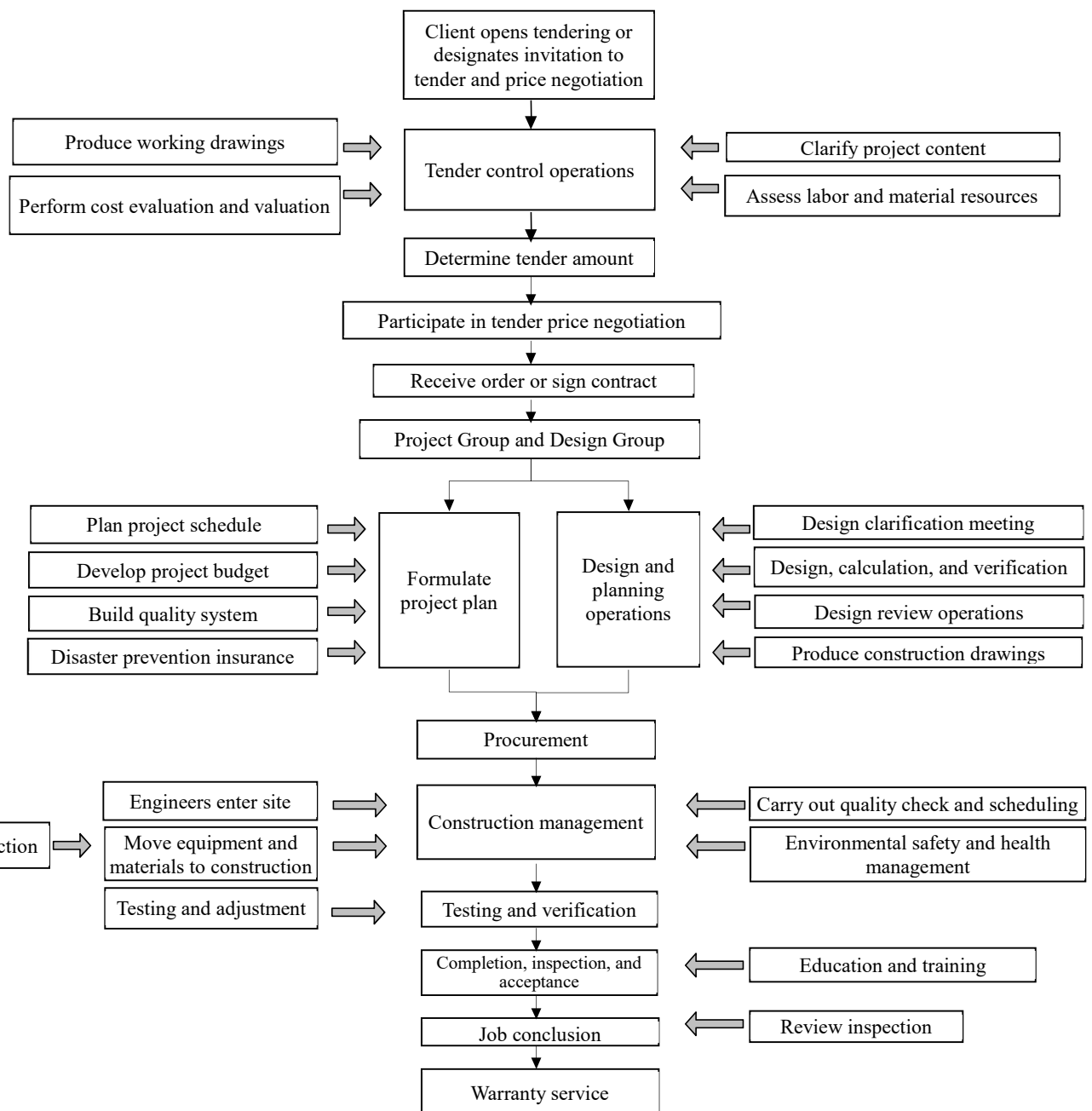
Competition in the field of industrial engineering is affected by factors relating to construction schedule, price, quality, and technological capabilities. Engineering is also a type of business involving professional technical services that focus on the quality and management of people. To ensure consistency in quality and safeguard our reputation, the Company has introduced practices and obtained certifications such as ISO 9001, ISO 14001, ISO 45001, and CNS 45001. Because the Company has already assimilated to a highly competitive environment, we strive to maintain control over our ideology and image in a competitive market, and improve our operational sensitivity and service capability in response to market failures. In response to changes in the engineering market, the Company has invariably sought to be extraordinary among the ordinary, to generate innovative ideas instead of holding onto old ones, and to pursue change. Years of practice and experience, continuous reflection, and innovative reforms are the only strategies that the Company adopts to combat market changes and competition.

(II) Application and Production of Key Products

1. Major Applications of Core Products

L&K Engineering Co., Ltd. is a professional company specializing in the construction, design, installation, and verification of M&E systems. The main services we provide involve cleanroom systems, process plumbing systems, and integrated M&R systems for high-tech, electronics, and biotech and healthcare industries. These services ensure that product production and yield rate can be optimized in a clean, sterile temperature/humidity-controlled environment, which will greatly facilitate the reduction of our clients' production costs.

2. The product manufacturing process is shown below:



(III) Supply of Essential Raw Materials

The Company's procurement of materials and equipment varies according to contract regulations. Except for few works and materials which are outsourced, all other materials and equipment are purchased by the Company. The main materials and equipment included raised floor, FFU, air-conditioning unit, materials for interior renovation, lighting equipment, wires and cables, filters, pipes, various types of valves, and surveillance systems, etc. The Company has built a stable cooperative relationship with suppliers of these materials and equipment.

(IV) List of Key Suppliers and Clients

1. Names of suppliers accounting for more than ten percent of the total purchase in any of the previous two years:

Unit: NT\$ 1,000

Year	2024				2025			
Item	Name	Amount	% of Total Net Procurement for the Year	Relation to the Company	Name	Amount	% of Total Net Procurement for the Year	Relation to the Company
1	T2	997,535	1.75%	None	T2	19,226,750	29.53%	None
2	Others	55,969,017	98.25%	None	Others	45,884,038	70.47%	None
	Net Total	56,966,552	100.00%		Net Total	65,110,788	100.00%	

The Company's construction cost includes raw material procurement and single jobs which are subcontracted to partnering contractors. Supplier selection follows the management guidelines of the Company's partnering contractors and varies according to project nature, owner's requirements, construction location, and contractor's construction quality and level of cooperation. The Company did not purchase a large amount of supplies from a single supplier. The Company has forged a stable cooperative relationship with suppliers of various materials and equipment and with subcontractors. Therefore, vendor concentration risk is low.

2. Names of clients accounting for more than ten percent of the total revenue in any of the previous two years:

Unit: NT\$ 1,000

Year	2024				2025			
Item	Name	Amount	% of Total Net Revenue for the Year	Relation to the Company	Name	Amount	% of Total Net Revenue for the Year	Relation to the Company
1	Company A	30,397,463	46.70%	None	Company A	3,968,484	5.12%	None
2	Company B	1,041,237	1.60%	None	Company B	34,607,426	44.66%	None
3	Company C	-	-	None	Company C	8,087,665	10.44%	None
4	Others	33,651,192	51.70%	None	Others	30,821,077	39.78%	None
	Net Total	65,089,892	100.00%		Net Total	77,484,652	100.00%	

The Company is a provider of professional system integration service, whose service relationships with project owners are handled on a project basis. Compared to the general manufacturing sector, the Company serves different clients all the time. Construction schedules are stipulated in the contracts of the projects the Company undertakes. Construction works are carried out as scheduled unless special circumstances occur. Therefore, when the Company completes a high-priced project, the service revenues for that period generate concentration of a certain client.

iii. Employee Information

- i. Employee data for the past two years and up to the date of the annual report publication

Year		2024	2025	2026/3/31
Employee Count (Note 1)	Direct Labor	4,378	4,687	4,588
	Indirect Labor	289	306	281
	Total	4,667	4,993	4,869
Average Years of Age(Note 2)		41.63	41.19	40.00
Average Years of Service(Note 2)		6.73	5.89	6.13
Education (Note 2)	Ph.D	0.48%	0.40%	0.41%
	Master's	8.46%	7.65%	8.25%
	College degree/Bachelor's	77.65%	78.73%	79.18%
	Senior High School	9.85%	10.53%	10.18%
	Others	3.56%	2.70%	1.98%

Note 1: Include foreign workers.

Note 2: The calculation doesn't include foreign workers.

- ii. Licenses designated by the competent authority held by the Company's personnel related to transparency of financial information:

Certificate Name	Number of People
International Certified Internal Auditor License	1
Securities & Futures Institute Corporate Internal Control Basic Competency Certification	1
Advanced Certified Public Accountant License	2

A. Safety, Health, and Environment Policy Statement

As a design and construction enterprise in the engineering services industry, L&K Engineering Co., Ltd. upholds a people-oriented approach, recognizing that employees are the Company's greatest asset. Beyond complying with environmental protection and occupational safety and health regulations, as well as other relevant requirements, the Company continuously improves and mitigates hazards and risks in engineering projects while fulfilling its responsibility to safeguard employee rights.

“Strive to achieve pollution control and disaster prevention, implement comprehensive safety and health management, prioritize safety, and focus on prevention. All employees shall take action and lead by example, using safety and environmental protection as guiding principles in their actions.” This is the foundation of our environmental, safety, and health policy, which serves to establish and maintain an environmentally responsible, safety, and healthy work environment.

B. Safety, Health, and Environment Organization Structure

The Company has established the QA and EHS Auditing Office as a first-tier unit, responsible for formulating, planning, promoting, and supervising the Company's occupational safety, health, and environmental protection management. It provides guidance to departments and project implementation, conducts regular inspections of safety, health, and environment management performance, and oversees the effectiveness of safety, health, and environment management execution across all units. The objective is to reduce the number of occupational accidents, ensure worker safety and health, and protect environmental resources.

C. Safety, Health, and Environment Management System

The Company is committed to providing high-quality engineering services and adhering to its mission of meeting customer needs. It complies with government laws and regulations, has achieved certification in “ISO 45001 Occupational Health and Safety Management System” and “ISO 14001 Environmental Management Systems,” and continuously maintains a safe working environment. The Company facilitates a health management system to improve the physical and mental well-being of employees.

The Company incorporates relevant training into its routine operations. Through practical simulations of emergency situations, it builds employees' evacuation and response skills, ensuring they are well-prepared with adequate knowledge to reduce the risk of injuries. Additionally, the Company has established an Occupational Safety and Health Committee, as mandated by the Occupational Safety and Health Act, and consistently maintains certifications for the ISO 14001 Environmental Management Systems, the ISO 45001 Occupational Safety and Health Management System (valid from September 15, 2024, to September 15, 2027), and the CNS 45001 Taiwan Occupational Safety and Health Management System (valid from September 15, 2024, to September 15, 2027).



