

Stock Code : 4527



# 2026 General Shareholders' Meeting Conference Handbook



Meeting date: May 28, 2026 (Thursday)

Meeting venue: No. 300, Chikan North Road, Ziguan District,  
Kaohsiung (B1 conference room of the Company)

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## **2026 General Shareholders' Meeting Procedures**

**I. Call the Meeting to Order**

**II. Chairman's Address**

**III. Report Items**

**IV. Proposals for Ratification**

**V. Proposals for Discussion**

**VI. Extraordinary Motions**

**VII. Meeting Adjourned**

## **Agenda of 2026 General Shareholders' Meeting**

Meeting Time: 9:00 am, May 28 (Thursday), 2026

Meeting Venue: No. 300, Chikan North Road, Ziguan District, Kaohsiung City, Taiwan  
(B1 conference room of the Company)

Meeting Method: Physical shareholders' meeting

### **I. Call the Meeting to Order**

### **II. Chairman's Address**

### **III. Report Items**

- (I) Business report of 2025
- (II) Report on Audit Committee's audit report of 2025
- (III) Report on the distribution of remuneration for employees and directors of 2025
- (IV) Report on cash dividends from earnings of 2025
- (V) Report on Compensations paid to directors of 2025

### **IV. Proposals for Ratification**

- (I) Proposal on the 2025 Business Report, Financial Statements, and Earnings Distribution Statement of the Company.

### **V. Proposals for Discussion**

- (I) The Company plans to carry out a cash capital reduction to return capital to shareholders.

### **VI. Extraordinary Motions**

### **VII. Meeting Adjourned**

## Report Items

Report no. 1

Subject: Business report of 2025.

Details: Please refer to Attachment 1 (P.7-15) in this handbook.

Report no. 2

Subject: Report on Audit Committee's audit report of 2025.

Details: Please refer to Attachment 2 (P.16) in this handbook.

Report no. 3

Subject: Report on the distribution of employees' bonus and directors' remuneration of 2025

Details:

1. According to the resolution of the Board of Directors on March 11, 2026, the employees' bonus and directors' remuneration is distributed as follows in accordance with the provisions of Article 20-1 of the Articles of Incorporation of the Company :
  - A. 7% was allocated as the employees' bonus for an amount of NT\$21,173,288, which was not different from the amount estimated for 2025. An allocation of 4.5% from annual earnings is made for grassroots employees, amounting to NT\$13,611,265.
  - B. 3% was allocated as the directors' remuneration for an amount of NT\$9,074,266, which was not different from the amount estimated for 2025.
2. The employees' bonus and directors' remuneration are both paid in cash; the payment of the employees' bonus is limited to all regular employees of the Company. The amount of payment will be handled in accordance with the "Practice of Employees Bonus" and "Practice of Directors' and Independent Directors' Remuneration" of the Company.

Report no. 4

Subject: Report on cash dividends from earnings of 2025

Details:

1. The cash dividends from the Company's 2025 earnings have been approved by the Board of Directors on March 11, 2026.
2. In accordance with the Company's Articles of Incorporation, shareholders' bonuses amounting to NT\$228,457,110, i.e., cash dividends of NT\$3.0 per share, will be distributed pro rata to the amount of up to NT\$1 (rounded off to NT\$1) according to the records in the shareholders' register on the book-close date. Any cash dividends less than NT\$1 will be transferred to other income of the Company.
3. In the event that there is a subsequent change in the number of shares of the Company, which affects the total number of outstanding shares and the dividend distribution rate per share, the Chairman is authorized to adjust the dividend distribution rate and set the basis date of dividends distribution and distribute cash dividends to shareholders.

Report no. 5

Subject: Report on compensations paid to directors of 2025.

Details: Please refer to Attachment 3 (P.17-18) in this Handbook for the details on the compensations of Directors (including independent Directors).

## Proposals for Ratification

Report no. 1

[Proposed by the Board of Directors]

Subject: Proposal on the 2025 Business Report, Financial Statements, and Earnings Distribution Statement of the Company

Details:

1. The Company's financial statements (including consolidated financial report and individual financial report) of 2025 has been audited by PwC Taiwan, and submitted to the Audit Committee of the Company to complete the review together with the business report and profit distribution proposal.
2. Please refer to Attachment 1 (P.7-15), Attachment 4 and 5 (P.19-43), and Attachment 6 (P.44) in this Handbook for the 2025 Business Report, Financial Statements, and Earnings Distribution Statement.
3. Please accept the aforementioned.

Resolution:

## Proposals for Discussion

Report no. 1

[Proposed by the Board of Directors]

Subject: The Company plans to carry out a cash capital reduction to return capital to shareholders.

Details:

1. To enhance shareholders' return on equity, the Company proposes to implement a cash capital reduction to return capital to shareholders.
2. The proposed cash capital reduction amounts to NT\$76,152,370, involving the cancellation of 7,615,237 shares. Based on the Company's current issued ordinary shares of 76,152,370 shares, the reduction ratio is 10%. Each share will be returned NT\$1 in cash (rounded down to the nearest dollar). After the capital reduction, the paid-in capital will be NT\$685,371,330, with a par value of NT\$10 per share, totaling 68,537,133 shares. The reduced capital will be fully returned in cash to shareholders in proportion to their shareholdings.

3. Based on the total number of issued shares, 100 shares will be reduced per 1,000 shares (i.e., every 1,000 shares will be exchanged for 900 shares). Fractional shares resulting from the capital reduction may be combined into whole shares by shareholders through the Company's stock affairs agent within the prescribed period prior to the book closure date. Any remaining fractional shares will be settled in cash (rounded down to the nearest dollar) at par value (after deducting book-entry or registration fees). The Chairman is authorized to arrange for specific persons to subscribe to such fractional shares at par value.
4. The new shares to be issued upon the capital reduction will be issued in scripless form, and shall carry the same rights and obligations as the existing shares. Upon approval by the shareholders' meeting and the competent authority, the Chairman is authorized to determine the record date for capital reduction and share exchange, and handle related matters.
5. If there are subsequent changes in the Company's share capital, resulting in adjustments to the number of outstanding shares and the reduction ratio, or if amendments are required due to changes in laws and regulations, directives from competent authorities, or other objective circumstances, it is proposed that the shareholders' meeting authorize the Chairman to handle such matters at full discretion.

Resolution:

## **Extraordinary Motions**

## **Meeting Adjournment**

## Attachment 1



# 2025 Business Report

Dear ladies and gentlemen,

Reviewing 2025, Taiwan's economy performed strongly, with growth mainly fueled by trade and investment. This was largely due to the effects of U.S. tariffs and China's intense domestic competition, which suppressed exports of traditional industries and automobile sales. However, an increase in U.S. investment in artificial intelligence (AI) boosted Taiwan's equipment investment and merchandise exports, making the technology sector the main driver of growth. Headleading domestic chipmakers and semiconductor companies actively expanded advanced process capabilities and high-end packaging and testing, driving increased investment across the entire supply chain. Ongoing increases in R&D investment further supported private sector momentum, resulting in better than expected investment performance in 2025.

Looking ahead to 2026, the global economy is expected to face numerous challenges, particularly regarding U.S. trade policies, China's industrial restructuring, the outlook for AI development, geopolitical conflicts, and climate change, all of which may increase cost pressures and require close attention. Amid such uncertainties in the global political and economic environment, the Company will closely monitor market demand while enhancing overall competitiveness through product optimization and digital capabilities. It will also respond swiftly to evolving trade trends, continue to promote the integration of production resources through overseas investments, and actively seize opportunities in energy efficiency, thermal management, and energy management solutions. By developing sustainable products that contribute to ESG carbon neutrality goals to strengthen the Group's competitiveness and ensure sustainable profitability.

Despite global demand weakening due to inflation and the competitive pressures from China, thanks to the collective efforts of all employees, the Group was still able to maintain a stable level of operating revenue and operating profit during the period.

## I. 2025 Operation Results

### (I) Business Plan Implementation Results

In the first half of 2025, Taiwan was affected by uncertainties arising from U.S. tariff policies, leading enterprises to adopt a more cautious stance toward export trade and investment planning. As a result, order shipments were delayed, and revenue declined by 21%. In the China region, continued regulatory adjustments due to overcapacity in industries such as steel and machinery, along with weak domestic demand, led to reduced private consumption and investment. Consequently, operating profit decreased by 73%, and cumulative profit before tax declined by 63% compared with the same period of the previous year. In the third quarter, adverse weather conditions in Taiwan caused delays in equipment deliveries and project progress, while reduced market demand in China further impacted performance. As a result, consolidated revenue decreased by 30% year-over-year. In the fourth quarter, smoother product shipments and project completions in Taiwan helped narrow the full-year revenue decline to 16% compared with the previous year. Due to increased orders for energy-saving, high-efficiency equipment and the realization of operational integration synergies, costs were reduced, leading to an improvement in the gross profit margin for the year. Overall revenue, operating expenses, and non-operating income and expenses all declined compared to the previous year, resulting in a decrease in profit before tax.

The Company hereby reports its operating results for 2025:

Net operating revenue amounted to NT\$3,067,330 thousand, a decrease of NT\$582,040 thousand from 2024, representing a 16% decline. Operating profit and profit before tax decreased by NT\$79,330 thousand and NT\$85,920 thousand, respectively.

The analysis of the 2025 business plan implementation results and budget execution is as follows:

Unit: NT\$ thousand

Profit and loss items	2025		2024		Amount of increase (decrease); %	
	Amount	%	Amount	%	Amount	%
Operating revenue	3,067,339	100	3,649,379	100	(582,040)	(15.95%)
Operating costs	(2,259,706)	(74)	(2,741,530)	(75)	481,824	(17.58%)
Gross profit	807,633	26	907,849	25	(100,216)	(11.04%)
Operating expenses	(524,965)	(17)	(545,849)	(15)	20,884	(3.83%)
Operating profit	282,668	9	362,000	10	(79,332)	(21.91%)
Non-operating income and expenses	39,247	1	45,839	1	(6,592)	(14.38%)
Profit before tax	321,915	10	407,839	11	(85,924)	(21.07%)
Net income attributable to the parent	258,550	8	319,549	9	(60,999)	(19.09%)

(II) Implementation status of 2025 budget

Unit: NT\$ thousand

Profit and loss items	Actual amount	Budget amount	Amount of increase (decrease); %	Achievement rate %
Operating revenue	3,067,339	3,543,212	(475,873)	87%
Operating costs	(2,259,706)	(2,691,096)	431,390	84%
Gross profit	807,633	852,116	(44,483)	95%
Operating expenses	(524,965)	(539,168)	14,203	97%
Operating profit	282,668	312,948	(30,280)	90%
Non-operating income and expenses	39,247	20,349	18,898	193%
Profit before tax	321,915	333,297	(11,382)	97%

EPS                      NT\$3.40    NT\$3.38

The main reasons for the differences in these subjects are as follows:

Net operating income: Affected by the global economic conditions and U.S. reciprocal tariffs, consumer demand declined, and the Group's overall market revenue fell short of expectations.

Gross profit: Mainly attributable to the favorable impact of an optimized sales mix in operating revenue, increasing the gross profit margin.

Operating expenses: Mainly due to a decrease in operating activities and net income.

Operating profit: Mainly due to the decline in revenue, which resulted in a decrease in gross profit.

Non-operating income (expense): Mainly attributable to an increase in rental income and other gains.

Profit before tax: Revenue and gross profit falling short of targets with unfavorable differences, along with positive differences in non-operating income.

### (III) Analysis of expenses and profits

#### 1. Analysis of revenue and expenditure

Unit: NT\$ thousand

Profit and loss items	Actual Amount	Budget Amount	Achievement Rate %
Operating profit	282,668	312,948	90%
Total non-operating income	50,640	34,767	146%
Total non-operating expenses	(11,393)	(14,418)	79%
Profit before tax	321,915	333,297	97%

#### 2. Profitability analysis

Item	2025	2024
Return on assets %	7%	9%
Return on shareholders' equity %	14%	17%
Ratio of operating profit to paid-in capital %	37%	48%
Ratio of profit before tax to paid-in capital %	42%	54%
Profit margin %	8%	9%
Basic earnings per share (NT\$)	3.4	4.20

The above operating results were achieved despite intense market competition and rising cost pressures. In facing future challenges such as economic uncertainty, inflation, and competition in the China market, the Group's overseas investment strategy and synergy integration will become increasingly important. By leveraging opportunities in energy efficiency and net-zero carbon sustainability, the Group is expected to enhance future returns. The Company shall seize opportunities, continue to uphold the business philosophy of ethical corporate management, take creating the best interests of shareholders as the goal, and fully pursue the growth of revenue and profit. We hope that directors and shareholders and investors who have long supported and cared for the Company can give full support to achieve the vision of "the best Chinese brand with the

most international affinity.”