ISO 14001 Environmental Management System



ISO 45001 Occupational Safety and Health Management System



CNS 45001 Taiwan Occupational Safety and Health Management System

D. Safety, Health, and Environment Management Operations

The Company's Occupational Safety and Health Committee is established in accordance with Article 12 of the Regulations Governing Occupational Safety and Health. It consists of 11 members, including the Chairperson (President), department heads, representatives of occupational safety and health engineering personnel, safety and health personnel representatives, and four labor representatives. The first-tier management unit, the QA and EHS Auditing Office, is responsible for overall coordination and execution. In addition, quarterly "Occupational Safety and Health Committee Meetings" are held to report on environment, safety, and health management, discuss safety and health proposals, conduct epidemic prevention measures and epidemiological investigations, and address labor representatives' improvement suggestions. These meetings facilitate discussions on various issues, including identification and assessment, review, coordination, and recommendations on safety and health matters between labor and management. They also ensure the implementation of safety, health, and environment management while jointly fostering a safe and friendly workplace environment.

E. Safety, Health, and Environment Training Implementation

- Occupational safety and health education and training: 768.5 hours
- Occupational safety and health awareness courses: 12 sessions
- Emergency response team regular training: 2 sessions
- Emergency evacuation drills: 2 sessions
- Contractor occupational safety and health training: 295,500 participant-times
- Health education and seminars: 2 sessions

F.Safety, Health, and Environment Risk Assessment

▸ Hazard Identification

Identification and assessment personnel can conduct on-site inspections or discussions in meetings to identify various potential hazard factors within units, projects or operational areas, equipment, and work processes that may lead to personal injury, health issues, property damage, or harm to the operational environment.

▸ Risk Assessment

A quantitative assessment of various hazard factors is conducted based on professional expertise and experience. This includes evaluating severity, likelihood of hazard occurrence, and the effectiveness of risk controls, as well as calculating the risk value to identify potential risk hazards.

▸ Risk Management

For hazards with moderate or higher risk levels, risk control measures aimed at improvement and mitigation are proposed. Additionally, management confirmation is conducted to ensure the effectiveness of risk control measures.

▸ Hazard Identification and Assessment

Each project site should conduct hazard identification and assessment of the work environment, including environmental factors such as air pollution, water pollution, and waste, as well as physical, chemical, biological, and ergonomic hazard factors. Additionally, specific hazard control plans and measures should be developed.

Risk Assessment and Management		
Scope of Assessment	<ul style="list-style-type: none"> ◆ General: Safety, chemical, physical, biological, and ergonomic hazards ◆ Organizational: Workload, working hours, violence, sexual harassment, and bullying 	High risk: Establish operational control procedures and implement effective risk mitigation measures; review the effectiveness of control measures every six months; and prioritize as a key inspection focus and improvement item.
		Moderately high risk: Establish operational control procedures and implement effective risk mitigation measures; review the effectiveness of control measures every six months.
Assessment Frequency	<ul style="list-style-type: none"> ◆ Upon project initiation ◆ Regular review every six months ◆ When construction methods, equipment, or operational procedures change ◆ Following improvements of safety and health anomalies and major industrial safety incidents 	Moderate risk: Conditionally acceptable if appropriate procedures, controls, and safety protections are in place; implement control measures as needed.
		Low risk: Acceptable as-is, no further measures required.

G. Occupational Accident Statistics and Analysis

The Occupational Safety and Health Act has been extended to apply to employed workers across all industries, self-employed individuals, and other personnel engaged in labor under the direction or supervision of a workplace. Furthermore, according to Article 38 of the Act, employers now have a new obligation to record occupational accident details and submit reports to the competent inspection authorities for reference.

The occupational accident statistics are derived from the occupational accident statistical indicators issued by the Ministry of Labor and are measured in relation to one million working hours. In 2025, the total working hours were 976,976 hours. Based on this, the disabling injury frequency rate (FR) was 6.14 and the disabling injury severity rate (SR) was 202. The total working hours of contractors were 2,364,000 hours. Note: The above figures do not include employee commuting accidents.

In 2025, no major occupational accidents occurred. The recognition of occupational diseases requires a diagnosis certificate issued by a physician, and no such cases occurred this year.

H. Environment, Safety, and Health Honors and Recognitions

- Received the Engineering Excellence Awards – Excellence Achievement from the Chinese Institute of Engineers: implementation of technology-enabled safety management in a project; achievement of energy saving and carbon reduction for an environmentally friendly project; the construction team also received the “Golden Excellence Award – Special Structure Engineering” and the “Golden Quality Award – Building Engineering Category” at the City Engineering Golden Quality Awards; and was recognized with an Honorable Mention at the 16th Golden Safety Award.
- Passed the Dun & Bradstreet International dual certification: “D-U-N-S Registered” and “ESG Registered.”
- Received an Appreciation Award from Taiwan Semiconductor Manufacturing Company Limited for the outstanding performance of the L&K construction team.
- Received a Certificate of Appreciation from the Hsinchu Industrial Park Service Center of the Ministry of Economic Affairs for outstanding performance in industrial park greening and maintenance adoption.
- Recognized in Business Weekly’s “Top 100 Age-Inclusive Companies.”
- Obtained the Health Workplace Promotion Self-Assessment Certification from the Health Promotion Administration.

iv. Environmental Protection Expenditure

- List the losses suffered due to pollution of the environment in the most recent year and up to the publication date of this Annual Report (including compensation and results of environmental protection audits that violated environmental protection laws and regulations; specify the date of the penalty, penalty number, violated articles in regulations, contents of violation, and the contents of penalties), and disclose the estimated amount arising both at present and in the future and the corresponding countermeasures. If the amount cannot be reasonably estimated, the reason for the inability to provide a reasonable estimation shall be explained:

Date of Violation	Competent Authority	Sanction Document Number	Type of Environmental Regulation Violation	Specific Article Violated	Penalty
2015/01/10	Kaohsiung City	2025/12/08 40-114-120017	Waste Disposal Act	Article 31, Paragraph 1, Subparagraph 2	A fine of NT\$6,000 /1-hour environmental education session
2024/11/29	Taipei City	2025/01/10 22-114-010163	Noise Control Act	Article 9, Paragraph 1, Subparagraph 4	A fine of NT\$18,000 /4-hour environmental education session
2024/12/03	New Taipei City	2025/01/08 21-114-010369	Air Pollution Control Act	Article 44, Paragraph 1	A fine of NT\$500
2024/12/04	Taipei City	2025/03/21 22-114-030370	Noise Control Act	Article 8, Subparagraph 4	A fine of NT\$6,000 /2-hour environmental education session
2024/12/27	Kaohsiung City	2025/01/23 22-114-010027	Noise Control Act	Article 8, Subparagraph 4	A fine of NT\$6,000 /4-hour environmental education session
2024/12/27	Kaohsiung City	2025/01/23 22-114-010028	Noise Control Act	Article 8, Subparagraph 4	A fine of NT\$3,000
2025/01/01	New Taipei City	2025/02/14 21-114-021316	Air Pollution Control Act	Article 44, Paragraph 1	A fine of NT\$500
2025/01/01	New Taipei City	2025/02/14 21-114-021317	Air Pollution Control Act	Article 44, Paragraph 1	A fine of NT\$500
2025/01/01	New Taipei City	2025/02/14 21-114-021318	Air Pollution Control Act	Article 44, Paragraph 1	A fine of NT\$500

Date of Violation	Competent Authority	Sanction Document Number	Type of Environmental Regulation Violation	Specific Article Violated	Penalty
2025/01/01	New Taipei City	2025/02/14 21-114-021319	Air Pollution Control Act	Article 44, Paragraph 1	A fine of NT\$500
2025/03/09	Taipei City	2025/05/23 22-114-050254	Noise Control Act	Article 8, Subparagraph 4	A fine of NT\$6,000 /2-hour environmental education session
2025/03/12	Taipei City	2025/05/20 22-114-050174	Noise Control Act	Article 8, Subparagraph 4	A fine of NT\$6,000 /2-hour environmental education session
2025/03/14	Taipei City	2025/05/22 22-114-050210	Noise Control Act	Article 8, Subparagraph 4	A fine of NT\$6,000 /2-hour environmental education session
2025/03/15	Taipei City	2025/05/22 22-114-050211	Noise Control Act	Article 8, Subparagraph 4	A fine of NT\$6,000 /2-hour environmental education session
2025/05/24	New Taipei City	2025/08/11 41-114-080113	Waste Disposal Act	Article 27, Subparagraph 1	A fine of NT\$1,200
2025/06/06	Taipei City	2025/07/04 22-114-070046	Noise Control Act	Article 8, Subparagraph 4	A fine of NT\$6,000 /2-hour environmental education session
2025/09/01	Taipei City	2025/09/23 40-114-090095	Waste Disposal Act	Article 27, Subparagraph 2	A fine of NT\$2,400
2025/09/08	Kaohsiung City	2025/10/15 40-114-100034	Waste Disposal Act	Article 31, Paragraph 1, Subparagraph 1 of the Waste Disposal Act Article 36-6, Paragraph 1 of the Methods and Facilities Standards for the Storage, Clearance and Disposal of Industrial Waste	A fine of NT\$6,000 /1-hour environmental education session
2025/09/08	Kaohsiung City	2025/10/15 40-114-100035	Waste Disposal Act	Article 36, Paragraph 2 of the Waste Disposal Act Article 6, Paragraph 1, Subparagraph 4 of the Methods and Facilities Standards for the Storage, Clearance and Disposal of Industrial Waste	A fine of NT\$6,000 /1-hour environmental education session

2. Current and future environmental protection expenses

Waste disposal and noise control treatment will be listed as major items. The estimated annual expenses for these two tasks are approximately NT\$380,000.

3. Response measures

1. Develop a waste reduction target each year, encouraging employees to reduce, recycle, and reuse household garbage and waste.
2. Ensure the quality of discharged wastewater complies with legal standards each year.
3. Ensure the volume of construction machinery complies with legal standards each year.

v. Labor Relations

The Company has established an Employee Welfare Committee to promote employee relationships and invigorate employee morale. The Committee oversees the organization of various employee welfare activities and contributes 0.075% of business revenue, 0.5% of employee's salary, and a certain percentage of proceeds from selling of scraps, to an employee welfare fund, which is then used to fund the various activities organized by the Employee Welfare Committee.

(I) Employee benefits, retirement system, continuing education, training, and their implementation status, as well as labor management agreements and measures for protection of employee rights

1. Employee Benefits

(1) Employee Welfare Committee:

1. Birthday, childbirth, and wedding/funeral gratuities
2. Hospitalization consolation payments and long-service employee rewards
3. Children's education subsidies, disability allowances for children, emergency assistance, and travel subsidies
4. Departmental/project activity subsidies

(2) The Company provides:

1. Group liability insurance
2. Bonuses for Dragon Boat and Moon Festivals, and year-end bonuses
3. Employee remuneration (as mandated by the Articles of Incorporation)
4. Monthly pension contributions as required by the Labor Standards Act
5. Employee health checks once every two years
6. Year-end raffle draw banquet

(3) Governmental laws and regulations:

1. Labor and health insurance coverage in accordance with laws and regulations
2. Employee compensation for occupational injury in accordance with the Labor Standards Act, and other compensations are pursuant to the Labor Standards Act
3. Others are pursuant to the Labor Standards Act and the Labor Insurance Act

2. Retirement System

1. In compliance with the Labor Standards Act, the Company appropriates labor pension reserve funds of 6% of employee's salary and deposits them into a designated account with Bank of Taiwan.
2. The Company has established the L&K Engineering Co., Ltd. Retirement Guidelines in accordance with the Labor Standards Act and the Labor Pension Act. The Labor Pension Act was implemented on 2005/7/1, and retirement was handled accordingly.
3. The Company has retirement guidelines in place. For employees who are applicable to the old pension system (the Labor Standards Act), the Company contributes a portion of employee salary each month to their respective pension funds, which are administered by the Labor Pension Fund Supervisory Committee and deposited in the Committee's name in Bank of Taiwan. In compliance with regulatory requirements, the Company assesses the balance in the Funds before the end of each year and funds the difference, if any, before the end of March of the next year. In response to the implementation of the Statement of Financial Accounting Standards No. 18, the Company hires an actuary to produce an actuarial evaluation report of the labor pension reserve funds. For employees who are applicable to the new pension system (the Labor Pension Act), the Company makes monthly contributions equal to no less than 6% of employee's monthly salary to the Bureau of Labor Insurance's individual labor accounts.

3. Labor management agreements

The Company holds labor management meetings every three months. These meetings are chaired by the President or the designated Vice President who then coordinates HR and Level-1 supervisors to communicate with the labor representatives. An open channel of communication is ensured to effectively deliver the company's business ideals and facilitate and positive interaction between employer and employee representatives.

4. Continuing education and training for employees:

To strengthen the professional knowledge and skills of the Company employees so that they can produce work of greater quality more effectively and efficiently, and to meet the company's recruitment requirements, the Company encourages employees to engage in continuous innovation, and offers training programs to enhance the quality of our human resources, bolster the company's competitiveness, and cultivate every employee into a hard-working person who is talented, ethical, and competent. In 2025, the Company has organized a total of 11,327 hours of training, which costed roughly NT\$1,538,643. Training involves the following:

The "Guidelines for the Management of Employee Education and Training" cover the following:

- (1). Orientation for new employees
- (2). Departmental training (internal and external)
- (3). Training performance evaluations.

The Company requires auditors to improve their professionalism by attending internal auditing courses and relevant seminars. Finance officers are also required to attend training courses that are organized by the competent authority or relevant departments.

(II) List the losses suffered due to labor disputes in the most recent year and up to the publication date of this Annual Report (including violations of the Labor Standards Act in the results of labor inspections; specify the date of the penalty, penalty number, violated articles in regulations, contents of violation, and the contents of penalties), and disclose the estimated amount arising both at present and in the future and the corresponding countermeasures. If the amount cannot be reasonably estimated, the reason for the inability to provide a reasonable estimation shall be explained:

Date of Penalty	Penalty Document Number	Provisions Violated	Cause of Violation	Fine Amount
2025/02/19	Bei-Shi-Lao-Zhi-Zi No. 11460530681	Article 19, Paragraph 1 of the Construction Safety and Health Standard, and Article 6, Paragraph 1, Subparagraph 5 of the Occupational Safety and Health Act Article 230, Paragraph 2 of the Occupational Safety and Health Facilities Regulations, and Article 6, Paragraph 1, Subparagraph 5 of the Occupational Safety and Health Act	(C3) On January 10, 2025, during scaffolding erection work in the multi-purpose hall, no protective equipment was installed in areas where there was a risk of falling. On Basement Level 2, a combination ladder was used as access equipment for painting work, and work was performed while standing on the top platform.	300,000
2025/06/16	Xin-Bei-Fu-Lao-Jian-Zi No. 1144678939	Article 57, Paragraph 3 of the Occupational Safety and Health Facilities Regulations, and Article 6, Paragraph 1 of the Occupational Safety and Health Act	(Wenzizun 1-2) Investigation of the occupational accident involving finger pinching injury to employee Yang on January 3, 2025, found that the required safety and health equipment and measures were not in compliance with regulations.	30,000
2025/09/09	Lao-Zhi-Shou-Zi No. 1140254229	Article 27, Paragraph 1, Subparagraphs 2 and 3 of the Occupational Safety and Health Act	When (Danbei) and the contractor (Dazao) separately hired workers to work jointly (e.g., at workplaces such as the column head block support frame workbench on P19), they failed to take necessary measures for coordination and integration of the work, and did not inspect the workplace.	150,000
2025/11/26	Lao-Zhi-Shou-Zi No. 1140255338C	Article 19, Paragraph 1 of the Construction Safety and Health Standard, and Article 6, Paragraph 1, Subparagraph 5 of the Occupational Safety and Health Act	(LNG Phase III) For the opening of the scaffolding work platform on the exterior wall of the main control building at a height exceeding 2 meters (approximately 11.1 meters high), no guardrails or other protective facilities were installed.	200,000
2025/12/16	Lao-Zhi-Shou-Zi No. 1140255695	Article 19, Paragraph 1 and Article 45, Subparagraph 2 of the Construction Safety and Health Standard, and Article 6, Paragraph 1 of the Occupational Safety and Health Act	(Sanying) For operations at (LB10 Station) involving locations at heights of over 2 meters, such as roofs, steel beams, openings, stairs, stairways, ramps, work platforms, retaining walls, earth-retaining supports, construction platforms, bridge piers and superstructures, abutments, etc., where workers were exposed to a risk of falling, the employer failed to install protective equipment such as guardrails, covers, or safety nets at such locations; to maintain the stability of scaffolds and construction platforms, the employer failed to comply with the following requirements: 1. ... 2. For scaffolds that could not be connected to the structure, appropriate and sufficient support was not provided by means of diagonal bracing or other relevant facilities.	300,000

- (2) Current and potential labor disputes:
Occupational hazards or other work-related reasons that cause illness, injury, disability, or death to project colleagues and service providers.
It is not possible to reasonably estimate the financial losses. The Company conducts its business in accordance with the Labor Standards Act. However, it should be noted that losses due to the dynamic nature of business operations are not foreseeable in advance. Moreover, the amount of losses may not be immediately known or reasonably estimated at the time of occurrence. Labor disputes arising from business changes are adjusted on a case-by-case basis in accordance with the law and included in the agenda of internal reviews.
- (3) Response measures: Establish a comprehensive safety and health management system; strengthen and implement safety and health supervision at project sites; enhance safety education and training; improve the working environment; develop an emergency response management mechanism.

vi. Information security management:

- (I) Cyber security risk management framework, cyber security policies, specific management plans, and resources invested in cyber security management.

Part (1):

1.0 Management framework

The Company's IT security department is responsible for the maintenance and management of information security. They will draw up information security policies and operational regulations, promote the implementation of information security policies, implement information security management plans, raise employees' awareness on information security, continue to strengthen protection measures to reduce information security risks, and ensure the confidentiality, integrity and availability of the company's important information and data.

Internal audits are conducted on the company's information security by following the internal control system and management rules set forth in the company's audit plans. The audit results provide management with the operation status of internal control functions so that management understand the existing or underlying issues and implement improvements or optimization accordingly.

2.0 Cyber Security Policies

2.1 Purpose

The Company establishes Information Security Policy as the basis for adopting various information security measures, in order to implement information security management, strengthen the security of the company's computer and network equipment communications, reduce the risks of theft, inappropriate use, leaks, alteration, or damage of IT assets as a result of human error, sabotage, or natural disasters, and ensure the confidentiality, integrity and availability of information assets.

2.2 Applicable Scope

Full-time employees and contract employees of the Company, consultants (or advisers) to the Company, and companies and clients that have business dealings with the Company.

2.3 Information Security Objective

To achieve the following objectives with the concerted efforts of all employees, thereby ensuring the confidentiality, integrity, and availability of information assets and information security operations and safeguarding user data privacy:

- 2.3.1 Continue to fortify and improve the company's information security management system and capability as a whole.
- 2.3.2 Improve the company's information security management and technology literacy, as well as relevant tools, in a timely manner as deemed fit.
- 2.3.3 Protect information on the Company's business activities, avoid unauthorized access and modification, and ensure the correctness and integrity of such information.
- 2.3.4 Comply with the requirements of relevant laws or regulations to achieve business continuity.

3.0 Specific Management Plans

Type	Management Plans	Management Measures
Network Management	Set up firewall	Separate internal and external networks, and defend against external attacks.
	Control network services	Control internal-to-external / external-to-internal connections, and ban connections to unauthorized networks.
	Remote sign in	Use remote desktop to sign in remotely to reduce concerns about the security of taking a work computer outside the office.
	Reverse proxy	Through the mechanism of reverse proxy, the real IP address will be concealed to reduce the risks for the servers to be attacked.
Information Equipment Management	Server room management	Set up access control and CCTV to monitor who accessed the server room.
	Asset management	Compile a list of information computer equipment and regularly maintain and take an inventory of it.
	Record storage	Keep records of storage system sign-in events and server file access for future reference.
	Endpoint protection	Install anti-virus software on personal computer and scan for virus at least once a week, update anti-virus software regularly, and install file encryption software to encrypt internal documents, which reduce the chance of confidential information leak.
	Equipment monitoring	Monitor the operation status of network equipment and servers and notify admin if connection fails.
Account Access Management	System admin account	Set up different admin account for different systems and change password regularly to prevent password leak, which will otherwise compromise the entire system.
	User account	Establish operating procedures, such as applying for an account, changing account privileges, and deleting an account; passwords must meet complexity requirements and mandatory password changes.
	User access	Set default for user account privileges as low as possible and set a maturity date for user accounts (users may apply for changes if needed).
Change Management	Backup management	Important information systems and files must be backed up, and important data stored in different places.
	Recovery exercises	Backup data must be regularly verified and recovered to check backup availability.
	Social engineering drills	Employees are regularly trained and tested on their vigilance against phishing emails; those who fail the test are required to undergo awareness courses to enhance their information security concept.

Type	Management Plans	Management Measures
Change Management	Backup power for server rooms	Server rooms are equipped with UPS and a standby generator in case of emergency power outage.
Audit and Awareness	Information security awareness	Regularly promulgate ways to prevent phishing emails and information security concepts.

4.0 Invested Resources

Currently, the Information Security Department has tasked six of its staff members with the management of information security.

The budget for the maintenance and enhancement of information security is also planned every year, and information security-related tasks are reported and discussed in every manager meeting.