(IV) Research and development status:

In 2004, the Company obtained the exclusive use right of Danfoss Turbocor magnetic levitation centrifugal compressor, launched the magnetic levitation ice-water machine product to provide domestic users with multiple advantages such as energy efficiency, environmental protection, safety, reliability, comfort and tranquility, and opened the era of magnetic levitation centrifugal machine for domestic ice water machines.

Considering that the magnetic levitation centrifuge has the characteristics of high energy efficiency and high initial cost, it is the star product of ice water machines. In 2022, in the form of MOEAEA Industrial Energy Technology Program, Fusheng and Rhymebus jointly developed the special project of “Key Technology and Verification Plan for Double-segment Magnetic Levitation Centrifuge below 180RT.” The Company is dedicated to developing single/double pressure magnetic levitation chiller system products and technologies, and conducting performance test verification and introducing them into domestic field for demonstration purposes. The 1000RT domestically produced magnetic levitation centrifugal chiller unit completed in 2023, with  $COP \geq 7.1$  and energy efficiency level 1. The most important thing is that it passed the test of the Industrial Technology Research Institute under the condition of "zero tolerance"; making it the first domestically-made 1000RT magnetic levitation centrifuge that passed such a rigorous test.

In response to the global net-zero carbon emission trend, there is a growing demand for high energy efficiency, restricted refrigerant usage, and lower operational carbon emissions. Recognizing this, the Company is committed to developing high-energy-efficiency systems, low-carbon refrigerants (low ODP and GWP), and thermal energy storage solutions. These innovations not only help customers and consumers save energy and reduce carbon emissions but also assist governments in stabilizing power grids, creating new business opportunities.

In 2024, the Company successfully developed a magnetic bearing chiller system utilizing R1234ze (GWP=1) low-global-warming-potential refrigerant and actively promoted R513A (GWP=573) eco-friendly refrigerant magnetic bearing chillers. Compared to the widely used R134a refrigerant (GWP=1,300) in the domestic chiller industry, the Company's environmentally friendly systems can significantly reduce greenhouse gas emissions, contributing to the achievement of sustainability goals.

As global demand for AI training and inference surges, data centers are experiencing unprecedented expansion. According to BloombergNEF (BNEF), data center power consumption is projected to reach 106 GW by 2035, nearly tripling from current levels. In response to this rapidly evolving energy demand curve, the efficiency of cooling systems has become a critical determinant of data center operations. To address the need for dynamic and precision cooling in AI applications, the Company invested in 2025 in the development of a “Containerized Computing Center: InRow Chilled Water Rack Cooling System.” This solution is designed to tackle the thermal management challenges associated with high-density computing. By embedding cooling units within the rack rows, the system can precisely eliminate hotspots and features intelligent control capabilities that dynamically adjust energy output based on computing load. This modular design not only supports the rapid deployment of large-scale computing facilities but also enables operators to achieve enhanced energy efficiency and power savings through intelligent flow control, while maintaining optimal computing performance.

Development direction and focus of future research and development:

- (1) Development of energy saving products.
- (2) Application of low ODP and GWP.
- (3) Development of Data Center Cooling System Products.

Looking ahead, Taiwan's electronics and ICT exports are expected to remain strong, supported by the continued expansion of AI applications and innovation in consumer electronics. However, traditional industries face constraints from U.S. tariff policies and intense competition in China, leading to more conservative order placements. Fortunately, semiconductor companies and the government will continue to invest actively in advanced manufacturing processes, AI infrastructure, and energy transition initiatives. At the same time, traditional industries are moving toward higher value-added transformation, enhancing product value and profitability while sustaining investment momentum. Increased investments by major international corporations in Taiwan, along with pressures from extreme climate conditions and carbon pricing, are accelerating corporate adoption of green energy and carbon reduction equipment.

Accordingly, the Company will accelerate the promotion of group integration to ensure the achievement of financial budget targets as scheduled. In terms of short- and medium-term development plans, the Company will continue to enhance resource integration synergies and implement cost-saving and revenue-enhancing measures. In addition to offering a comprehensive product portfolio of refrigeration and air-conditioning chiller systems, the Company will focus on competitive energy-efficient and environmentally friendly units, thermal energy storage and energy management services, and integrated cooling solutions for information and data applications. By leveraging sustainable products as the foundation for long-term development, it aims to contribute to a sustainable environment while maximizing value for shareholders.

## **II. The Company’s operating policies and important production and marketing policies are as follows:**

### **I. Operating Policies:**

(I) In the next year, in addition to continuing to integrate resources to improve competitive advantages, the Company has formulated the following operating policies:

1. Integrate marketing services based on strategic alliance relationship with major manufacturers and other channel management relationships.
2. Improve business performance, implement service and product development, develop cross-marketing, and increase profitability.
3. Effectively plan inventory management to reduce inventory pressure.
4. Strengthen intelligence control and conduct richer and more diversified marketing activities.
5. Provide high-quality customer service and maintenance ability, continuously improve technology, and timely solve customer problems.
6. Separate products and technical services, and operate OEM and own brands in parallel to establish a maintenance system and remote monitoring center.

(II) Sales volume forecast:

Product type	Estimated sales volume in 2026	Unit
Chiller Unit	2,963	Sets

Looking forward to the future, in order to implement the business philosophy of “pursuing excellence, sustainable operation, sincere care and professional service” and achieve the goal of being the number one Chinese brand, on the basis of successively obtaining the pressure vessel manufacturing license and ISO9001 certification, the Group focuses on strengthening expense and cost control, establishing a personnel reserve mechanism, improving production, and continuing innovation and development of environmental protection and energy-saving products, to fulfill our sustainable promises to build the beautiful world of tomorrow.

## II. Key Production/Sales Policies

Brand, Speed, execution, inheritance and profit

1. Parallel production and marketing for ODM and private brand.
2. Products: strong promotion of existing products.
3. Strengthening special industrial channels (electronics factory, petrochemical plants, industrial refrigeration and environmental control of agricultural and fishery production systems).
4. Active promotion of new refrigerant products.
5. Strengthening energy management services and products.
6. Ensuring quality, delivery time, cost and service advantages.

## III. Corporate Governance

The Company has always been committed to establishing a sound corporate governance mechanism. In addition to complying with the provisions of relevant laws and regulations, the Company is committed to establishing an effective corporate governance framework, and supervising the operating performance of the management of the Company in terms of safeguarding the rights and interests of shareholders, treating all shareholders equally, strengthening the structure and operation of the Board of Directors, improving information transparency, safeguarding the rights and interests of stakeholders, and implementing corporate social responsibility.

**Corporate Social Responsibility:** Complies with labor and employment-related laws and regulations, with no incidents of discrimination complaints or forced labor violations in 2025. Apply talent development programs for outstanding students from various schools, continued sponsorship of public reading initiatives, donated to the Christian Ma Xile Social Welfare Foundation to provide people with disabilities opportunities for stable employment and independent living, and made donations to the Love and Spine Neuropathology Care Association. Through the experience of hundreds of doctors in various specialties treating patients with spinal cord-related neuropathy disorders, the Association provides medical professional and long-term care support to patients who can receive social and humane care, contributing to the care and well-being of citizens.

**Stakeholders:** Optimize the supply chain and improve the efficiency of resource use to serve as the basis of the Company's competitive edge. In addition to regular review and rolling adjustment of the supply chain portfolio, different management indicators will be used to connect the work objectives of various departments, so as to achieve the optimal use of resources.

As stated above, we would like to report to our shareholders the results of our operations and the direction of our continued development in 2025. Lastly, I would like to take this opportunity to thank our customers, shareholders and hard-working employees; I would like to express my sincerest thanks for your continuous and steadfast support.

Chairman: Tseng Chung-Kuo    Manager: Tseng Chung-Kuo    Chief Accountant: Su Li-Ling

## Attachment 2

# **Kuen Ling Machinery Refrigerating Co., Ltd.**

## **Audit Committee's Audit Report**

(This English version is only a translation of the Chinese version.)

The Board of Directors prepared and submitted the Company's 2025 business report, parent company only financial report and consolidated financial report, and earnings distribution proposal. The Board of Directors appointed PwC Taiwan to audit the financial statements and a report has been completed and issued thereon.

The business report, individual financial report and consolidated financial report, and earnings distribution proposal above have been checked and found to be in conformity with the requirements of the Audit Committee, and are submitted for review and verification in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

To  
Kuen Ling Machinery Refrigerating Co., Ltd.  
2026 General Shareholders' Meeting

Audit Committee Convener: Hong, Li-Rong

March 11, 2026

## Attachment 3



- (1) The Company's remuneration policies, systems, standards, and structure for general directors and independent directors, and the relationship between remuneration and factors such as duties, risks, and time commitment, are described as follows:

### Basis for Determination of Remuneration and Link to Performance:

The remuneration of directors is determined in accordance with Article 17 of the Company's Articles of Incorporation, under which the Remuneration Committee is authorized to determine such remuneration based on the directors' level of participation in operations and their contribution to the Company. In addition, pursuant to Article 9 of the "Board Performance Evaluation Policy", the evaluation results are used as a basis for determining remuneration.

### Performance Evaluation Items and Performance for 2025:

(a) Operating Performance (Weight: 85%):

In 2025, the revenue growth rate was -12.48%, the pre-tax profit growth rate was -22.48%, and the return on equity (ROE) was 14.40%. The primary reason was that in 2024, recognition of revenue from large-scale projects and strong profitability resulted in a higher comparison base, leading to operating indicators in 2025 falling short of expectations.

(b) External Evaluation (Weight: 10%):

The Company has been ranked within the 21%–35% bracket in the OTC-listed category in the Corporate Governance Evaluation for two consecutive years. This indicator reflects that the Board of Directors has effectively implemented risk management and maintained a high level of governance quality under a volatile environment, receiving strong recognition from external evaluation institutions.

(c) Industry Benchmark (Weight: 5%):

Reference is made to the average director remuneration levels within the electromechanical industry.

### Overall Evaluation Conclusion:

Affected by the high base period in 2024, the Company's operating performance in 2025 fell short of expectations. However, given the Company's excellent and stable ranking in the Corporate Governance Evaluation, it demonstrates the Board's strong governance capabilities. Based on a performance-oriented principle, the total directors' remuneration for 2025 was reduced by 15.34% (from NT\$20,631 thousand to NT\$17,465 thousand), representing 6.75% of net income after tax. This adjustment is highly correlated with and reasonable in relation to the Company's overall performance.

### Remuneration Principles for Directors Concurrently Serving as Managers and Independent Directors:

(a) Directors concurrently serving as managers (e.g., the Chairman):

Their directors' remuneration is determined based on their level of participation in operations and contribution value; managerial compensation is assessed based on performance indicators to reflect their managerial contributions.

(b) Independent directors:

As members of functional committees (Remuneration, Sustainability, and Audit Committees), bear a high standard of oversight responsibility. Therefore, their remuneration structure differs from that of general directors, and they do not participate in profit distribution.