- (II) List any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to significant cyber security incidents, the possible impacts therefrom, and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided: None.

vii. Important Contracts

The Company's important contracts that are still effective:

Contract Type	Counteracting Party	Term of Agreement	Summary	Restrictions
Construction Contract	Southern Region Engineering Office, Railway Reconstruction Bureau, Ministry of Transportation and Communications	From 2011.11.21 as per owner requirement	ACL212 Kaohsiung Railway Underground (Cut and Cover Construction) Project	—
Construction Contract	Preparatory Office, National Kaohsiung Center for the Arts	From 2012.05.08 as per owner requirement	National Kaohsiung Center for the Arts Special Equipment Project	—
Construction Contract	National Yang Ming Chiao Tung University Hospital	From 2012.11.27 as per owner requirement	National Yang Ming Chiao Tung University Hospital Construction, Renovation, and MEP Turnkey Project	—
Construction Contract	Academia Sinica	From 2013.08.01 as per owner requirement	National Biotechnology Research Park Project (Turnkey)	—
Construction Contract	East District Project Office, Department of Rapid Transit Systems, Taipei City Government	From 2013.12.24 as per owner requirement	Taipei Performing Arts Center Theater Equipment Phase One (TP4) Project	—
Construction Contract	Farglory Construction	As per owner requirement	Taipei Dome Complex Large Indoor Stadium Development Project - MEP Construction	—
Construction Contract	Southern Region Engineering Office, Railway Reconstruction Bureau, Ministry of Transportation and Communications	As per owner requirement	ACL212-1 Kaohsiung Station Canopy (Roof Truss) Project	—
Construction Contract	Winbond Electronics Corp.	As per owner requirement	Kaohsiung Plant General MEP Phase I Construction Project	—
Construction Contract	Macronix International Co., Ltd.	As per owner requirement	Bay29/30 Plant System MEP Expansion Construction (Phase I) Project	—
Construction Contract	Taiwan Semiconductor Manufacturing Co., Ltd.	As per owner requirement	tsmc F18P4P5P6 UNDERGROUND PIPING SYSTEMS	—
Construction Contract	Taiwan Semiconductor Manufacturing Co., Ltd.	As per owner requirement	tsmc RD FAB Outer Piping Construction Project	—
Construction Contract	Nan Ya PCB Co., Ltd	As per owner requirement	Cleanroom Air-Conditioning System for Nan Ya PCB Shulin Factory	—
Construction Contract	Taiwan Semiconductor Manufacturing Co., Ltd.	As per owner requirement	tsmc F18P7 UNDERGROUND PIPING SYSTEMS	—
Construction Contract	Taiwan Semiconductor Manufacturing Co., Ltd.	As per owner requirement	tsmc F14P8 UNDERGROUND PIPING SYSTEMS	—
Construction Contract	United Microelectronics Corp.	As per owner requirement	12A P6 Cleanroom + MEP Turnkey Project	—
Construction Contract	Powerchip Semiconductor Manufacturing Corp.	As per owner requirement	PSMC P5 Plant Phase 1 Cleanroom System New Construction Project (20K)	—
Construction Contract	Samsung C&T corporation Taiwan Branch-Korea	As per owner requirement	Taoyuan International Airport Terminal 3 Building Civil Engineering Construction Project - Road Mechanical and Electrical and T3 Temporary Electrical Engineering	—

Contract Type	Counteracting Party	Term of Agreement	Summary	Restrictions
Construction Contract	Allis Electric Co., Ltd.	As per owner requirement	Macronix Fab5 5B Substation AHU Setting Project	—
Construction Contract	Taiwan Apple, LLC, Taiwan Branch (U.S.A.)	As per owner requirement	APPLE LY3 L30/L40 clean room phase 1 expansion project	—
Construction Contract	United Microelectronics Corporation (Singapore Branch)	As per owner requirement	UMC 12i P3/P4 EPC C&S Partial	—
Construction Contract	United Microelectronics Corporation (Singapore Branch)	As per owner requirement	UMC 12i P3 M&E Equipment Systems	—
Construction Contract	Taiwan Semiconductor Manufacturing Co., Ltd.	As per owner requirement	tsmc F22P1 Underground piping package	—
Construction Contract	Taichung Photonics Photomask Co., Ltd.	As per owner requirement	FAB Expansion Project for Taichung Photonics	—
Construction Contract	Taiwan Semiconductor Manufacturing Co., Ltd.	As per owner requirement	tsmc F22 P1 Underground piping package	—
Construction Contract	Vision Power Semiconductor Manufacturing Company Pte. Ltd.	As per owner requirement	VSMC FAB Construction–CSA	—
Construction Contract	Vision Power Semiconductor Manufacturing Company Pte. Ltd.	As per owner requirement	VSMC FAB Construction–MEP	—
Construction Contract	Taiwan Semiconductor Manufacturing Co., Ltd.	As per owner requirement	AP8 MEP-M Long-lead Time Item	—
Construction Contract	Taiwan Semiconductor Manufacturing Co., Ltd.	As per owner requirement	AP8 PCW Package – Long Lead Time	—
Construction Contract	Taiwan Semiconductor Manufacturing Co., Ltd.	As per owner requirement	AP8 System Dismantling Works Stage 1	—
Construction Contract	Taiwan Semiconductor Manufacturing Co., Ltd.	As per owner requirement	Kaohsiung Campus Construction Project for Garuda Technology	—
Construction Contract	Taiwan Semiconductor Manufacturing Co., Ltd.	As per owner requirement	AP8 Underground piping package	—
Construction Contract	Taiwan Semiconductor Manufacturing Co., Ltd.	As per owner requirement	F22P3 Underground piping package	—
Construction Contract	Taiwan Semiconductor Manufacturing Co., Ltd.	As per owner requirement	F20P3 MEP package	—
Construction Contract	King Yuan Electronics Co., Ltd.	As per owner requirement	Yangmei Plant Reconstruction Project for King Yuan Electronics	—
Construction Contract	Empyrium Digital	As per owner requirement	Neihu Data Center (TW1) New Construction Project	—
Construction Contract	KIMLY-SHIMIZU JOINT VENTURE (Changi Hospital)	From 2015.04.28 as per owner requirement	CONSTRUCTION SERVICES	—
Loan Agreement	Hua Nan Commercial Bank	2025.12.19~2026.12.19	General credit limit	—
Loan Agreement	Chinatrust Commercial Bank	2025.08.31~2026.08.31	General credit limit	—
Loan Agreement	Taishin International Bank	2025.08.08~2026.08.08	General credit limit	—
Loan Agreement	Yuanta Commercial Bank	2025.06.29~2026.06.29	General credit limit	—
Loan Agreement	Shanghai Commercial and Savings Bank	2025.10.18~2026.10.18	General credit limit	—

Contract Type	Counteracting Party	Term of Agreement	Summary	Restrictions
Loan Agreement	Mega International Commercial Bank	2025.05.24~2026.05.23	General credit limit	—
Loan Agreement	Mega International Commercial Bank	2011.12.28~2026.06.30	Project Financing	—
Loan Agreement	Land Bank Of Taiwan	2025.05.05~2026.05.05	General credit limit	—
Loan Agreement	First Commercial Bank	2025.07.17~2026.07.17	General credit limit	—
Loan Agreement	First Commercial Bank	2025.10.28~2026.10.28	Project Financing	—
Loan Agreement	International Bills Finance Corporation	2025.06.09~2026.06.08	Appointment to guarantee issuance of commercial papers	—
Loan Agreement	Taiwan Finance Corporation	2025.10.31~2026.10.30	Appointment to guarantee issuance of commercial papers	—
Loan Agreement	Ta Ching Bills Finance Corporation	2025.10.21~2026.10.21	Appointment to guarantee issuance of commercial papers	—
Loan Agreement	Taiwan Shin Kong Commercial Bank Co., Ltd.	2026.03.13~2027.03.13	General credit limit	—
Loan Agreement	United Overseas Bank	2025.05.08~2026.05.07	Project Financing	—
Construction Contract	Railway Reconstruction Bureau, Ministry of Transportation and Communications	From 2011.9 as per owner requirement	ACL212 Kaohsiung Railway Underground (Cut and Cover Construction) Project	—
Construction Contract	Taiwan Power Company	From 2012.9 as per owner requirement	Talin Power Plant Cylinder Coal Storage System Turnkey Procurement Project	—
Construction Contract	South District Project Office, Department of Rapid Transit Systems, Taipei City Government	From 2016.1 as per owner requirement	Taipei Metro Wanda–Zhonghe–Shulin line (Phase I) CQ850 Construction Project	—
Construction Contract	Department of Rapid Transit Systems, New Taipei City Government	From 2016.6 as per owner requirement	Sanying Line Metro System Turnkey Project	—
Construction Contract	Railway Reconstruction Bureau, Ministry of Transportation and Communications	From 2017.8 as per owner requirement	ACL212-1 Kaohsiung Station Canopy (Roof Truss) Project	—
Construction Contract	New Construction Office, Public Works Department, Taipei City Government	From 2019.7 as per owner requirement	General Building and Underground Parking Lot Project, Taipei Jingmei Girls High School	—
Construction Contract	Taiwan Life Insurance Co., Ltd.	From 2019.4 as per owner requirement	Main Contractor Project Of Taipei City Nangang District Jingmao Section Land serial no.15 Superficies	—
Construction Contract	Land Administration Department ,New Taipei City Government	From 2021.6 as per owner requirement	The City Rezoning Development Project for the 1-2 District of Wenzizun Area across New Taipei City’s Xin Zhuang and Taishan Districts	—
Construction Contract	Land Administration Department ,New Taipei City Government	From 2021.6 as per owner requirement	The City Rezoning Development Project for the 1-1 District of Wenzizun Area across New Taipei City’s Xin Zhuang and Taishan Districts	—

Contract Type	Counteracting Party	Term of Agreement	Summary	Restrictions
Construction Contract	Taoyuan International Airport Corporation Ltd.	From 2021.6 as per owner requirement	Taoyuan International Airport Terminal 3 Building Civil Engineering Construction Contract	—
Construction Contract	Mitsui Fudosan Taiwan Co., Ltd. Nangang Branch	From 2021.8 as per owner requirement	EPC Project for Taipei City Nangang District Jingmao Section Land serial no.15 Superficies - Management Contract	—
Construction Contract	LNG Engineering Division, CPC Corporation, Taiwan	From 2022.7 as per owner requirement	Taichung Plant Phase III Gasification Facilities and Integrated Pipeline Turnkey Project	—
Construction Contract	POTENS SEMICONDUCTOR CORP.	From 2022.6 as per owner requirement	Construction Project at Land Serial No. 941, Donghua Segment, Zhubei City - Architectural Design Commission and Construction Contracting	—
Construction Contract	Construction Office, New Taipei City Government	From 2024.1 as per owner requirement	Tamsui North Shore Road Project	—
Construction Contract	Mass Rapid Transit Bureau, Kaohsiung City Government	From 2023.11 as per owner requirement	Kaohsiung Metropolitan MRT Siaogang-Linyuan Line LOT RLC01 Civil Engineering and Facility M&E Turnkey Project	—
Construction Contract	Eastern Region Engineering Branch Office, Railway Reconstruction Bureau, Ministry of Transportation and Communications	From 2023.12 as per owner requirement	Railway Dual-track Electrification Plan in Hualien and Taitung Area Construction Works of Civil and Track from Guanshan (Not Included) to Shanli, LOT CB05	—
Construction Contract	Railway Reconstruction Bureau, Ministry of Transportation and Communications	From 2024.6 as per owner requirement	Taiwan Railway Metropolitan MRT Transformation Underground Construction Plan for Taoyuan Segment LOT CJ16 Underground Railway Engineering Project at Zhongyuan Station Section	—
Construction Contract	Southern Region Construction Office, Department of Transmission Line and Substation Projects, Taiwan Power Company	From 2024.8 as per owner requirement	Renwu–Xiongjiwu–Xiongjizi Line Civil Engineering Turnkey Project	—
Construction Contract	Central Region Construction Office, Department of Transmission Line and Substation Projects, Taiwan Power Company	From 2025.6 as per owner requirement	345 kV Gangfeng–Central Taiwan Science Park and Hengshan–Central Taiwan Science Park Cable Route Shield Tunnel and Associated MEP Turnkey Project (Section 2)	—
Construction Contract	Empyrion Digital	From 2025.12 as per owner requirement	Empyrion Digital Neihu Data Center New Construction Project	—
Construction Contract	Kai Sheng Construction Co., Ltd.	From 2025.12 as per owner requirement	Turnkey Project for the “Kaisheng Construction Yonghe District Wenhua Section Retail, General Office, and Residential Building New Construction Project”	—
Loan Agreement	First Commercial Bank	2025.02.05-2027.02.05	General credit limit	—
Loan Agreement	First Commercial Bank	2015.12.08-2026.06.29	Project Financing	—

Contract Type	Counteracting Party	Term of Agreement	Summary	Restrictions
Loan Agreement	First Commercial Bank	2016.06.27-2027.11.09	Project Financing	—
Loan Agreement	First Commercial Bank	2019.05.17-2026.12.31	Project Financing	—
Loan Agreement	Hua Nan Commercial Bank	2025.01.30-2027.01.30	General credit limit	—
Loan Agreement	Export–Import Bank of the Republic of China	2025.08.16-2026.08.15	General credit limit	—
Loan Agreement	Mega International Commercial Bank	2025.08.30-2026.08.29	General credit limit	—
Loan Agreement	Mega International Commercial Bank	2017.07.05-2027.05.09	Project Financing	—
Loan Agreement	Mega International Commercial Bank	2011.09.01-2027.03.31	Project Financing	—
Loan Agreement	Mega International Commercial Bank	2016.12.29-2027.12.28	Project Financing	—
Loan Agreement	Mega International Commercial Bank	2021.12.22-2027.12.21	Project Financing	—
Loan Agreement	Sunny Bank	2025.08.27-2026.08.27	General credit limit	—
Loan Agreement	Chang Hwa Bank	2025.05.31-2026.05.31	General credit limit	—
Loan Agreement	Chinatrust Commercial Bank	2025.08.31-2026.08.31	General credit limit	—
Loan Agreement	Hua Nan Commercial Bank	2023.08.25-2029.08.24	Project Financing	—
Loan Agreement	First Commercial Bank	2024.06.25-2033.06.24	Project Financing	—
Loan Agreement	Taishin International Bank	2023.12.28-2029.10.31	Project Financing	—
Loan Agreement	Chinatrust Commercial Bank	2024.08.31-2030.08.31	Project Financing	—
Loan Agreement	Hua Nan Commercial Bank	2024.12.12-2031.12.11	Project Financing	—
Construction Contract	SMIC Oriental Integrated Circuit Manufacturing Co., Ltd.	From 2025.07.16 as per owner requirement	2025 Fab9-P1 Project-B Expansion Project Power System Installation Works	—
Construction Contract	Vision Power Semiconductor Manufacturing Company Pte. Ltd.	From 2024.09.20 as per owner requirement	Singapore Vanguard International Semiconductor Corporation General MEP Works	—
Construction Contract	Vision Power Semiconductor Manufacturing Company Pte. Ltd.	From 2025.03.25 as per owner requirement	Singapore Vanguard International Semiconductor Corporation General MEP Works	—
Construction Contract	Vision Power Semiconductor Manufacturing Company Pte. Ltd.	From 2024.09.20 as per owner requirement	Singapore Vanguard International Semiconductor Corporation General MEP Works	—
Construction Contract	Vision Power Semiconductor Manufacturing Company Pte. Ltd.	From 2025.06.05 as per owner requirement	VSMC CONNECTION HOOK UP ENGINEERING FOR PILOT LINE TOOL	—
Construction Contract	Vision Power Semiconductor Manufacturing Company Pte. Ltd.	From 2025.04.28 as per owner requirement	OPIT Data Center – ARCH AS QUO: Minor Works	—

Contract Type	Counteracting Party	Term of Agreement	Summary	Restrictions
Construction Contract	Vision Power Semiconductor Manufacturing Company Pte. Ltd.	From 2025.06.25 as per owner requirement	VSMC CCD Room Power Supply (UPS/TR/MEP) Works	—
Construction Contract	Vision Power Semiconductor Manufacturing Company Pte. Ltd.	From 2025.07.21 as per owner requirement	VSMC Laboratory Works	—
Construction Contract	Vision Power Semiconductor Manufacturing Company Pte. Ltd.	From 2025.08.15 as per owner requirement	VSMC IT SP2 POWER SUPPLY PANEL	—
Construction Contract	Vision Power Semiconductor Manufacturing Company Pte. Ltd.	From 2025.08.26 as per owner requirement	VSMC Kitchen Project	—
Construction Contract	Vision Power Semiconductor Manufacturing Company Pte. Ltd.	From 2025.11.13 as per owner requirement	VSMC PILOT LINE INTERCONNECTION HOOKUP	—
Construction Contract	Vision Power Semiconductor Manufacturing Company Pte. Ltd.	From 2025.10.18 as per owner requirement	VSMC PILOT LINE INTERCONNECTION HOOKUP	—
Construction Contract	Vision Power Semiconductor Manufacturing Company Pte. Ltd.	From 2025.10.18 as per owner requirement	VSMC PILOT LINE INTERCONNECTION HOOKUP	—
Construction Contract	Vision Power Semiconductor Manufacturing Company Pte. Ltd.	From 2025.10.29 as per owner requirement	VSMC PILOT LINE INTERCONNECTION HOOKUP	—
Construction Contract	Vision Power Semiconductor Manufacturing Company Pte. Ltd.	From 2025.10.29 as per owner requirement	VSMC PILOT LINE INTERCONNECTION HOOKUP	—
Construction Contract	Vision Power Semiconductor Manufacturing Company Pte. Ltd.	From 2025.10.29 as per owner requirement	VSMC PILOT LINE INTERCONNECTION HOOKUP	—
Construction Contract	United Microchip Corporation Integrated Circuit Manufacture (Xiamen) Co., Ltd.	From 2023.02.09 as per owner requirement	DR Dormitory Fire Safety Strengthening Project	—
Construction Contract	United Semiconductor (Xiamen) Co., Ltd.	From 2024.03.12 as per owner requirement	Addition of Integrated Manual-Automatic Shut-off Valve Monitoring for Rainwater Well	—
Construction Contract	tsmc Nanjing Company Limited	From 2024.04.09 as per owner requirement	Nanjing TSMC – F16_2401_SP1_WT PCW Expansion Loop5_24012505	—
Construction Contract	Semiconductor Manufacturing International (Shenzhen) Corp.	From 2024.01.26 as per owner requirement	Fab5 Power Equipment Online Partial Discharge System	—
Construction Contract	Semiconductor Manufacturing North China (Beijing) Corporation	From 2024.01.26 as per owner requirement	SMNC Fab2-P2 Power Equipment Online Partial Discharge System Works	—
Construction Contract	Semiconductor Manufacturing International (Beijing) Corp.	From 2024.01.26 as per owner requirement	BJ Facility Risk Improvement – Power Equipment Online Partial Discharge Monitoring System Works	—
Construction Contract	Semiconductor Manufacturing International (Beijing) Corp.	From 2025.03.14 as per owner requirement	2024 Fab2-P1 MAU Aging Upgrade Improvement Works	—
Construction Contract	United Semiconductor (Xiamen) Co., Ltd.	From 2024.06.19 as per owner requirement	HCI Partition Renovation Project	—

Contract Type	Counteracting Party	Term of Agreement	Summary	Restrictions
Construction Contract	Semiconductor Manufacturing International (Shanghai) Corp.	From 2024.08.05 as per owner requirement	2024 SH SMIC Photomask Lingang Phase II Project – Facility Power System Works	—
Construction Contract	HeJian Technology (Suzhou) Co., Ltd.	From 2023.05.30 as per owner requirement	Ice Machine Expansion Project Phase 2	—
Construction Contract	SMIC Oriental Integrated Circuit Manufacturing Co., Ltd.	From 2025.07.10 as per owner requirement	2025 Fab9 P1 Project-B Expansion Project PCW System Expansion	—
Construction Contract	Semiconductor Manufacturing International (Beijing) Corp.	From 2025.07.18 as per owner requirement	Fab2-P1 Capacity Structure Adjustment Power System Expansion Works	—
Construction Contract	United Semiconductor (Xiamen) Co., Ltd.	From 2025.09.09 as per owner requirement	PCW Pump Ceramic Coating Energy-Saving Works	—
Construction Contract	Semiconductor Manufacturing International (Shanghai) Corp.	From 2025.09.28 as per owner requirement	2025 Fab8-P1 Power System Protection Setting Modeling	—

V. Review and Analysis of Financial Status and Financial Performance and Risk Management

- I. Main causes and impact of any material change in assets, liabilities, and equity during the most recent two fiscal years and a description of the measures to be taken in response if the impact is of material significance.

i. Comparative Analysis of Financial Status

Unit: NT\$ 1,000

Item \ Year	End of 2025	End of 2024	Difference	
			Amount	%
Total assets	83,381,417	60,497,028	22,884,389	37.83%
Total liabilities	56,683,991	39,956,410	16,727,581	41.86%
Total equity	26,697,426	20,540,618	6,156,808	29.97%

- (i.) Total assets increased over the previous period, mainly due to the increase in Cash and Cash Equivalents.
- (ii.) Total liabilities increased over the previous period, mainly due to the increase in Contract Liability.

- II. Main reasons for any material change in operating revenues, operating income, or income before tax during the most recent two fiscal years, and a sales volume forecast and the basis therefor, and the impact upon the company's financial operations as well as measures to be taken in response.

ii. Comparative Analysis of Financial Performance

Unit: NT\$ 1,000

Item \ Year	2025	2024	Change	%
Operating revenue	77,484,652	65,089,892	12,394,760	19.04%
Net Operating Income	10,056,008	6,625,132	3,430,876	51.79%
Income before Income Tax	11,858,687	7,270,807	4,587,880	63.10%

- (I) A year-over-year increase in operating income and income before tax is mainly due to the effective cost control on projects and efforts to actively take on high gross profit-margin engineering projects.