## Compensations paid to directors (including independent directors)

Unit: NTS thousands

No.	Title	Name	Directors' compensation								Sum of A, B, C, and D and as a percentage of profit after tax		Compensation received as an employee								Sum of A, B, C, D, E, F, and G and as a percentage of profit after tax		Compensation from reinvested enterprises other than subsidiaries and from the parent
			Compensation (A)		Pension (B)		Directors' remuneration (C)		Business execution expenses (D)				Salaries, bonuses, special allowances etc. (E)		Pension (F)		Employees' remuneration (G)						
			The Company	All companies included in the financial statements of the Company	The Company	All companies included in the financial statements of the Company	The Company	All companies included in the financial statements of the Company	The Company	All companies included in the financial statements of the Company	The Company	All companies included in the financial statements of the Company	The Company	All companies included in the financial statements of the Company	The Company		All companies included in the financial statements of the Company		The Company	All companies included in the financial statements of the Company			
1	Chairman	Tseng, Chung-Kuo (re-elected on May 28, 2024)	-	-	-	-	4,538	4,538	50	50	1.77%	1.77%	4,739	9,480	63	63	703	-	3,270	-	3.90%	6.73%	None
2	Director	Yeh, Rung-Pin (re-elected on May 28, 2024)	150	1,008	-	-	1,134	1,134	50	50	0.52%	0.85%	-	1,812	-	-	-	-	-	-	0.52%	1.55%	None
3	Director	Ko, Wen-Chi (re-elected on May 28, 2024)	-	360	-	-	1,134	1,134	50	50	0.46%	0.60%	-	-	-	-	-	-	-	-	0.46%	0.60%	None
4	Director	Hua Hong Industrial Co., Ltd. (newly elected on May 28, 2024) Representative: Huang, Yu-Fen	-	-	-	-	1,134	1,134	50	50	0.46%	0.46%	-	338	-	10	-	-	-	-	0.46%	0.59%	None
5	Director	Peng, Chi-Tseng Representative of TECO Electric & Machinery Co., Ltd. (re-elected on May 28, 2024)	-	-	-	-	1,134	1,134	50	50	0.46%	0.46%	-	-	-	-	-	-	-	-	0.46%	0.46%	None
6	Independent director	Hong, Li-Rong (re-elected on May 28, 2024)	600	600	-	-	-	-	60	60	0.26%	0.26%	-	-	-	-	-	-	-	-	0.26%	0.26%	None
7	Independent director	Kuan, Yean-Der (re-elected on May 28, 2024)	467	467	-	-	-	-	60	60	0.20%	0.20%	-	-	-	-	-	-	-	-	0.20%	0.20%	None
8	Independent director	Chen, Ming-Bing (re-elected on May 28, 2024)	600	600	-	-	-	-	50	50	0.25%	0.25%	-	-	-	-	-	-	-	-	0.25%	0.25%	None
9	Independent director	Yang, Wen-An (re-elected on May 28, 2024)	600	600	-	-	-	-	50	50	0.25%	0.25%	-	-	-	-	-	-	-	-	0.25%	0.25%	None

## Attachment 3



- (1) The Company's remuneration policies, systems, standards, and structure for general directors and independent directors, and the relationship between remuneration and factors such as duties, risks, and time commitment, are described as follows:

### Basis for Determination of Remuneration and Link to Performance:

The remuneration of directors is determined in accordance with Article 17 of the Company's Articles of Incorporation, under which the Remuneration Committee is authorized to determine such remuneration based on the directors' level of participation in operations and their contribution to the Company. In addition, pursuant to Article 9 of the "Board Performance Evaluation Policy", the evaluation results are used as a basis for determining remuneration.

### Performance Evaluation Items and Performance for 2025:

(a) Operating Performance (Weight: 85%):

In 2025, the revenue growth rate was -12.48%, the pre-tax profit growth rate was -22.48%, and the return on equity (ROE) was 14.40%. The primary reason was that in 2024, recognition of revenue from large-scale projects and strong profitability resulted in a higher comparison base, leading to operating indicators in 2025 falling short of expectations.

(b) External Evaluation (Weight: 10%):

The Company has been ranked within the 21%–35% bracket in the OTC-listed category in the Corporate Governance Evaluation for two consecutive years. This indicator reflects that the Board of Directors has effectively implemented risk management and maintained a high level of governance quality under a volatile environment, receiving strong recognition from external evaluation institutions.

(c) Industry Benchmark (Weight: 5%):

Reference is made to the average director remuneration levels within the electromechanical industry.

### Overall Evaluation Conclusion:

Affected by the high base period in 2024, the Company's operating performance in 2025 fell short of expectations. However, given the Company's excellent and stable ranking in the Corporate Governance Evaluation, it demonstrates the Board's strong governance capabilities. Based on a performance-oriented principle, the total directors' remuneration for 2025 was reduced by 15.34% (from NT\$20,631 thousand to NT\$17,467 thousand), representing 6.76% of net income after tax. This adjustment is highly correlated with and reasonable in relation to the Company's overall performance.

### Remuneration Principles for Directors Concurrently Serving as Managers and Independent Directors:

(a) Directors concurrently serving as managers (e.g., the Chairman):

Their directors' remuneration is determined based on their level of participation in operations and contribution value; managerial compensation is assessed based on performance indicators to reflect their managerial contributions.

(b) Independent directors:

As members of functional committees (Remuneration, Sustainability, and Audit Committees), bear a high standard of oversight responsibility. Therefore, their remuneration structure differs from that of general directors, and they do not participate in profit distribution.

## Compensations paid to directors (including independent directors)

Unit: NTS thousands

No.	Title	Name	Directors' compensation								Sum of A, B, C, and D and as a percentage of profit after tax		Compensation received as an employee								Sum of A, B, C, D, E, F, and G and as a percentage of profit after tax		Compensation from reinvested enterprises other than subsidiaries and from the parent
			Compensation (A)		Pension (B)		Directors' remuneration (C)		Business execution expenses (D)				Salaries, bonuses, special allowances etc. (E)		Pension (F)		Employees' remuneration (G)						
			The Company	All companies included in the financial statements of the Company	The Company	All companies included in the financial statements of the Company	The Company	All companies included in the financial statements of the Company	The Company	All companies included in the financial statements of the Company	The Company	All companies included in the financial statements of the Company	The Company	All companies included in the financial statements of the Company	The Company		All companies included in the financial statements of the Company		The Company	All companies included in the financial statements of the Company			
1	Chairman	Tseng, Chung-Kuo (re-elected on May 28, 2024)	-	-	-	-	4,538	4,538	50	50	1.77%	1.77%	4,739	9,480	63	63	703	-	3,270	-	3.90%	6.73%	None
2	Director	Yeh, Rung-Pin (re-elected on May 28, 2024)	150	1,008	-	-	1,134	1,134	50	50	0.52%	0.85%	-	1,812	-	-	-	-	-	-	0.52%	1.55%	None
3	Director	Ko, Wen-Chi (re-elected on May 28, 2024)	-	360	-	-	1,134	1,134	50	50	0.46%	0.60%	-	-	-	-	-	-	-	-	0.46%	0.60%	None
4	Director	Hua Hong Industrial Co., Ltd. (newly elected on May 28, 2024) Representative: Huang, Yu-Fen	-	-	-	-	1,134	1,134	50	50	0.46%	0.46%	-	338	-	10	-	-	-	-	0.46%	0.59%	None
5	Director	Peng, Chi-Tseng Representative of TECO Electric & Machinery Co., Ltd. (re-elected on May 28, 2024)	-	-	-	-	1,134	1,134	50	50	0.46%	0.46%	-	-	-	-	-	-	-	-	0.46%	0.46%	None
6	Independent director	Hong, Li-Rong (re-elected on May 28, 2024)	600	600	-	-	-	-	60	60	0.26%	0.26%	-	-	-	-	-	-	-	-	0.26%	0.26%	None
7	Independent director	Kuan, Yean-Der (re-elected on May 28, 2024)	467	467	-	-	-	-	60	60	0.20%	0.20%	-	-	-	-	-	-	-	-	0.20%	0.20%	None
8	Independent director	Chen, Ming-Bing (re-elected on May 28, 2024)	600	600	-	-	-	-	50	50	0.25%	0.25%	-	-	-	-	-	-	-	-	0.25%	0.25%	None
9	Independent director	Yang, Wen-An (re-elected on May 28, 2024)	600	600	-	-	-	-	50	50	0.25%	0.25%	-	-	-	-	-	-	-	-	0.25%	0.25%	None

## **Attachment 4**

### **Independent Auditor’s Report and Consolidated Financial Report for 2025**

#### **Independent Auditors’ Report**

To the Board of Directors

KUEN LING MACHINERY REFRIGERATING CO., LTD.

#### **Opinion**

We have audited the consolidated financial statements of KUEN LING MACHINERY REFRIGERATING CO., LTD. and its subsidiaries (the “Group”), which comprise the consolidated balance sheets as of December 31, 2025 and 2024, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2025 and 2024, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other auditors please refer to the Other matter section, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards (“IFRSs”), International Accounting Standards (“IASs”), Interpretations developed by the International Financial Reporting Interpretations Committee (“IFRIC”) or the former Standing Interpretations Committee (“SIC”) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

#### **Basis for Opinion**

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

## **Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Group's 2025 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group's 2025 consolidated financial statements are stated as follows:

### **Appropriateness of revenue recognition cutoff**

#### Description

Please refer to Note 4(25) of the consolidated financial statements for the accounting policy for revenue recognition; for the explanation of operating revenue accounting items, please refer to Note 6(20) of the consolidated financial statements.

The Group's operating revenue all comes from Revenue from Contracts with Customers, primarily derived from the transfer of control of products such as condensers, chillers, ice-making units, and refrigeration units upon completion of customer acceptance. Revenue from contracts is recognized when control of the product is transferred to the customer, i.e., when the product is delivered to the customer. The customer has discretion over the distribution channel and price of the product, and the Group has no remaining performance obligations that may affect customer acceptance of the product. The transfer of control of the product to the customer and the fulfillment of performance obligations typically involve manual operations and judgments, which may result in the recognition of revenue at an inappropriate time close to the end of the financial reporting period. Therefore, the appropriateness of revenue recognition cutoff is identified as one of the key matters for this year's audit by the auditors.

#### How our audit addressed the matter

Our key audit procedures performed in respect of the above included the following:

1. Understand and evaluate the accounting policies for revenue recognition.
2. Understand, evaluate, and test the effectiveness of the design and implementation of internal control procedures for revenue recognition.
3. Conduct cutoff tests for contract revenue during a certain period before and after the end of the financial reporting period to assess when revenue recognition its transferred of control of the product and no remaining performance obligations that may affect customer acceptance of the product.

## **Assessment of impairment of accounts receivable**

### Description

Please refer to Note 4(7) of the consolidated financial statements for the accounting policy for accounts receivable; for the accounting estimates and assumptions uncertainty related to the assessment of impairment of accounts receivable, please refer to Note 5 of the consolidated financial statements; for the explanation of the accounts receivable accounting item, please refer to Note 6(2) of the consolidated financial statements; for the explanation of credit risk information related to accounts receivable, please refer to Note 12(2) of the consolidated financial statements.

The Group evaluates the expected credit losses on accounts receivable and recognizes allowances for losses. The evaluation method includes assessing individual significant customers or similar credit risk groups, considering their historical transaction records, operational and financial status, and incorporating the impact of the time value of money. Due to the identification of individual significant customers, differentiation of similar credit risk groups, and the subjective judgment of management involved in the evaluation method mentioned above, the assessment of expected credit losses on accounts receivable is significantly affected. Therefore, the assessment of impairment of accounts receivable is identified as one of the key audit matters for this year's audit.

### How our audit addressed the matter

Our key audit procedures performed in respect of the above included the following:

1. Based on an understanding of the Group's operations and sales transactions, evaluate the reasonableness of its provision policy and procedures for accounts receivable allowances, including identifying individual significant customers, distinguishing similar credit risk groups, and determining objective evidence for expected credit losses.
2. Understand the effectiveness of the Group's credit management and internal control procedures for the assessment of expected credit losses during the debt's existence period.
3. Assess the reasonableness of significant expected credit losses individually identified by management and the assessment of expected credit loss amounts based on similar credit risk groups.
4. Conduct post-period collection testing for accounts receivable that only reflect expected credit losses due to the time value of money to assess the reasonableness of expected credit losses.

### **Other matter – Reference to the audits of other auditors**

We did not audit the financial statements of certain consolidated subsidiaries which were audited by other auditors. Therefore, our opinion expressed herein, insofar as it relates to the amounts included in respect of these subsidiaries and the information on investees, is based solely on the reports of the other auditors. Total assets of these subsidiaries amounted to NT\$21,943 thousand and NT\$23,937 thousand, both representing 1% of the consolidated total assets as at December 31, 2025 and 2024, respectively, and the operating revenue amounted to NT\$24,670 thousand and NT\$28,725 thousand, representing both 1% of the consolidated total operating revenue for the years then ended, respectively.

### **Other matters – Parent company - only financial reports**

We have audited and expressed an unmodified opinion with an explanatory paragraph on the parent company only financial statements of KUEN LING MACHINERY REFRIGERATING CO., LTD. as of and for the years ended December 31, 2025 and 2024.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission, and for such internal controls as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including the audit committee, are responsible for overseeing the financial reporting process of the Group.

## **Auditors' Responsibilities for the Audit of the Financial Statements**

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

As part of an audit in accordance with auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Groups internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our

auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the consolidated financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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(1) Wang, Chun-Kai

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(2) Wu, Chien-Chih

For and on behalf of PricewaterhouseCoopers, Taiwan

March 11, 2026

KUEN LING MACHINERY REFRIGERATING CO., LTD.