(II) Effect of projected sales volume and basis on the Company's financial operations, and measures to be taken in response:

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. Cash Flow

(I). Analysis of changes in cash flow of the current year:

1. Operating activities: Net cash inflow from operating activities amounting to NT\$23,111,731 thousand is mainly due to an increase in operating profit.
2. Investing activities: Net cash inflow from investing activities amounting to NT\$18,360 thousand is mainly due to an increase in other financial assets.
3. Financing activities: Net cash outflow from financing activities amounting to NT\$3,257,253 thousand is mainly due to the distribution of cash dividends.

(II). Improvement plans for insufficient liquidity: N/A.

(III). Cash flow analysis for the coming year:

The quantity and quality of construction projects for the coming year can be well managed under the current scale; therefore, the cash flow is expected to remain the same as that of the previous years.

iv. Effect of major capital expenditures on financial operations in the most recent year: None.

v. Reinvestment policy for the most recent year, main reasons for profits/losses generated, improvement plans, and investment plans for the coming year:

(I) Reinvestment policy in the most recent year:

The Company's reinvestment policy is based on the development trends of industries and adopts a conservative and robust approach. Each of our subsidiaries exhibit an excellent financial status and their investments are as effective as the Company expects, thanks to the Company's effective management.

(II) The main reason for profit or loss and improvement plan for reinvestment profitability:

Unit: NT\$ 1,000

Name of Company Reinvested	Profit (Loss)	Reason	Improvement Plans
L&K Engineering Co., Ltd. (BVI)	29,071	Normal Operation	-
L&K Engineering (SUZHOU) Co., Ltd.	3,896,473	Normal Operation	-
RSEA Construction Engineering (Chongqing) Co., Ltd.	(23,596)	Decline in operating revenues	-
L&K Engineering Vietnam Co., Ltd.	(61,847)	Decline in operating revenues	-
RSEA Engineering Corporation (privatized 2009).	619,490	Normal Operation	-
Unique Grand Limited	(50,731)	Investment incubation period	-
L&K Engineering Company Limited	(31,396)	Decline in operating revenues	-
Suzhou Xiang Sheng Trade Company Ltd.	(907)	Normal Operation	-
Sunshine (China) Inc.	(60,020)	New field expansion	-
Sunshine Investment Co., Ltd.	(41,022)	New field expansion	-
L&K ENGINEERING PTE. LTD.	18	Investment incubation period	-
LIMK ENGINEERING PTE. LTD.	(247)	Investment incubation period	-
L&K-LCB Joint Venture LLP	751,815	Investment incubation period	-

(III) Reinvestment plan for the coming year: None.

vi. Risk analysis and assessment of the following items during the most recent fiscal year and as they stood on the date of publication of the annual report:

(I) The effects of interest and exchange rate fluctuations and changes in the inflation rate on the company's profits (losses), and response measures to be taken in the future:

1. The Company controls interest and exchange rate fluctuation risks by making advanced planning of the amount of capitals needed and when they are needed. In addition, relevant capital allocation and investment strategies are established to ensure stable generation of non-operating revenues and to reduce any potential losses on currency exchange.
2. Regarding increase in inflation rate, the Company's purchasing unit regularly checks the inflation and deflation of goods that concern us and makes orders in advance to reduce profit erosions when inflation occurs. The Company also upholds the principle of "waste reduction" as part of our business ideals and reduces errors and resource abuse in order to generate stable profits.

(II) Policy regarding high-risk investments, highly leveraged investments, loans to other parties, endorsements, guarantees, and derivatives transactions; the main reasons for the profits/losses generated thereby; and response measures to be taken in the future:

The Company provides endorsements and guarantees to assist its subsidiaries in obtaining loans from banks and conducting business activities. Matters relating to endorsements and guarantees are handled in accordance with applicable laws and regulations as well as the Company's Guidelines for the Management of Endorsements and Guarantees.

(III) R&D work to be carried out in the future, and further expenditures expected for R&D work:

Based on the group's development as a whole, the following R&D works will be carried out in the future:

Unit: NT\$10,000

Future R&D Plans	Description	Expected R&D Spending
Development, Application, and Verification of a BIM Lightweight Platform	Building on the accumulated technical foundation from the successful development of the BIM lightweight base platform and equipment database platform, the Company continues to develop modules such as quantity takeoff statistics and progress analysis for the BIM lightweight platform, thereby enhancing project competitiveness	500
Application and Development of Outgassing Characteristics of Cleanroom Building Materials	Through research and development on testing equipment and detection technologies for the outgassing of cleanroom building materials, the Company has achieved the development of a database on outgassing characteristics of cleanroom building materials, as well as patent applications and business promotion	500

Future R&D Plans	Description	Expected R&D Spending
Engineering Platform Intelligent and Digital Transformation Development Project	Through the integrated application of advanced technologies such as big data analytics, artificial intelligence, machine learning, and database management, the Company has achieved intelligent management of the engineering platform	650

- (IV) Effect of important policies adopted and regulatory changes at home and abroad on the company's financial operations, and measures to be taken in response: None.
- (V) Effect of developments in science and technology as well as industrial change on the company's financial operations, and measures to be taken in response:

Impacts on the company's finances include the following areas:

1. Data leak and recovery costs:
In the event of leaking sensitive data, such as customer information, project design documents, and financial data, the company will incur high costs for data recovery, customer notification, and legal compliance.
2. Business interruption and loss of revenue:
Cyber security incidents can cause system failures or service interruptions, directly affecting project timelines and leading to revenue loss.
3. Legal liability and fines:
Improper protection of customer information will lead to legal liability and penalties, resulting in huge losses for the company.
4. Loss of reputation and decline in customer trust:
Security incidents will tarnish the company's reputation, reducing customer trust and thereby affecting potential business growth and customer relationships.
5. Impact on investor confidence:
Cyber security incidents will reduce investor confidence in us, affecting the company's stock price and financing capability.

The company has been taking the following actions to address cyber security risks:

1. Risk assessment and management:
 - Devising a risk management strategy: Risk management mechanisms are aligned with the company's overall operating policy. Within an acceptable risk range, the company continuously adjusts and improves best practices for risk management in response to changes in the internal and external environment, protecting the interests of employees, shareholders, partners, and customers, increasing company value, and achieving optimal allocation of the company's resources.
 - Periodically conducting cyber security health checks and evaluations: Periodically conduct information security health checks and evaluations to identify potential security vulnerabilities and threats, assessing their financial impact.
2. Enhanced security measures:
 - Apply security technologies: Employ firewalls, intrusion detection systems, and data encryption.
 - Continuous updates: Periodically update systems and software to patch known security vulnerabilities.

3. Staff training:
 - Improve employees' safety awareness: Improve employees' awareness of risks such as phishing attacks and social engineering through regular social engineering drills and awareness campaigns.
 - Develop a clear security policy: Ensure that employees understand the company's cyber security policy and their responsibilities.
 4. Incident response plan:
 - Develop and test the incident response plan: Ensure that in the event of a security incident, the company can promptly and effectively respond and recover.
 - Establish an incident response team: Information security personnel are responsible for addressing and investigating cyber security incidents.
 5. Legal compliance management:
 - Comply with relevant laws and standards: The company complies with all cybersecurity standards, including the "Information Security Management and Control Guidelines for the Exchange-Listed & OTC-Listed Companies" and the "Regulations Governing Establishment of Internal Control Systems by Public Companies."
 - Regular audits and inspections: Ensure that security measures and compliance continue to meet requirements.
- (VI) Effect of changes in the company's corporate image on the company's crisis management, and measures to be taken in response: None.
- (VII) Expected benefits and possible risks associated with any merger and acquisitions, and response measures: None.
- (VIII) Expected benefits and possible risks associated with any plant expansion, and response measures: None.
- (IX) Risks associated with any consolidation of sales or purchasing operations, and response measures:
- The Company's service relationships with project owners are handled on a project basis. Compared to the general manufacturing sector, the Company serves different clients all the time. Construction schedules are stipulated in the contracts of the projects the Company undertakes. Construction works are carried out as scheduled unless special circumstances occur. Therefore, when the Company completes a high-priced project, the service revenues for that period generate concentration of a certain client. However, the Company is able to disperse any risks of industry concentration because of its simultaneous involvement in general construction, biotech pharmaceutical, optoelectronics, semiconductors, and solar energy industries.
- The Company leverages its expertise in overseeing and managing engineering works and in using technologies, as well as years of practical experience to provide major companies with engineering services, which enabled us to not only establish an excellent word of mouth and forge a longstanding cooperative relationship, but also build a strong database of knowledge on professional engineering services.
- (X) Effects on company in the event a major quantity of shares belonging to a director, supervisor, or shareholder holding greater than a ten percent stake in the company has been transferred or has otherwise changed hands, the risks involved, and response measures: None.
- (XI) The effect of any change in governance personnel or top management on the company, the risks involved, and response measures: None.

(XII) Litigious and non-litigious matters:

1. Litigious and non-litigious matters. List major litigious, non-litigious, or administrative disputes that: (1) involve the company, its directors, supervisors, general manager, de facto responsible persons, major shareholders holding more than 10% of shares, or its subsidiaries; and (2) have been concluded by means of a final and unappealable judgment, or are still under litigation. Where such a dispute could materially affect shareholders' equity or the prices of the company's securities, the annual report shall disclose the facts of the dispute, amount of money at stake in the dispute, the date of litigation commencement, the main parties to the dispute, and the status of the dispute as of the date of publication of the annual report.
- (1). CTCI Smart Engineering Corporation undertook the plumbing and environmental control EPC works under RSEA Engineering Corporation's Sanying Line Metro System Turnkey Project. CTCI subsequently claimed termination of the contract on the grounds of project delays and, during the course of the performance dispute litigation, unilaterally withdrew from the construction site. CTCI further asserted that the scope of the contract does not include "pipe embedment operations" and "CSD/SEM drawings," and therefore filed a lawsuit requesting payment of NT\$58,763 thousand. This case is currently under review by the Taipei District Court and awaiting trial.
 - (2). RSEA Engineering Corporation undertook the Nanhua Reservoir Desilting Tunnel Project, for which the owner is the Southern Region Water Resources Office, Water Resources Agency, Ministry of Economic Affairs (hereinafter referred to as the "SRWRO"). During the construction period, multiple events not attributable to RSEA Engineering Corporation occurred, including seepage from the cofferdam affecting the construction of the intake, as well as an unexplained fire incident in the desilting tunnel and the subsequent restoration works. RSEA Engineering Corporation repeatedly requested extensions of the construction period from the owner in accordance with the contract during the construction period, and such events not attributable to RSEA Engineering Corporation should have been reviewed and approved for construction period extensions. However, upon final acceptance, the owner maintained that the construction period extensions requested by RSEA Engineering Corporation should be handled through dispute resolution or litigation in accordance with the contract, and provisionally imposed liquidated damages of approximately NT\$668 million based on the acceptance settlement certificate, subject to adjustment or refund upon the conclusion of dispute resolution (or litigation).