Consolidated Balance Sheets

December 31, 2025 and 2024

(Expressed in thousands of New Taiwan Dollar)

Assets	Note	December 31, 2025		December 31, 2024		
		Amount	%	Amount	%	
<b>Current assets:</b>						
1100	Cash and cash equivalents	6(1)	\$ 935,069	28	\$ 793,597	23
1140	Contract Assets - Current	6(20)	15,130	-	69,515	2
1150	Net Notes Receivable	6(2)	238,204	7	327,772	9
1160	Notes Receivable - Related Parties, Net	6(2) and 7	9,361	-	12,331	-
1170	Net Accounts Receivable	6(2)	887,162	26	882,196	25
1180	Accounts Receivable - Related Parties, Net	6(2) and 7	6,837	-	16,440	1
130X	Inventory	6(3)	458,504	14	457,461	13
1479	Other Current Assets - Other	6(4) and 8	63,312	2	128,411	4
11XX	<b>Total Current Assets</b>		<u>2,613,579</u>	<u>77</u>	<u>2,687,723</u>	<u>77</u>
<b>Non-current assets:</b>						
1517	Financial Assets at Fair Value Through Other Comprehensive Income - Non-current	6(5)	9,759	-	9,759	-
1600	Property, Plant, and Equipment	6(7)(9) and 8	628,153	19	658,835	19
1755	Right-of-Use Assets	6(8) and 8	47,131	1	54,161	2
1780	Intangible Assets		5,499	-	4,680	-
1840	Deferred Tax Assets	6(25)	40,991	1	31,176	1
1920	Deposits for Guarantees	8	17,463	1	11,434	-
1930	Long-term Notes and Accounts Receivable	6(10)	-	-	258	-
1990	Other Non-current Assets - Other	8	16,024	1	21,595	1
15XX	<b>Total Non-current Assets</b>		<u>765,020</u>	<u>23</u>	<u>791,898</u>	<u>23</u>
1XXX	<b>Total Assets</b>		<u>\$ 3,378,599</u>	<u>100</u>	<u>\$ 3,479,621</u>	<u>100</u>

(Continued)

KUEN LING MACHINERY REFRIGERATING CO., LTD.

Consolidated Balance Sheets

December 31, 2025 and 2024

(Expressed in thousands of New Taiwan Dollar)

Liabilities and equity	Note	December 31, 2025		December 31, 2024		
		Amount	%	Amount	%	
<b>Current liabilities:</b>						
2100	Short-term borrowings	6(11) and 8	\$ 189,934	6	\$ 234,744	7
2130	Current portion of contract liabilities	6(20)	111,986	3	150,111	4
2150	Accounts payable notes	7	18,739	1	37,496	1
2170	Accounts payable	7	400,266	12	470,532	13
2200	Other payables	6(12)	412,966	12	385,958	11
2230	Current income tax liabilities		50,962	2	57,537	2
2250	Current portion of liabilities	6(13)	77,296	2	63,463	2
2280	Current lease liabilities		5,430	-	4,959	-
2320	Long-term liabilities due within one year or one operating cycle	6(14) and 8	10,000	-	3,874	-
2399	Other current liabilities - Other		1,066	-	1,293	-
21XX	<b>Current Assets</b>		<u>1,278,645</u>	<u>38</u>	<u>1,409,967</u>	<u>40</u>
<b>Non-current liabilities:</b>						
2540	Long-term borrowings	6(14) and 8	70,000	2	-	-
2570	Deferred income tax liabilities	6(25)	52,279	1	69,108	2
2580	Non-current lease liabilities		28,923	1	32,118	1
2640	Net defined benefit liabilities - Non-current	6(15)	52,763	2	52,410	2
2645	Deposits received for guarantees		3,538	-	3,620	-
25XX	<b>Total non-current liabilities</b>		<u>207,503</u>	<u>6</u>	<u>157,256</u>	<u>5</u>
2XXX	<b>Total liabilities</b>		<u>1,486,148</u>	<u>44</u>	<u>1,567,223</u>	<u>45</u>
<b>Equity</b>						
<b>Equity attributable to owners of the parent company</b>						
	Capital	6(16)				
3110	Ordinary shares capital		761,524	22	761,524	22
	Capital surplus	6(17)				
3200	Capital surplus		128,616	4	128,616	4
	Retained earnings	6(18)				
3310	Statutory surplus reserve		325,850	10	293,365	8
3320	Special surplus reserve		66,674	2	94,936	3
3350	Undistributed profits		594,230	18	584,187	17
	Other equity	6(19)				
3400	Other equity		( 81,578)	( 3)	( 66,674)	( 2)
31XX	Total equity attributable to owners of the parent company		<u>1,795,316</u>	<u>53</u>	<u>1,795,954</u>	<u>52</u>
36XX	<b>Non-controlling interests</b>	4(3)	<u>97,135</u>	<u>3</u>	<u>116,444</u>	<u>3</u>
3XXX	<b>Total Equity</b>		<u>1,892,451</u>	<u>56</u>	<u>1,912,398</u>	<u>55</u>
	<b>Significant contingent liabilities and unrecognized contractual commitments</b>	9				
3X2X	<b>Total liabilities and equity</b>		<u>\$ 3,378,599</u>	<u>100</u>	<u>\$ 3,479,621</u>	<u>100</u>

The accompanying notes are an integral part of these consolidated financial statements

KUEN LING MACHINERY REFRIGERATING CO., LTD.  
Consolidated Statements of Comprehensive Income  
December 31, 2025 and 2024  
(Expressed in thousands of New Taiwan Dollar, except for Per share)

Assets	Note	2025		2024		
		Amount	%	Amount	%	
4000	Operating revenues	6(20) and 7	\$ 3,067,339	100	\$ 3,649,379	100
5000	Operating costs	6(3)(23)(24) and 7	( 2,259,706)	( 74)	( 2,741,530)	( 75)
5900	Gross profit from operations		807,633	26	907,849	25
	Operating expenses	6(23)(24)				
6100	Selling expenses		( 202,100)	( 7)	( 223,102)	( 6)
6200	General and administrative expenses		( 185,557)	( 6)	( 197,109)	( 5)
6300	Research and development expenses		( 64,715)	( 2)	( 69,994)	( 2)
6450	Expected credit impairment loss	12(2)	( 72,593)	( 2)	( 55,644)	( 2)
6000	Total operating expenses		( 524,965)	( 17)	( 545,849)	( 15)
6900	Net operating income		282,668	9	362,000	10
	Non-operating income and expenses					
7100	Interest income		7,785	-	5,762	-
7010	Other income	6(9)(21)	42,855	1	44,682	1
7020	Other gains and losses	6(22)	( 4,261)	-	4,453	-
7050	Finance costs	6(8)(11)(14)	( 7,132)	-	( 9,058)	-
7000	Total non-operating income and expenses		39,247	1	45,839	1
7900	<b>Profit before income tax from continuing operations</b>		321,915	10	407,839	11
7950	Income tax expense	6(25)	( 73,466)	( 2)	( 89,496)	( 2)
8200	<b>Net Profit</b>		\$ 248,449	8	\$ 318,343	9

(Continued)

KUEN LING MACHINERY REFRIGERATING CO., LTD.  
Consolidated Statements of Comprehensive Income  
December 31, 2025 and 2024  
(Expressed in thousands of New Taiwan Dollar, except for Per share)

Assets	Note	2025		2024	
		Amount	%	Amount	%
<b>Other comprehensive income</b>					
<b>items that will not be reclassified to profit or loss</b>					
8311					
8311					
8349					
8310					
<b>Items that will be reclassified to profit or loss:</b>					
8361					
8300					
8500					
Net Profit (Loss) Attributable to:					
8610					
8620					
Total Comprehensive Income (Loss) Attributable to:					
8710					
8720					
Earnings Per Share: 6(26)					
9750					
9850					

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

KUEN LING MACHINERY REFRIGERATING CO., LTD.

Consolidated Statements of Changes in Equity  
For the years ended December 31, 2025 and 2024  
(expressed in thousands of New Taiwan Dollar)

Equity attributable to owners of parent

	Note	Retained earnings					Other equity interest		Total	Non-controlling interests	Total
		Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains from financial assets measured at fair value through other comprehensive income			
<u>2024</u>											
<b>Balance at January 1, 2024</b>		\$ 761,524	\$ 128,616	\$ 267,856	\$ 81,442	\$ 481,113	(\$ 61,618)	(\$ 33,318)	\$ 1,625,615	\$ 115,646	\$ 1,741,261
Current Period Net Profit		-	-	-	-	319,549	-	-	319,549	( 1,206 )	318,343
Current Period Other Comprehensive Income	6(19)	-	-	-	-	5,294	28,262	-	33,556	4,277	37,833
Total Comprehensive Income for the Period		-	-	-	-	324,843	28,262	-	353,105	3,071	356,176
Earnings distribution of 2023											
Allocation to Statutory Surplus Reserve		-	-	25,509	-	( 25,509 )	-	-	-	-	-
Allocation to Special Surplus Reserve		-	-	-	13,494	( 13,494 )	-	-	-	-	-
Cash Dividends	6(18)	-	-	-	-	( 182,766 )	-	-	( 182,766 )	-	( 182,766 )
Cash dividends distribute to non-controlling interests		-	-	-	-	-	-	-	-	( 2,273 )	( 2,273 )
<b>Balance as of December 31, 2024</b>		\$ 761,524	\$ 128,616	\$ 293,365	\$ 94,936	\$ 584,187	(\$ 33,356)	(\$ 33,318)	\$ 1,795,954	\$ 116,444	\$ 1,912,398
<u>2025</u>											
<b>Balance at January 1, 2025</b>		\$ 761,524	\$ 128,616	\$ 293,365	\$ 94,936	\$ 584,187	(\$ 33,356)	(\$ 33,318)	\$ 1,795,954	\$ 116,444	\$ 1,912,398
Current Period Net Profit		-	-	-	-	258,550	-	-	258,550	( 10,101 )	248,449
Current Period Other Comprehensive Income	6(19)	-	-	-	-	( 596 )	( 14,904 )	-	( 15,500 )	( 778 )	( 16,278 )
Total Comprehensive Income for the Period		-	-	-	-	257,954	( 14,904 )	-	243,050	( 10,879 )	232,171
Earnings distribution of 2024											
Allocation to Statutory Surplus Reserve		-	-	32,485	-	( 32,485 )	-	-	-	-	-
Allocation to Special Surplus Reserve		-	-	-	( 28,262 )	28,262	-	-	-	-	-
Cash Dividends	6(18)	-	-	-	-	( 243,688 )	-	-	( 243,688 )	-	( 243,688 )
Cash dividends distribute to non-controlling interests		-	-	-	-	-	-	-	-	( 8,430 )	( 8,430 )
<b>Balance as of December 31, 2025</b>		\$ 761,524	\$ 128,616	\$ 325,850	\$ 66,674	\$ 594,230	(\$ 48,260)	(\$ 33,318)	\$ 1,795,316	\$ 97,135	\$ 1,892,451

The accompanying notes are an integral part of these consolidated financial statements

KUEN LING MACHINERY REFRIGERATING CO., LTD.  
Consolidated Statements of Cash Flows  
For the years ended December 31, 2025 and 2024  
(expressed in thousands of New Taiwan Dollar)

	Note	2025	2024
<u>Operating Cash Flows:</u>			
Current Period Pre-tax Net Profit		\$ 321,915	\$ 407,839
Adjustments:			
Items of Income and Expense			
Expected Credit Impairment Loss (Gain)	12(2)	72,593	55,644
Depreciation Expense (including	6(7)(8)		
Amortization of Right-of-Use Assets)	(23)	68,795	65,789
Amortization Expense	6(23)	1,921	2,822
Interest Expense	6(8)(11)(14)	7,132	9,058
Interest Income		( 7,785 )	( 5,762 )
Dividend Income	6(21)	( 1,694 )	( 2,511 )
Gain on Disposal of Property, Plant, and	6(22)		
Equipment		( 275 )	( 679 )
Net Changes in Assets/Liabilities Related to			
Operating Activities			
Net Change in Assets Related to Operating			
Activities			
Contract Assets - Current		54,385	16,340
Notes Receivable		89,530	6,393
Notes Receivable - Related Parties		2,971	14,705
Accounts Receivable (including Long-			
term Notes and Accounts Receivable)	(	68,849 )	321,972
Accounts Receivable - Related Parties		9,482	3,670
Inventory	(	3,959 )	210,294
Other Current Assets - Other		64,419	( 42,872 )
Current portion of Contract Liabilities			
Contract Liabilities – Current	(	37,883 )	( 19,791 )
Accounts Payable Notes	(	18,757 )	( 91,518 )
Accounts Payable		80,477	( 259,647 )
Accounts Payable - Related Parties	(	150,060 )	( 16,452 )
Other Payables		34,147	25,291
Current Provision		13,936	394
Other Current Liabilities - Other	(	227 )	( 41,163 )
Net Defined Benefit Liabilities - Non-			
current	(	392 )	( 5,050 )
Cash Inflows Generated from Operations:		531,822	654,766
Interest Received		7,793	5,752
Dividends Received		1,694	2,511
Interest Paid	(	7,121 )	( 8,970 )
Income Tax Paid	(	98,846 )	( 77,309 )
Net Cash Inflow from Operating			
Activities		435,342	576,750