RSEA Engineering Corporation had already submitted a formal request for construction period extension in April 2021 during the acceptance stage, citing the aforementioned events not attributable to RSEA Engineering Corporation, and engaged in multiple communications with the SRWRO regarding the consequences arising from the failure to approve such extension. However, the SRWRO consistently stated that, with respect to the construction period extension, it had already responded to the contractor in accordance with the opinions of the project management unit, and that if the contractor still disputed the matter, it should submit a request pursuant to the contractual dispute provisions. Accordingly, pursuant to the contract, RSEA Engineering Corporation again issued a formal request on January 12, 2022, seeking resolution with the SRWRO in respect to the extension of the construction period, and at the same time claiming all consequential costs arising from such extension, including delay interest and extended site management costs. After obtaining a mediation recommendation

letter from the Public Construction Commission of the Executive Yuan on March 2, 2023, the parties still failed to reach a consensus. RSEA Engineering Corporation therefore filed a lawsuit on April 26, 2023, which is currently pending before the Taiwan Tainan District Court (case 2023 Jian-Zi No. 34). The Taiwan Tainan District Court has issued a notice designating the Tainan Civil Engineers Association as the appraisal institution, and the case has now entered the appraisal procedures. At present, RSEA Engineering Corporation has only set aside a provision for losses based on a proportion of days that are more likely to be accepted in litigation practice. The Company will subsequently assess the potential amount of losses based on the actual developments during the court proceedings.

- (3). In February 2023, L&K Suzhou filed a lawsuit with the Wuhan Intermediate People's Court regarding a construction contract dispute with Wuhan Tianma Micro-Electronics Co., Ltd. ("Tianma"). On July 15, 2018, L&K Suzhou and Tianma entered into the "Wuhan Tianma Gen 6 LTPS TFT-LCD and CF Production Project: Cleanroom Bid Lot 1 - M1 (ARRAY) Installation and Construction Contract," setting the contract price at RMB 181,319 thousand. Both parties signed a "Supplementary Agreement to the 'Wuhan Tianma Gen 6 LTPS TFT-LCD and CF Production Project: Cleanroom Bid Lot 1 - M1 (ARRAY) Installation and Construction Contract'" on January 26, 2020. This supplementary agreement increased the contract price by an additional RMB 17,190 thousand. In accordance with Tianma's requirements, L&K Suzhou carried out reinforcement, upgrades, and replacement works for the project, resulting in additional construction costs of RMB 7,290 thousand. L&K Suzhou completed the installation and construction on time, and the work has since been handed over to Tianma and is now in operation. Despite this, Tianma has failed to settle the outstanding construction costs without providing any justification. Multiple attempts by L&K Suzhou to recover the outstanding construction costs have yielded no results. As of the lawsuit filing date, Tianma still owed L&K Suzhou a total of RMB 66,871 thousand in construction costs, including outstanding amounts specified under both the "Wuhan Tianma Gen 6 LTPS TFT-LCD and CF Production Project: Cleanroom Bid Lot 1 - M1 (ARRAY) Installation and Construction Contract" and the "Supplementary Agreement," totaling RMB 59,580 thousand, and outstanding additional project construction costs of RMB 7,290 thousand. L&K Suzhou filed a lawsuit to protect its legitimate rights and interests. At the same time, Tianma filed a counterclaim at the Wuhan Intermediate People's Court, requesting the court to order L&K Suzhou to compensate Tianma for losses incurred, including liquidated damages and a lawyer's fee, totaling RMB 78,528 thousand. On February 6, 2024, the Wuhan Intermediate People's Court made a first-instance judgment with the following decisions: I. Tianma shall pay L&K Suzhou construction costs of RMB 63,237 thousand and the accrued interest; II. L&K Suzhou shall pay Tianma liquidated damages of RMB 2,000 thousand; after the first-instance judgment, L&K Suzhou and Tianma both filed an appeal. The case was concluded with a final and binding judgment rendered by the Hubei High People's Court on March 18, 2025, with the following decisions: I. Tianma must pay construction costs of RMB 24,852 thousand and the accrued interest; II. L&K Suzhou must pay Tianma liquidated damages of RMB 2,000 thousand; III. All other claims of L&K Suzhou and Tianma were dismissed.
- (4). On March 7, 2017, Feng-Tian Construction Engineering Co., Ltd. requested the Company to pay construction costs of NT\$24,887 thousand, together with default interest calculated at an annual rate of 5% from the day following the service of the duplicate of the complaint to the date of settlement. This case is currently under review by the Taiwan Taipei District Court. Feng-Tian filed for a payment order with the Shilin District Court on January 2, 2020, requesting that the Company be ordered to pay the retention of NT\$4,392 thousand, together with default interest calculated at an annual rate of 5% from December 28, 2017 to the date of settlement. The Company filed an objection with the court on January 9, 2020. On April 11, 2025, the Company received the court's judgment against it, and L&K Engineering filed an appeal in accordance with the law. On June 25, 2025, the Company received notice from

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

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

2. List major litigious, non-litigious or administrative disputes that involve any company director, supervisor, the general manager, any person with actual responsibility for the firm, any major shareholder holding a stake of greater than 10 percent, and its affiliates and that have been concluded by means of a final and unappealable judgment, or are still under litigation. Where such a dispute could materially affect shareholders' equity or the prices of the company's securities, the annual report shall disclose the facts of the dispute, amount of money at stake in the dispute, the date of litigation commencement, the main parties to the dispute, and the status of the dispute as of the date of publication of the annual report: None.

(XIII) Other Major Risks and Response Measures:

Information Security Risk Assessment, Analysis, Description and Response Measures:

The Company has established a dedicated IT Department and Document Management Department to oversee the management of information security matters, including network firewall setup, regular information risk drills, training, and awareness campaigns, confidentiality of clients' and employees' information, and information backup.

- vii. Other Important Matters: None.

VI. Special Disclosure

i. Information related to the company's affiliates

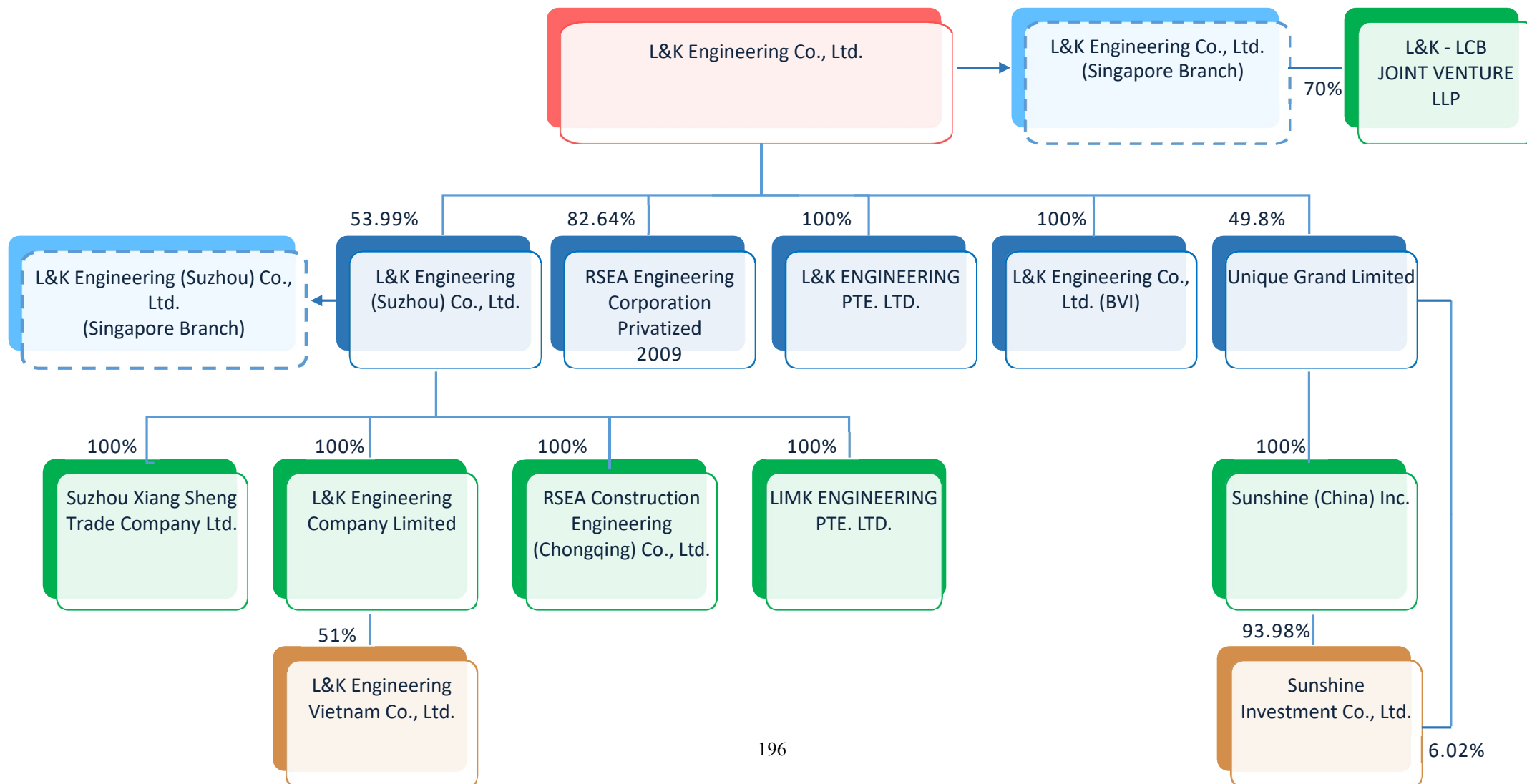
(I) Consolidated financial statements of affiliates

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 (2025/1/1 to 2025/12/31) the Company shall no longer prepare separate consolidated financial statements of affiliates.