(Continued)

KUEN LING MACHINERY REFRIGERATING CO., LTD.  
Consolidated Statements of Cash Flows  
For the years ended December 31, 2025 and 2024  
(expressed in thousands of New Taiwan Dollar)

	Note	2025	2024
<b><u>Investing Cash Flows:</u></b>			
Purchase of Property, Plant, and Equipment	6(27)	(\$ 36,646)	(\$ 78,090)
Increase in Prepayments for Equipment		( 2,467)	( 4,565)
Proceeds from Disposal of Property, Plant, and Equipment		300	689
Purchase of Intangible Assets		( 2,773)	( 689)
Decrease (Increase) in Deposits for Guarantees		( 8,032)	3,749
Increase in Other Non-current Assets - Other		( 932)	600
Net Cash Outflow from Investing Activities		( 50,550)	( 78,306)
<b><u>Financing Cash Flows:</u></b>			
Proceeds from Short-term Borrowings	6(28)	( 42,678)	49,412
Repayment of Short-term Borrowings	6(28)	107,714	-
Repayment of Long-term Borrowings	6(28)	( 31,279)	( 25,304)
Repayment of Lease Principal	6(28)	( 5,383)	( 6,995)
Increase (Decrease) in Deposits Received for Guarantees		207	506
Payment of Cash Dividends	6(18)	( 243,688)	( 182,766)
Cash Dividends Paid by Subsidiaries		( 8,430)	( 2,273)
Net Cash Outflow from Financing Activities		( 223,537)	( 167,420)
Effect of Exchange Rate Changes		( 19,783)	( 9,485)
<b>Net Increase (Decrease) in Cash and Cash Equivalents for the Period</b>		141,472	321,539
<b>Beginning Cash and Cash Equivalents Balance</b>	6(1)	793,597	472,058
<b>Ending Cash and Cash Equivalents Balance</b>	6(1)	\$ 935,069	\$ 793,597

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

## **Attachment 5**

### **Independent Auditor’s Report and Parent Company Financial Report for 2025**

#### **Independent Auditors’ Report**

To the Board of Directors and Shareholders of Kuen Ling Machinery Refrigerating Co., Ltd.

#### **Opinion**

We have audited the accompanying parent company only balance sheets of Kuen Ling Machinery Refrigerating Co., Ltd. (the “Company”) as at December 31, 2025 and 2024, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other auditors (please refer to the Other matter section), the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as at December 31, 2025 and 2024, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

#### **Basis for Opinion**

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

## **Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Company's 2025 parent company only financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Company's 2025 parent company only financial statements are stated as follows:

### **Appropriateness of revenue recognition cutoff**

#### Description

Please refer to Note 4(23) of parent company only financial statement for accounting policies on revenue recognition, and Note 6(18) for details of operating revenue.

The Company's operating revenue arises from revenue from contracts with customers and mainly from customer acceptance and transfer of the products, such as condensers, chillers, chiller units and condensing units. Contract revenue is recognised when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. The transfer of control of the product to the customer and the fulfillment of performance obligations usually involve manual work and judgment, which may result in inappropriate timing of revenue recognition around the balance sheet date, and the aforementioned circumstances were also existing in the Company's subsidiaries which were accounted for using equity method. Therefore, we consider the appropriateness of cut-off on sales revenue as one of the key audit matters for this year's audit.

#### How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Obtained an understanding and assessed the accounting policies of revenue recognition.
2. Obtained an understanding, assessed and tested the effectiveness of the design and the execution of internal controls on revenue recognition.
3. Performed cut-off tests on contract revenue in a certain period around balance sheet date to ascertain that the revenue was recognised when control of goods has been transferred, and there is no performance obligation that could affect the customer acceptance of the products.

## **Assessment of impairment of accounts receivable**

### Description

Please refer to Note 4(6) of parent company only financial statements for accounting policy on accounts receivable, Note 5 for the uncertainty of accounting estimates and assumptions in relation to accounts receivable impairment valuation, Note 6(2) for details of accounts receivable and Note 12(2) for details of information relating to credit risk of accounts receivable.

The Company evaluates the lifetime expected credit loss amount of the accounts receivable and recognises loss allowance. The evaluation method used considers the historical transaction records, operation and current financial conditions of individual significant customers or customers of similar credit risk groups, and incorporates the effect of the time value of money. The identification of individual significant customers, the differentiation of similar credit risk groups and the aforementioned evaluation methods involve the subjective judgment of the management authority, which has a significant impact on the measurement of the expected credit loss of receivables, and the aforementioned circumstances were also existing in the Company's subsidiaries (shown as investments accounted for using equity method). Therefore, we consider the Company's and its subsidiaries' accounts receivable impairment valuation as one of the key audit matters for this year in our audit.

### How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Obtained an understanding of the Company's operation and sales customers. Assessed the reasonableness of policies and process applied in allowance for uncollectible accounts receivable, including identifying individual significant customers, classifying the similar credit risk groups and objective evidence for determining expected credit losses.
2. Obtained an understanding of the effectiveness of the design and implementation of the internal control procedures over the Company's credit management and the assessment of lifetime expected credit losses of receivables.
3. Assessed the reasonableness of the amounts of significant expected credit losses individually assessed by management and the expected credit losses assessed based on similar credit risk groups.
4. Performed subsequent collection tests on accounts receivable for expected credit losses that occur simply to reflect the time value of money to assess the reasonableness of expected credit losses.

### **Other matter – Reference to the audits of other auditors**

We did not audit the financial statements of certain investments accounted for using the equity method which were audited by other auditors. Therefore, our opinion expressed herein, insofar as it relates to the amounts included in respect of these associates, is based solely on the reports of the other auditors. The balance of these investments accounted for using the equity method amounted to NT\$11,769 thousand and NT\$12,433 thousand, both constituting 1% of the total assets as at December 31, 2025 and 2024, and the comprehensive income recognised from associates and joint ventures accounted for using the equity method amounted to NT\$1,497 thousand and NT\$2,473 thousand, both constituting 1% of the total comprehensive income for the years then ended.

### **Responsibilities of management and those charged with governance for the parent company only financial statements**

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

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

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

## **Auditors' Responsibilities for the Audit of the parent company only financial statements**

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

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

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

cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the entity audit. We remain solely responsible for our audit opinion.

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

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

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

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(1) Wang, Chun-Kai

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(2) Wu, Chien-Chih

For and on behalf of PricewaterhouseCoopers, Taiwan

March 11, 2026

KUEN LING MACHINERY REFRIGERATING CO., LTD.  
PARENT COMPANY ONLY BALANCE SHEETS  
DECEMBER 31, 2025 AND 2024  
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2025		December 31, 2024		
		AMOUNT	%	AMOUNT	%	
<b>Current assets</b>						
1100	Cash and cash equivalents	6(1)	\$ 217,877	8	\$ 115,438	5
1140	Current contract assets	6(18)	15,130	1	63,836	3
1150	Notes receivable, net	6(2)	20,182	1	29,634	1
1160	Notes receivable due from related parties, net	6(2) and 7	9,361	-	12,331	-
1170	Accounts receivable, net	6(2)	236,431	9	174,359	7
1180	Accounts receivable due from related parties, net	6(2) and 7	420,634	16	278,822	11
1210	Other receivables due from related parties	7	9,260	-	7,961	-
130X	Inventories	6(3)	326,803	12	290,718	12
1410	Prepayments		20,237	1	103,240	4
1479	Other current assets, others	8	2,914	-	853	-
11XX	<b>Total current assets</b>		<u>1,278,829</u>	<u>48</u>	<u>1,077,192</u>	<u>43</u>
<b>Non-current assets</b>						
1517	Non-current financial assets at fair value through other comprehensive income	6(4)	9,759	-	9,759	-
1550	Investments accounted for using equity method	6(5)	912,386	35	989,583	39
1600	Property, plant and equipment	6(6), 7 and 8	374,691	14	371,931	15
1755	Right-of-use assets	6(7) and 7	7,763	-	9,205	-
1780	Intangible assets		2,010	-	859	-
1840	Deferred income tax assets	6(23)	34,373	1	25,154	1
1920	Guarantee deposits paid	8	14,013	1	10,512	1
1930	Long-term notes and accounts receivable	6(8)	-	-	258	-
1990	Other non-current assets, others	8	15,468	1	21,542	1
15XX	<b>Total non-current assets</b>		<u>1,370,463</u>	<u>52</u>	<u>1,438,803</u>	<u>57</u>
1XXX	<b>Total assets</b>		<u>\$ 2,649,292</u>	<u>100</u>	<u>\$ 2,515,995</u>	<u>100</u>

(Continued)

KUEN LING MACHINERY REFRIGERATING CO., LTD.  
PARENT COMPANY ONLY BALANCE SHEETS  
DECEMBER 31, 2025 AND 2024  
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity	Notes	December 31, 2025		December 31, 2024		
		AMOUNT	%	AMOUNT	%	
<b>Current liabilities</b>						
2100	Short-term borrowings	6(9) and 8	\$ 169,882	6	\$ 137,607	6
2130	Current contract liabilities	6(18)	20,164	1	34,887	1
2150	Notes payable	7	762	-	8,765	-
2170	Accounts payable	7	205,680	8	178,517	7
2200	Other payables	6(10) and 7	186,936	7	169,702	7
2230	Current tax liabilities		27,049	1	23,783	1
2250	Current provisions	6(11)	50,203	2	36,203	2
2280	Current lease liabilities	7	2,960	-	2,960	-
2399	Other current liabilities, others	6(12) and 8	10,819	-	759	-
21XX	<b>Total current liabilities</b>		<u>674,455</u>	<u>25</u>	<u>593,183</u>	<u>24</u>
<b>Non-current liabilities</b>						
2570	<b>Long term borrowing</b>	6(12) and 8	70,000	3	-	-
2570	Deferred income tax liabilities	6(23)	52,279	2	69,108	3
2580	Non-current lease liabilities	7	4,479	-	5,340	-
2640	Net defined benefit liability, non-current	6(13)	52,763	2	52,410	2
25XX	<b>Total non-current liabilities</b>		<u>179,521</u>	<u>7</u>	<u>126,858</u>	<u>5</u>
2XXX	<b>Total Liabilities</b>		<u>853,976</u>	<u>32</u>	<u>720,041</u>	<u>29</u>
<b>Equity</b>						
Share capital						
3110	Ordinary share	6(14)	761,524	29	761,524	30
Capital surplus						
3200	Capital surplus	6(15)	128,616	5	128,616	5
Retained earnings						
3310	Legal reserve	6(16)	325,850	12	293,365	11
3320	Special reserve		66,674	3	94,936	4
3350	Unappropriated retained earnings		594,230	22	584,187	23
Other equity interest						
3400	Other equity interest	6(17)	( 81,578)	( 3)	( 66,674)	( 2)
3XXX	<b>Total equity</b>		<u>1,795,316</u>	<u>68</u>	<u>1,795,954</u>	<u>71</u>
Significant contingent liabilities and unrecognised contract commitments						
Significant Subsequent Events						
3X2X	<b>Total liabilities and equity</b>		<u>\$ 2,649,292</u>	<u>100</u>	<u>\$ 2,515,995</u>	<u>100</u>

The accompanying notes are an integral part of these parent company only financial statements.