(II) Consolidated Business Report of Affiliates

1. Organization Chart of Affiliates

2025/12/31



2. Basic information

Unit: NT\$ 1,000

Company Name	Date of Establishment	Address	Paid-in capital	Scope of business
L&K Engineering Co., Ltd. (BVI)	1998.04.30	Tortola, British Virgin Islands	1,615	Import and export trading.
L&K Engineering (SUZHOU) Co., Ltd.	2002.09.02	Suzhou Industrial Park	959,693	Cleanroom/germ-free room system accessories, and provision of architectural installations and decorations of clean/germ-free room, and other labor services.
RSEA Construction Engineering (Chongqing) Co., Ltd.	2007.03.13	Xiyongzhen, Shapingba District, Chongqing City	580,764	Cleanroom/germ-free room system accessories, and provision of architectural installations and decorations of clean/germ-free room, and import and export, construction machinery and equipment leasing, etc..
L&K Engineering Vietnam Co., Ltd.	2008.05.22	Binh Thanh, Ho Chi Minh City	157,150	Engineering management, procurement, construction, and all relevant business activities.
Suzhou Xiang Sheng Trade Company Ltd.	2008.07.08	Suzhou Industrial Park	89,960	Cleanroom and germ-free room purification systems, equipment and peripheral M&E systems, sale of instrumentation and control products, commission agency (except for auctions), import and export and related supporting services.
L&K Engineering Company Limited	2008.07.04	Wanchai HK	157,150	Import and export trading, client development, after-sales service.
RSEA Engineering Corporation (privatized 2009)	2009.11.01	13F, No. 175, Sec. 1, Datong Rd., Xizhi Dist., New Taipei City	5,000,000	Metal structures and building component manufacturing, machine equipment manufacturing, automated control equipment engineering, machine installation, general constructions, investment in public constructions, and businesses that are not prohibited or restricted by laws and regulations, in addition to permitted businesses.
Unique Grand Limited	2007.05.02	Wanchai HK	3,742,810	Holding company.
Sunshine (China) Inc.	2010.02.24	Xingyizhen, Xinjin County, Chengdu	3,136,714	Land consolidation, development and construction of tourism and supporting service facilities, environmental sanitation and pollution prevention services and leisure services, construction and engineering technological services, and management consulting services.
Sunshine Investment Co., Ltd.	2012.11.26	Xingyizhen, Xinjin County, Chengdu	2,527,066	Investment in eco-travel and tourism; property and engineering management and consultation.
LIMK ENGINEERING PTE. LTD.	2025.06.06	Singapore	1,222	Engineering management, procurement, construction, and all relevant business activities.
L&K ENGINEERING PTE. LTD.	2025.09.15	Singapore	479,020	Engaged in the installation of pipeline, heating and air conditioning systems
L&K-LCB Joint Venture LLP	2025.08.12	Singapore	0	Engineering management, procurement, construction, and all relevant business activities.

3. Those who are presumed to have control and subordinate relationships pursuant to Article 369-3 of the Company Act shall disclose the following:
- (I) The presumed cause, legal person name, shareholding details, establishment date, address, paid-in capital, and main business scope if the legal person shareholders involved are the same: None.
 - (II) The presumed cause, name, and shareholding details if the natural person shareholders involved are the same: None.
4. Industries covered by the business operations of affiliated companies. Explain the division of labor and interactions if the business operations of affiliated companies are related:
The Company and its affiliated companies mainly engage in the design and construction of biochemical cleanrooms, cleanrooms for electronic industries, and relevant M&E and process plumbing systems.

5. Information on directors, supervisors, and presidents of affiliated companies

Unit: NT\$ 1,000 ; shares ; %

Company Name	Title (Note 1)	Name/ Representative	Shareholding (Note 2) (Note 3)	
			Shares (Investment Amount)	Shares (Investment Amount)
L&K Engineering Co., Ltd.(BVI)	Chairman	Chu-Shiang Yao	–	–
	49,999 shares held by L&K Engineering Co., Ltd.			100%
L&K Engineering (SUZHOU) Co., Ltd.	Chairman and CEO (General Manager) / President /Director	Chu-Shiang Yao	–	–
	Director	Shu-Chen Chen	–	–
	Board Secretary/ Director	Fan-Chun Lee	–	–
	CSO/ Director	Chih-Huai Yao	–	–
	Independent Director	Yu-Fang Bai	–	–
	Independent Director	Fu-Qian Fang	–	–
	Independent Director	Lien-Hsing Lin	–	–
	Employee representative director	Fu-Ling Wang	–	–
115,200,000 shares held by L&K Engineering Co., Ltd.			53.99%	
RSEA Construction Engineering (Chongqing) Co., Ltd.	Executive Director and President	Chung-Chieh Chin	–	–
	US\$18,478 thousand contributed by L&K ENGINEERING (SUZHOU) CO., LTD.			100%
L&K Engineering Vietnam Co., Ltd.	Director	Chu-Shiang Yao	–	–
	Director / President	Shih-Yuan Liu	–	–
US\$2,550 thousand contributed by L&K Engineering Company Limited			51%	
Suzhou Xiang Sheng Trade Company Ltd.	Executive Director	Chu-Shiang Yao	–	–
	RMB 20,000 thousand contributed by L&K ENGINEERING (SUZHOU) CO., LTD.			100%

Company Name	Title (Note 1)	Name/ Representative	Shareholding (Note 2) (Note 3)	
			Shares (Investment Amount)	Shares (Investment Amount)
L&K Engineering Company Limited.	Executive Director	Chu-Shiang Yao	–	–
	RMB 13,839 thousand contributed by L&K ENGINEERING (SUZHOU) CO., LTD.			–
RSEA Engineering Corporation (privatized 2009)	Chairman	L&K Engineering Co., Ltd. Representative:Chu-Shiang Yao	413,179,673 –	82.64% –
	Vice Chairman	L&K Engineering Co., Ltd. Representative:Kuo-Chi Tseng	413,179,673 –	82.64% –
	Director	L&K Engineering Co., Ltd. Representative:Chih-Hsun Yao	413,179,673 –	82.64% –
	Director	L&K Engineering Co., Ltd. Representative: Chin-Jyy Shiao	413,179,673 –	82.64% –
	Director	L&K Engineering Co., Ltd. Representative:Wei-Hsun Huang	413,179,673 –	82.64% –
	Director	L&K Engineering Co., Ltd. Representative:Jung-Li Chen	413,179,673 –	82.64% –
	Director	L&K Engineering Co., Ltd. Representative:Shien-Jeng Shieh	413,179,673 –	82.64% –
	Director	L&K Engineering Co., Ltd. Representative:Chia-Ao Chan	413,179,673 –	82.64% –
	Director	L&K Engineering Co., Ltd. Representative:Chiao-Pei Wu	413,179,673 –	82.64% –
	Director	Veterans Affairs Council, R.O.C. Representative:Fu-Chiang Huang	30,073,113 –	6.01% –
	Supervisor	Chien-Chuan Chen	–	–
	Supervisor	Tsung-Che Lin	–	–
	Unique Grand Limited	Director	Chu-Shiang Yao	–
Director		Chih-Hsun Yao	–	–
Director		Chih-Huai Yao	–	–
59,300,000 shares held by L&K Engineering Co., Ltd.			–	49.8%

Company Name	Title (Note 1)	Name/ Representative	Shareholding (Note 2) (Note 3)	
			Shares (Investment Amount)	Shares (Investment Amount)
Sunshine (China) Inc.	Executive Director and President	Chih-Huai Yao	–	–
			US\$99,800 thousand contributed by Unique Grand Limited.	
Sunshine Investment Co., Ltd.	Executive Director and President	Chih-Huai Yao	–	–
			RMB 528,000 thousand contributed by Sunshine (China) Inc. RMB 33,820 thousand contributed by Unique Grand Limited.	
LIMK ENGINEERING PTE. LTD.	Director	CHUN-LUNG WU	–	–
			SGD 50 thousand contributed by L&K ENGINEERING (SUZHOU) CO., LTD.	
L&K ENGINEERING PTE.LTD.	Director	TEE BOON HING	–	–
			SGD 20,000 thousand contributed by L&K Engineering Co., Ltd.	
L&K-LCB Joint Venture LLP.	Particulars of Partner	L&K Engineering Co., Ltd. (Singapore Branch)	–	70%
		Nominee: Bor-Jen Chen	–	–
	Particulars of Partner	Lum Chang Builders Pte. Ltd.	–	30%
		Nominee: Wey-Pin Tan	–	–

Note 1 : List the equivalent positions if the affiliated company is a foreign company.

Note 2 : Provide the number of shares held and the shareholding percentage if the invested company is a joint stock limited company; specify the investment amount and contribution ratio with an explanation included for other types of companies.

Note 3 : If directors or supervisors are legal persons, the relevant information of their representatives shall also be disclosed.

6. Operational Highlights

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

Company Name	Capital	Total assets	Total liabilities	Net worth	Operating revenues	Operating profits	After-tax profit and loss for the current period	After-tax EPS
L&K Engineering Co., Ltd. (BVI)	1,615	695,428	-	695,428	-	(999)	29,071	-
L&K Engineering (SUZHOU) Co., Ltd.	959,693	23,313,128	12,856,599	10,456,529	21,781,503	5,283,688	3,896,473	4.18
RSEA Construction Engineering (Chongqing) Co., Ltd.	580,764	596,170	24,977	571,193	21,225	2,050	(23,596)	-
RSEA Engineering Corporation (privatized 2009)	5,000,000	15,943,030	9,644,044	6,298,986	17,188,114	1,154,821	619,490	1.24
L&K Engineering Vietnam Co., Ltd.	157,150	281,153	158,257	122,896	224,214	(45,561)	(61,847)	-
Unique Grand Limited.	3,742,810	2,447,502	372,364	2,075,138	-	(204)	(50,731)	-
Suzhou Xiang Sheng Trade Company Ltd.	89,960	182,383	7,954	174,429	1,481	(1,905)	(907)	-
L&K Engineering Company Limited.	157,150	188,303	4,209	184,094	-	-	(31,396)	-
L&K ENGINEERING PTE. LTD.	479,020	488,978	-	488,978	-	-	18	-
LIMK ENGINEERING PTE. LTD.	1,222	982	7	975	-	(247)	(247)	-
L&K-LCB Joint Venture LLP	-	9,357,599	8,600,660	756,939	6,096,953	751,815	751,815	-
Sunshine (China) Inc.	3,136,714	2,686,605	1,053,571	1,633,034	-	(19,275)	(60,020)	-
Sunshine Investment Co., Ltd.	2,527,066	2,517,468	684,240	1,833,228	-	(41,085)	(41,022)	-

(III) Reports on Affiliations

The Company is not a subordinate company of another company as defined in the Affiliated Enterprises Chapter of the Company Act and is therefore not required to prepare a report on the relationship between itself and its controlling company.

- ii. Regarding the private placement of securities in the most recent year and up to the publication date of the annual report, the following details shall be disclosed: the dates of approvals by the shareholders' meeting or the Board of Directors and the quantity approved, the basis and reasonableness of the pricing, the method for selecting the specific persons, the reasons for the necessity of conducting the private placement, the places of the private placement, qualification requirements, subscription quantities, relationship with the company, any involvement in company operations, the actual subscription (or conversion) price, the discrepancy between the actual subscription (or conversion) price and the reference price, any effect of the private placement on shareholder equity, and the status of utilization of the funds raised through the private placement of securities, plan implementation progress, and the realization of plan benefits from the time the price of the shares or subscription has been paid up in full until the fund utilization plan has been completely carried out. None.
- iii. Other matters that require additional description: None.
- iv. Situations listed in Subparagraph 2, Paragraph 2, Article 36 of the Securities and Exchange Act, which materially affect shareholders' equity or the price of the company's securities in the most recent year and up to the date of publication of the annual report: None.

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 (2025/1/1 to 2025/12/31) The Company hereby declares that it shall no longer prepare separate consolidated financial statements of affiliates.

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

Responsible person: Chu-Shiang Yao