**KUEN LING MACHINERY REFRIGERATING CO., LTD.**  
**PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME**  
**YEARS ENDED DECEMBER 31, 2025 AND 2024**  
**(Expressed in thousands of New Taiwan dollars)**

Year ended December 31

	Items	Notes	2025		2024	
			AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(18) and 7	\$ 1,758,774	100	\$ 2,009,564	100
5000	Operating costs	6(3)(21)(22) and 7	( 1,460,624)	( 83)	( 1,699,995)	( 84)
5900	Gross profit		298,150	17	309,569	16
5910	Unrealised profit from sales		1,915	-	( 2,134)	-
5950	Gross profit from operations		300,065	17	307,435	16
	Operating expenses	6(21)(22) and 7				
6100	Selling expenses		( 41,828)	( 2)	( 46,900)	( 2)
6200	Administrative expenses		( 124,136)	( 7)	( 122,458)	( 6)
6300	Research and development expenses		( 40,513)	( 2)	( 38,804)	( 2)
6450	Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	12(2)	( 17,242)	( 1)	6,465	-
6000	Total operating expenses		( 223,719)	( 12)	( 201,697)	( 10)
6900	Net operating loss		76,346	5	105,738	6
	Non-operating income and expenses					
7100	Interest income		803	-	789	-
7010	Other income	6(19) and 7	47,677	3	41,200	2
7020	Other gains and losses	6(20) and 7	( 302)	-	1,664	-
7050	Finance costs	6(7)(9)(12) and 7	( 4,049)	-	( 3,668)	-
7070	Share of profit of subsidiaries, associates and joint ventures accounted for using equity method		151,753	8	205,448	10
7000	Total non-operating income and expenses		195,882	11	245,433	12
7900	<b>Profit before income tax</b>		272,228	16	351,171	18
7950	Income tax expense	6(23)	( 13,678)	( 1)	( 31,622)	( 2)
8200	<b>Profit for the year</b>		\$ 258,550	15	\$ 319,549	16
	<b>Other comprehensive income</b>					
	<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>					
8311	Gains on remeasurements of defined benefit plans	6(13)	(\$ 745)	-	\$ 6,617	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(23)	149	-	( 1,323)	-
8310	Components of other comprehensive income that will not be reclassified to profit or loss		( 596)	-	5,294	-
	<b>Components of other comprehensive income that will be reclassified to profit or loss</b>					
8361	Exchange differences on translation of foreign financial statements		( 14,904)	( 1)	28,262	2
8300	<b>Other comprehensive income (loss)</b>		(\$ 15,500)	( 1)	\$ 33,556	2
8500	<b>Total comprehensive income</b>		\$ 243,050	14	\$ 353,105	18
	Earnings per share	6(24)				
9750	Basic earnings per share		\$ 3.40		\$ 4.20	
9850	Diluted earnings per share		\$ 3.36		\$ 4.14	

The accompanying notes are an integral part of these parent company only financial statements.

KUEN LING MACHINERY REFRIGERATING CO., LTD.  
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY  
YEARS ENDED DECEMBER 31, 2025 AND 2024  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Notes	Retained Earnings				Other equity interest			Total equity
		Share capital - common stock	Capital surplus, additional paid-in capital	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	
<u>Year ended December 31, 2024</u>									
Balance at January 1, 2024		\$ 761,524	\$ 128,616	\$ 267,856	\$ 81,442	\$ 481,113	(\$ 61,618)	(\$ 33,318)	\$ 1,625,615
Profit for the year		-	-	-	-	319,549	-	-	319,549
Other comprehensive income (loss)	6(17)	-	-	-	-	5,294	28,262	-	33,556
Total comprehensive income (loss)		-	-	-	-	324,843	28,262	-	353,105
Appropriation and distribution of 2023 retained earnings:									
Legal reserve appropriated		-	-	25,509	-	( 25,509)	-	-	-
Reversal of special reserve		-	-	-	13,494	( 13,494)	-	-	-
Cash dividends	6(16)	-	-	-	-	( 182,766)	-	-	( 182,766)
Balance at December 31, 2024		\$ 761,524	\$ 128,616	\$ 293,365	\$ 94,936	\$ 584,187	(\$ 33,356)	(\$ 33,318)	\$ 1,795,954
<u>Year ended December 31, 2025</u>									
Balance at January 1, 2025		\$ 761,524	\$ 128,616	\$ 293,365	\$ 94,936	\$ 584,187	(\$ 33,356)	(\$ 33,318)	\$ 1,795,954
Profit for the year		-	-	-	-	258,550	-	-	258,550
Other comprehensive income		-	-	-	-	( 596)	( 14,904)	-	( 15,500)
Total comprehensive income		-	-	-	-	257,954	( 14,904)	-	243,050
Appropriation and distribution of 2024 retained earnings:									
Legal reserve appropriated		-	-	32,485	-	( 32,485)	-	-	-
Reversal of special reserve		-	-	-	( 28,262)	28,262	-	-	-
Cash dividends		-	-	-	-	( 243,688)	-	-	( 243,688)
Balance at December 31, 2025		\$ 761,524	\$ 128,616	\$ 325,850	\$ 66,674	\$ 594,230	(\$ 48,260)	(\$ 33,318)	\$ 1,795,316

The accompanying notes are an integral part of these parent company only financial statements.

KUEN LING MACHINERY REFRIGERATING CO., LTD.  
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2025 AND 2024  
(Expressed in thousands of New Taiwan dollars)

	Note	2025	2024
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 272,228	\$ 351,171
Adjustments			
Adjustments to reconcile profit (loss)			
Expected credit gain	12(2)	17,242	( 6,465 )
Depreciation expense (including amortisation of right-of-use assets)	6(6)(7)(21)	30,426	26,654
Amortisation charge	6(21)	960	1,831
Share of loss of subsidiaries, associates and joint ventures accounted for using equity method		( 151,753 )	( 205,448 )
Interest expense		4,049	3,668
Interest income		( 803 )	( 789 )
Dividend income	6(19)	( 1,694 )	( 2,511 )
Gains on disposals of property, plant and equipment	6(20)	( 141 )	( 603 )
Unrealised profit (loss) from sales		( 1,915 )	2,134
Changes in operating assets and liabilities			
Changes in operating assets			
Current contract assets		48,706	22,019
Notes receivable		9,411	( 21,695 )
Notes receivable due from related parties		2,970	14,705
Accounts receivable (including long-term notes and accounts receivables)		( 79,015 )	( 66,023 )
Accounts receivable due from related parties		( 141,812 )	( 6,781 )
Other receivables due from related parties		( 1,299 )	1,302
Inventories		( 36,085 )	70,856
Prepayments		83,003	( 63,234 )
Other current assets, others		( 2,077 )	585
Changes in operating liabilities			
Current contract liabilities		( 14,723 )	3,045
Notes payable		( 8,003 )	( 3,675 )
Accounts payable		27,163	( 68,792 )
Other payables		22,436	44,360
Current provisions		14,000	-
Other current liabilities, others		60	113
Net defined benefit liability, non-current		( 392 )	( 5,050 )
Cash inflow (outflow) generated from operations		92,942	91,377
Interest received		819	779
Dividends received		217,655	144,814
Interest paid		( 4,027 )	( 3,567 )
Income taxes paid		( 36,311 )	( 21,422 )
Net cash flows from operating activities		<u>271,078</u>	<u>211,981</u>

(Continued)

KUEN LING MACHINERY REFRIGERATING CO., LTD.  
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2025 AND 2024  
(Expressed in thousands of New Taiwan dollars)

	Note	2025	2024
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of investments accounted for using equity method			
Purchase of property, plant and equipment	6(25)	(\$ 26,596 )	(\$ 68,681 )
Increase in prepayments for business facilities		-	( 3,373 )
Proceeds from disposal of property, plant and equipment	6(25)	141	603
Intangible assets		( 2,111 )	( 63 )
Decrease (increase) in guarantee deposits paid		( 3,501 )	4,308
Increase in other non-current assets		( 1,968 )	-
Net cash flows used in investing activities		( 34,035 )	( 67,206 )
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Proceeds from short-term borrowings	6(26)	32,275	27,766
Repayment of short-term borrowings	6(26)	80,000	-
Repayment of long-term borrowings	6(26)	-	( 15,000 )
Payments of lease liabilities	6(26)	( 3,191 )	( 3,157 )
Cash dividends paid	6(16)	( 243,688 )	( 182,766 )
Net cash flows used in financing activities		( 134,604 )	( 173,157 )
Net decrease in cash and cash equivalents		102,439	( 28,382 )
Cash and cash equivalents at beginning of year	6(1)	115,438	143,820
Cash and cash equivalents at end of year	6(1)	\$ 217,877	\$ 115,438

The accompanying notes are an integral part of these parent company only financial statements.

## Attachment 6



### Profit Distribution Table for 2025

Unit: In New Taiwan Dollars

Item	Amount	
<b>I. Distributable amount</b>		
Beginning balance		NT\$ 336,276,767
2025 profit after tax	258,549,739	
2025 other comprehensive income	(596,145)	
Allocation of 10% legal reserve	(25,795,359)	
Reversal of special reserve	<u>(14,904,492)</u>	
Distributable earnings in the current year		<u>217,253,743</u>
Distributable earnings		553,530,510
<b>II. Distribution Items</b>		
Cash dividend (NT\$3.0 per share)		<u>( 228,457,110)</u>
<b>III. Undistributed earnings at the end of the period</b>		<u>NT\$ 325,073,400</u>

Note: For the shareholders' dividends to be distributed in this year, the earnings of 2025 will be given the priority in the distribution.

Chairman: Chung-Kuo Tseng    Manager: Chung-Kuo Tseng    Chief Accountant: Li-Ling Su

## Appendix 1



### Articles of Incorporation

#### Chapter 1 General Provisions

Article 1: The Company is incorporated in accordance with the Company Act and is named Kuen Ling Machinery Refrigerating Co., Ltd.

Article 2: The scope of business of this Company is as follows:

1. CB01071 Manufacture of Air-conditioning and Refrigeration equipment.
2. E602011 Engineering of refrigerating, air-conditioning equipment;
3. CB01010 Manufacture of machinery equipment
4. E604010 Installation of machinery equipment
5. F401010 International trade business
6. JE01010 Leasing services
7. ZZ99999 Other businesses not prohibited or restricted legally except those with special permit.
8. CA02060 Manufacture of metal vessel products
9. CB01990 Manufacture of other machinery equipment
10. D401010 Supply thermal products
11. E599010 Engineering of pipe lines
12. E601010 Service regarding electrical appliance as contractor
13. E601020 Installation of electrical appliance
14. E603050 Engineering of automatic control equipment
15. E603100 Engineering of welding
16. EZ15010 Engineering of insulation business
17. EZ99990 Other engineering business
18. I101061 Consulting business for engineering technician
19. IG03010 Energy technician service business
20. A102020 Processing business for agricultural products

Article 3: The Company may provide guarantees to others considering business necessity, its operation should follow the rules and regulations of Endorsement legislation of Kuen Ling.

Article 4: The Company will have its head office located in Kaohsiung and the Board of Directors may set up branch offices in Taiwan and overseas in consideration of the business needs of the Company.

Article5: deleted

## **Chapter 2 Capital Stocks**

Article 6: The total capital of the Company is NT\$1,000,000,000 divided into 100,000,000 shares with a par value of NT\$10 each. The Board of Directors is authorized to issue the shares in installment in consideration of the business needs of the Company.

Article 7: In considering for handling stocks, the Company may, bases on the request of the Taiwan Securities Central Depository Co., Ltd., to merge, renewal, or issue large denomination securities

Article 8: The Company may issue shares without printing share certificates. All of the stocks of the Company will be duly issued as name-bearing stocks and duly registered on Securities Deposit Enterprise, and follow the regulations of that enterprise.

Article 9: All transfer of stocks shall be suspended 60 days prior to the annual general shareholders' meeting date, 30 days prior the extraordinary shareholders meeting date, and 5 days prior to the date of distribution of dividend, profit-sharing or other interests.

## **Chapter 3 Shareholders' Meeting**

Article 10: The Company will have two types of shareholders meetings:

1. General shareholder meeting to be convened once a year within 6 months after the end of each fiscal year; and
2. Extraordinary shareholders meeting to be convened where necessary.

The Company may explicitly provide for in its Articles of Incorporation that its shareholders' meeting can be held by means of visual communication network or other methods promulgated by the central competent authority.

Article 11: Where the shareholder is unable to attend the shareholders meeting in person, he/she may appoint a proxy to act on his/her behalf at the meeting by signing the proxy form prepared by the Company.

Article 12: Each shareholder of this Company will have one vote on each share held except those restricted/without voting right according to company law and related regulations.

Article13: Except as otherwise provided by the Company Act, the resolution may be adopted by one-half or more of the votes of the shareholders present at a

shareholders' meeting attended by shareholders representing a majority of the total number of the outstanding shares of the company. The Company whose shareholders may exercise their voting power by way of electronic transmission in a shareholders' meeting shall describe in the shareholders' meeting notice the method of exercising their voting power.

#### **Chapter 4 Directors and Audit Committee**

Article 14: The Board of Directors of the Company will be formed by at least 7- 11 Directors, whom are to be elected by candidates nomination system and shall be selected by the shareholders' meeting on the list of candidates for directors. The Director each will serve a term of office of three years and is eligible for re-election. At least 3 of the directors shall be the independent directors in the Board of Director and no less than one third of the total number of Directors. The qualification, share-holding, part-time job restriction, independence of the independent directors along with the way of nomination and election etc. shall be complied with the laws and regulations of the securities authorities. The Company has established an audit committee which shall be composed of the entire number of independent directors in accordance with applicable laws. Powers conferred by the Company Act, Securities and Exchange Act and any other law to be exercised by supervisors, shall be exercised by the audit committee. Matters concerning the number, term of office, powers, rules of procedure for meetings, and resources to be provided by the Company when the audit committee exercises its powers shall be handled in accordance with audit committee charter.

Article 15: The Board of Directors of the Company will be formed by directors. The chairman shall be elected among directors through the Meeting of the Board which over 2/3 of the directors attend the meeting and over 1/2 of the participant directors agree with the nominee. The chairman of the Company will represent the Company for all matters.

Article 16: If the chairman is for any reason unable to perform his/her functions, the regulation of Article 208 of the Law of the Company should be followed. If the director is for any reason unable to attend the meeting, he/she shall appoint one director to act on his/her behalf. The director as the agent could act for one only. The meeting of the Board of Directors may be conducted via audio- or video-teleconference. All directors present at the meeting via video-teleconference will be deemed present at the meeting in person.

Article16-1: The notice of board meeting should be given to every director 7 days in

advance. Board meeting also can be held when necessary if there's emergency. The notice can be given in written form, fax, or e-mail to every director.

Article 17: Remuneration of directors of the Company authorized to remuneration committee of the company's operations on the value of the degree of participation and contribution of, and refer to domestic and international standards of the same industry for agreement and then submit to the Board of directors for resolution.

## **Chapter 5 Managers**

Article 18: The Company will appoint several managerial officers. Operation procedure of appointment, dismissal and remuneration will follow the laws and regulation of Article 29 of the Company Act.

Article 18-1: The factory director (department chief) follows the Laws, the Articles of the Corporation, resolution of the shareholders' meeting and the Board of Director; take general charge of each of our factory (department) and responsible for the operation and management (including industrial safety).

## **Chapter 6 Accounting**

Article 19: The Board of Directors shall prepare following reports and statements after the end of each fiscal year:

1. Business report.
2. Financial statement.
3. Proposed profit distribution or loss make-up plan.

And submit the same to the shareholders meeting for ratification.

Article 20: Dividend Policy

The Company is in a stably growing industry with investments made in developing business. In consideration of possible expansion of operation and long-term investment requirement, the earnings distributed to the shareholders each year will basically be arranged in the best way. The profit of the Company as of the final accounting each year shall be appropriated in the following order to:

1. Pay taxes.
2. Make up accumulated loss from previous years.
3. 10% legal reserve. (This can be ignored unless the reserve earnings have summed up to the company's total capital).

When the Company allocates special reserve required by law, regarding "the net increase in fair value of investment property accumulated in previous period" and "the net decrease in fair value of other equity interest accumulated in previous period" remain an insufficiency for

allocation, at the time for distribution of distributable surplus, the Company shall allocate an amount of special reserve equal to the amount allocated to undistributed earnings for the preceding period. If there remains any insufficiency, allocate it from the amount of the after-tax net profit for the period, plus items other than after-tax net profit for the period, that are included in the undistributed earnings of the period.

When there is balance after deduct the legal reserve or reverse special earnings reserve pluses undistributed surplus in accordance with the relative laws & regulations, the board of directors can propose the allocation in the form of new shares for accumulated distributable surplus and resolve by shareholders' meeting.

The Company authorizes the distributable dividends and bonuses, capital reserve or legal reserve in whole or in part may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.

The dividend and bonus shall not be less than 50% of the distributable surplus of the current year, and the cash dividend shall not be less than 10% of the total amount of the current year.

Article 20-1: The Company shall allocate, at the rate of 3% to 7% of the Company's profit as employee's bonus, with no less than 2% of that distribution going to grassroot employees and not higher than 3% for directors. But the Company should make up the losses before the allocation. The employee's remuneration may be made by stock or cash and allocate to the employees who meets certain conditions. The annual profit stated above is referred to the annual pre-tax benefit before deduction of the distribution of staff and directors' remuneration.

The remuneration of the staff and the directors shall be determined by the board of directors by more than two-thirds of the directors and more than half of the directors attending the meeting and report to the shareholders' meeting afterwards.

## **Chapter 7 Supplementary Provisions**

Article 21: The total investment to other company will not limit to the maximum 40 % of the amount of paid-up share capital as the regulation of Company Act Article 13

Article 22: Matters not provided herein shall be followed in accordance with the Company Act.

Article 23: These Articles of Incorporation was duly enacted on Mar. 26, 1988 and subsequently

amended as follows:

The first amendment on July 14, 1990

The nineteenth amendment on May 26, 2005

The twentieth amendment on June 13, 2006

The 21st amendment on June 13, 2007

The 22nd amendment on June 10, 2008

The 23rd amendment on June 10, 2009

The 24th amendment on May 26, 2010

The 25th amendment on May 25, 2012

The 26th amendment on May 27, 2014

The 27th amendment on May 31, 2016

The 28th amendment on May 25, 2017

The 29th amendment on May 28, 2020

The 30th amendment on July 20, 2021

The 31st amendment on May 26, 2022

The 32nd amendment on May 26, 2025

Chairman of the Board: Chung-Kuo Tseng

## Appendix 2



### Rules of Procedure for Shareholders' Meeting

**Article 1** To establish a strong governance system and sound supervisory capabilities for the Company's shareholders meetings, and to strengthen management capabilities, these Rules are adopted pursuant to Article 5 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

**Article 2** The rules of procedures for the Company's shareholders meetings, except as otherwise provided by law, regulation, or the articles of incorporation, shall be as provided in these Rules.

**Article 3** (Convening shareholders meetings and shareholders meeting notices)

Unless otherwise provided by law or regulation, the Company's shareholders meetings shall be convened by the Board of Directors.

The Company convenes a shareholder meeting via video conference. In addition to any regulations specified in the Regulations Governing the Administration of Shareholder Services of Public Companies, it should be stipulated in the Articles and approved by the board of directors. Moreover, for a virtual shareholder meeting, resolutions should be implemented only if attended by more than two-thirds of the directors and agreed upon by a majority of the attending directors.

Any change in the method of convening shareholder meetings by the Company should be decided upon by the board of directors and implemented no later than before the issuance of the notice of the shareholder meeting.

The Company shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors or supervisors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting.

The reasons for convening a shareholders meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.

In addition, before 15 days before the date of the shareholders meeting, the Company shall also have prepared the shareholders conference hand book and supplemental meeting materials and made them available for review by shareholders at any time and displayed at the company and the office of our Agent for our securities. The conference hand book and supplemental materials shall also be displayed at the Company and its

shareholder services agent as well as being distributed on-site at the meeting place.

The Company shall prepare electronic versions of the shareholders conference hand book and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting. However, if the paid-in capital of the Company exceeds NT\$10 billion at the end of the most recent fiscal year, or if the total foreign and mainland Chinese shareholding ratio listed in the shareholder register at the most recent annual shareholders' meeting reaches 30% or more, the electronic files mentioned above should be transmitted 30 days before the shareholders' meeting.

The conference hand book and supplementary materials mentioned above should be provided to shareholders on the day of the shareholders' meeting as follows:

1. When holding a physical shareholders' meeting, they should be distributed at the meeting venue.
2. When holding a video-assisted shareholders' meeting, they should be distributed at the meeting venue and transmitted electronically to the video conference platform.
3. When holding a video shareholders' meeting, they should be transmitted electronically to the video conference platform.

Notifications and announcements should specify the purpose of the meeting, and if agreed by the relevant parties, they may be conducted electronically.

Election or dismissal of directors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the Company, or any matter under Article 185, paragraph 1 of the Company Act or Articles 26-1 and 43-6 of the Securities and Exchange Act, or Article 56 paragraph 1 or Article 60 paragraph 2 of Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out and the essential contents explained in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion.

Where re-election of all directors as well as their inauguration date is stated in the notice of the reasons for convening the shareholders meeting, after the completion of the re-election in said meeting such inauguration date may not be altered by any extraordinary motion or otherwise in the same meeting.

A shareholder holding one percent or more of the total number of issued shares may submit to the Company a written proposal for discussion at a regular shareholders meeting. The number of items so proposed, however, is limited to one only, and no proposal containing more than one item will be included in the meeting agenda, provided a shareholder proposal for urging the Company to promote public interests or fulfill its social responsibilities may still be included in the agenda by the board of

directors. In addition, when the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda.

Prior to the book closure date before a regular shareholders meeting is held, the Company shall publicly announce its acceptance of shareholder proposals in writing or electronically, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.

Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the regular shareholders meeting and take part in discussion of the proposal.

Prior to the date for issuance of notice of a shareholders meeting, the Company shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders meeting the board of directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.

**Article 4** (Entrustment of shareholders' meeting attendance and authorization)

A shareholder holding one percent or more of the total number of issued shares may submit to the Company a written proposal for discussion at a regular shareholders meeting. The number of items so proposed, however, is limited to one only, and no proposal containing more than one item will be included in the meeting agenda, provided a shareholder proposal for urging the Company to promote public interests or fulfill its social responsibilities may still be included in the agenda by the board of directors. In addition, when the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda.

After delivering the letter of attorney to the Company, if a shareholder wishes to attend the shareholders' meeting via video conferencing, they should notify the Company in writing to revoke the proxy two days before the meeting. If the revocation is made after the deadline, the voting rights exercised by the proxy shall prevail.

**Article 5** (Principles on meeting venue and time)

The venue for a shareholders meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.

When the Company convenes a video conference of shareholders, it is not subject to the restrictions on the venue mentioned in the preceding paragraph.

**Article 6** (Preparation of documents such as the attendance book)

The Company shall specify in its shareholders meeting notices the time during which shareholder, proxy solicitor or proxy agent (the Shareholder) attendance registrations will be accepted, the place to register for attendance, and other matters for attention..

The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. The video conference for the shareholders' meeting should accept attendance registrations on the video conference platform 30 minutes before the meeting starts. Shareholders who complete the attendance registrations are considered as personally attending the shareholders' meeting.

Shareholders and their proxies (collectively, "shareholders") shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. The company cannot ask for extra certificate who attends the Shareholder's meeting other than these legal documents. Solicitors soliciting proxy forms shall also bring identification documents for verification.

The Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.

The Company shall furnish attending shareholders with the conference hand book book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors or supervisors, pre-printed ballots shall also be furnished.

When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting

For shareholders who prefer to attend the shareholders' meeting via video conference, they should register with the Company at least two days before the meeting.

In the case of a shareholders' meeting held via video conference, the Company should upload the conference handbook, annual reports, and other relevant documents to the video conference platform at least 30 minutes before the meeting starts. This information should remain accessible throughout the meeting.

**Article 6-1** (Notice of Convening Shareholders' Meeting by Video Conference)

When convening a shareholders' meeting via video conference, the following matters shall be stated in the notice of the meeting:

1. Methods for the Shareholders to participate in the video conference and exercise their rights.

2. The handling measures in case of obstacles encountered in the video conference platform or participation via video conference due to natural disasters, emergencies, or other force majeure events, including at least the following:
  - (a) If the obstacles cannot be eliminated and the meeting needs to be postponed or continued, the time for postponement or continuation of the meeting and the date of the meeting shall be provided.
  - (b) Shareholders who did not register for participation via video conference in the original shareholders' meeting shall not be allowed to participate in the postponed or continued meeting.
  - (c) If a video-assisted shareholders' meeting cannot continue, after deducting the number of shares represented by those participating via video conference, if the total number of shares represented at the meeting meets the statutory quorum for convening the shareholders' meeting, the meeting shall proceed. Shareholders participating via video conference shall be considered as present, and their shares shall be counted towards the total number of shares represented at the meeting. All agenda items of the shareholders' meeting shall be deemed as abstentions.
  - (d) Handling measures when all agenda items have been announced with results and no extraordinary motions have been made.

In convening a shareholders' video meeting, the Company should specify appropriate alternative measures for shareholders who have difficulty participating via video conference. Except for situations specified in Article 44-9, Paragraph 6 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company should at least provide shareholders with connection equipment and necessary assistance, and specify the period during which shareholders may apply to the Company, along with other relevant precautions.

**Article 7** (The chair and non-voting participants of a shareholders meeting)

If a shareholders meeting is convened by the Board of Directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson also is on leave or for any reason unable to exercise the powers of the vice chairperson, the chairperson shall appoint one of the managing directors to act as chair, or, if there are no managing directors, one of the directors shall be appointed to act as chair. Where the chairperson does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as chair.

When a managing director or a director serves as chair, as referred to in the preceding paragraph, the managing director or director shall be one who has held that position

for six months or more and who understands the financial and business conditions of the company. The same shall be true for a representative of a juristic person director that serves as chair.

It is advisable that the chairman of the Board of Directors attend the Shareholder's meeting convened by the Board of Directors, and the chairman of the Board of Directors shall preside over the meeting and shall have more than half of the directors of the Board of Directors; additionally, at least one member representing each functional committee should attend, and the attendance should be recorded in the minutes of the shareholders' meeting.

If a shareholders meeting is convened by a party with power to convene but other than the Board of Directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.

The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders meeting in a non-voting capacity.

**Article 8** (Documentation of a shareholders meeting by audio or video)

The Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures. The recorded materials of the preceding paragraph shall be retained for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

When a shareholders' meeting is held via video conference, the Company shall record and retain information concerning shareholder registration, registration, attendance, questioning, voting, and the company's vote counting results. The entire video conference should be continuously recorded and filmed without interruption.

The Company should properly preserve the data and recordings for the duration of its existence and provide the recordings to the entrusted party responsible for handling video conference affairs.

**Article 9** (Calculation of the number of shares present and the start of the meeting)

Attendance at shareholders meetings shall be calculated based on numbers of shares. The number of shares in attendance is calculated based on the signature book or signed-in card and the number of shares registered on the video conferencing platform, plus the number of shares for which voting rights have been exercised in writing or electronically.

The chairman shall call the meeting to order at the appointed meeting time and disclose related information concerning the number of shares represented by shareholders attending the meeting. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined

total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned; when the meeting is held via video conference, the Company shall also announce the meeting adjourned on the video conference platform of the shareholders' meeting.

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and Another shareholders meeting shall be convened within 1 month; when the shareholders' meeting is held via video conference, shareholders who wish to attend via video conference must re-register with the Company in accordance with Article 6.

When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.

**Article 10** (Discussion of proposals)

If a shareholders meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. Votes shall be cast on each separate proposal in the agenda (including extraordinary motions and amendments to the original proposals set out in the agenda). The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.

The provisions of the preceding paragraph apply mutatis mutandis to a shareholders meeting convened by a party with the power to convene that is not the board of directors.

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

The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed, call for a vote, and schedule sufficient time for voting.

**Article 11** (Shareholders' speeches)

Before speaking, an attending shareholder must fill out a speaker's slip the subject of the speech states his/her shareholder account number (or attendance card number),

and account name. The order in which shareholders speak will be set by the chair.

A shareholder who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.

Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.

When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.

When a juristic person shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal

After an attending shareholder has spoken, the chairman may respond in person or direct relevant personnel to respond.

The shareholders' meeting is held by video conference, shareholders participating in the video conference may ask in text on the video conference platform of the shareholders' meeting after the chairman announces the opening of the meeting and before announcing the adjournment of the meeting. The number of questions for each proposal shall not exceed two times. It is limited to 200 words, and the provisions of items 1 to 5 do not apply.

**Article 12** (Calculation of voting shares and recusal system)

Voting at a shareholders meeting shall be calculated based the number of shares.

With respect to resolutions of shareholders meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares.

When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of the Company, that shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder.

The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders.

With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed 3 percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

**Article 13** (Method of voting, scrutinizing and vote counting)

A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act.

When the Company holds a shareholder meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting.

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company before two days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.

After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person or via video conference, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, before two business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.

Except as otherwise provided in the Company Act and in the Company's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attended shareholders. At the time of a vote, the shareholders proceed to vote, and the company should post the result (agree, objection and abstention) to MOPS on the date of the shareholders' meeting.

When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

Vote counting shall be conducted in public on the spot of the shareholders meeting,

the results along with statistics of weights of the voting shall be announced on-site at the meeting after counting, and made into record.

The supervisors and counting personnel for voting on proposals shall be designated by the chairman, but the supervisors shall have the status of shareholders.

The Company convenes a video conference of shareholders. Shareholders participating in the video conference should vote on various proposals and election proposals through the video conferencing platform after the chairman announces the meeting. The voting should be completed before the chairman announces the end of voting. For those overtimed will be deemed to have abstained.

If the shareholders' meeting is held via video conference, the votes shall be counted in one go and the voting and election results shall be announced after the chairman announces the end of the voting.

When the Company convenes a shareholder meeting will be a hybrid one, shareholders who have registered to attend the shareholders' meeting via video conference in accordance with Article 6 and wish to attend the physical shareholders' meeting in person must cancel their registration in the same manner as the registration two days before the shareholders' meeting; those who cancel after the deadline can only attend the shareholders' meeting via videoconference.

Those who exercise their voting rights in writing or electronically, do not revoke their expression of intention, and participate in the shareholders' meeting via video conference may no longer exercise their voting rights on the original motion, propose amendments to the original motion, or exercise voting rights on amendments to the original motion, except for extraordinary motions.

**Article 14** (Election of directors)

The election of directors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and the numbers of votes obtained.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

**Article 15** (Meeting minutes and matters to be signed off)

Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.

The Company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights), and disclose the number of voting rights won by each candidate in the event of an election of directors. The minutes shall be retained for the duration of the existence of the Company.

For shareholder meetings conducted via video conference, in addition to the matters required to be recorded as stipulated in the preceding Articles, the minutes of the meeting should also include the start and end times of the meeting, the method of convening the meeting, the names of the chairperson and the recorder, as well as the procedures and outcomes for handling any obstacles or interruptions occurring on the video conference platform or in participation via video conferencing due to natural disasters, emergencies, or other force majeure circumstances.

When the Company convenes a video conference, in addition to complying with the provisions of the preceding Articles, it shall also state in the minutes any alternative measures provided by shareholders who have difficulties in participating via video conference.

**Article 16** (Public disclosure)

Regarding the number of shares acquired by proxy solicitor and proxy agent, and the number of shares attended by shareholders in writing or electronically, the Company shall prepare a statistical table in the prescribed format on the day of the shareholders' meeting and disclose it at the meeting venue; if the shareholders' meeting is held via video conference, the Company shall upload the aforementioned information to the video conference platform at least 30 minutes before the start of the meeting, and continue to disclose it until the end of the meeting.

When the Company holds a video conference of shareholders and announces the meeting, the total number of shares of shareholders attending should be disclosed on the video conference platform. The same applies if the total number of shares and voting rights of shareholders present are calculated during the meeting.

If matters put to a resolution at a shareholders meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation (or GreTai Securities Market) regulations, the Company shall upload the content of such resolution to the MOPS within the prescribed time period.

**Article 17** (Maintaining order at the meeting place)

Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands.

The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word

"Proctor."

At the place of a shareholders meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by the Company, the chair may prevent the shareholder from so doing.

When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the meeting.

**Article 18** (Recess and resumption of a shareholders meeting)

When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

If the meeting venue is no longer available for continued use and not all of the items (including extraordinary motions) on the meeting agenda have been addressed, the shareholders meeting may adopt a resolution to resume the meeting at another venue.

A resolution may be adopted at a shareholders meeting to defer or resume the meeting within 5 days in accordance with Article 182 of the Company Act.

**Article 19** (Information disclosure of video conference)

If the shareholders' meeting is held by video conference, the Company should immediately disclose the voting results of each proposal and the election results on the video conference platform in accordance with regulations after the voting ends; and should continue to disclose the results for at least 15 minutes after the chairman announces the adjournment of the meeting.

**Article 20** (The location of the chairman and record-keeper of the video-conference shareholders' meeting)

When the Company convenes a video shareholders' meeting, the chairman and record personnel should be at the same place in the country.

**Article 21** (Handling measure of disconnection)

For shareholder meetings conducted via video conference, the chairperson shall, upon announcing the commencement of the meeting, also announce separately that unless circumstances exempted by Article 44-20, Paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies occur, in the event of obstacles or interruptions on the video conference platform or in participation via video conferencing due to natural disasters, emergencies, or other force majeure circumstances persisting for 30 minutes or more until the chairperson announces the adjournment, the meeting shall be postponed or continued within five days; the provisions of Article 182 of the Company Act shall not apply.

In the event of the aforementioned postponement or continuation of the meeting, shareholders who have not registered to participate in the original shareholder meeting via video conferencing shall not be allowed to participate in the postponed or continued meeting.

According to the provisions of the paragraph 1, in the event that a meeting is postponed or continued as stipulated, shareholders who have registered to participate in the original shareholder meeting via video conferencing and have completed the registration but did not participate in the postponed or continued meeting; their number of shares, exercised voting rights, and election rights at the original shareholder meeting shall be included in the total shareholding, voting rights, and election rights of the shareholders attending the postponed or continued meeting.

When conducting a postponed or continued meeting in accordance with the provisions of the paragraph 1, matters that have been voted, counted and the result announced or the list of elected directors, do not need to be rediscussed or voted again.

The Company convenes a video-assisted shareholders' meeting and when the video meeting cannot be continued as specified in the Paragraph 1; if the total number of shares present still reaches the legal quota for the shareholders' meeting after deducting the number of shares attending the shareholders' meeting via video, the shareholders' meeting shall continue; there is no need to postpone or continue in accordance with the provisions of Paragraph 1.

In the event described in the preceding paragraph where the meeting should proceed, shareholders participating in the shareholder meeting via video conferencing should have their attendance included in the total shareholding of the attending shareholders. However, regarding all agenda items of the present shareholder meeting, they are considered abstentions.

In accordance with the provisions of the first paragraph, when the Company postpones or continues a meeting, it should follow the relevant preparatory procedures in accordance with the provisions listed in Article 44-20, Paragraph 7 of the Regulations Governing the Administration of Shareholder Services of Public Companies, based on the original shareholder meeting date and the provisions of each respective article.

According to the provisions of Article 12, Paragraph 2 and Article 13, Paragraph 3 of the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies; Article 44-5, Paragraph 2, Article 44-15, and Article 44-17, Paragraph 1 of the Regulations Governing the Administration of Shareholder Services

of Public Companies, the Company should proceed with the date of the postponed or continued meeting in accordance with the period stipulated in the first paragraph.

**Article 22** (Handling of Digital Gap)

When the Company convenes a video conference of shareholders, it should provide appropriate alternative measures for shareholders who would have difficulty attending the meeting via video conference. Except for the circumstances stipulated in Paragraph 6 of Article 44-9 of Regulations Governing the Administration of Shareholder Services of Public Companies, shareholders should at least be provided with connection equipment and necessary assistance; and the period that shareholders can apply to the Company and other relevant matters should be noted.

**Article 23** These rules and any amendments hereto, shall be implemented after adoption by shareholders meetings.

**Article 23** These rules were established on June 30, 1998.

First amendment was April 30, 2002.

Second amendment was June 13, 2006.

The third amendment was May 26, 2010.

The fourth amendment was May 25, 2012.

The fifth amendment was June 26, 2013.

The sixth amendment was May 31, 2016.

The seventh amendment was July 20, 2021.

The eighth amendment was June 14, 2023.

## Appendix 3

### Kuen Ling Machinery Refrigerating Co., Ltd. Shareholding of All Directors

1. Types and number of issued shares: common stocks, 76,152,370 shares in total.
2. Minimum required shareholding by all Directors: 6,092,189 shares
3. Minimum required shareholding by all Supervisors: Not Applicable (Already set up Audit Committee)
4. The total shareholding of all Directors meets the minimum shareholding requirement.

Period of suspension of share transfer: March 30, 2026

Position	Name	Current shareholding	Remarks
Director	Tseng, Chung-Kuo	2,423,351	
Director	Yeh, Rung-Pin	2,658,418	
Director	Ko, Wen-Chi	4,414,075	
Director	Teco Electricity Co., Ltd.	10,665,642	Representative: Peng, Chi-Tseng
Director	Hua Hong Industrial Co., Ltd.	1,467,000	Representative: Huang, Yu-Fen
Independent director	Kuan, Yean-Der	0	
Independent director	Hong, Li-Rong	0	
Independent director	Yang, Wen-An	0	
Independent director	Chen, Ming-Bing	0	
Total number of shares held by all Directors (Repeaters are counted as a single account)		21,628,486	

## Appendix 4

Shareholder proposal handling guidelines:

Explanation:

1. According to Article 172-1 of Company Act, the stockholders who hold 1% (or above) of the total issued shares can make only one proposal on the shareholders meeting and no proposal containing more than one item will be included in the meeting agenda.
2. The period accepting shareholder's proposal by means of written method is from March 21 till March 31, 2026 and the announcement has been open to the public on MOP.
3. The Company did not receive any written proposal from shareholder during this period.