

Stock Code: 9918



Shin Shin Natural Gas Co., Ltd.

Investor Conference 2025

August 29th, 2025

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1. Company Profile

(1) Product and service:

The Company supplies natural gas to household customers as fuel, via pipelines within government authorities approved districts. Also, the Company offers professional tailored design, construction of natural gas pipeline and safety devices for customers.

(2) Major events and growth of capital

- a. Registered on May 25, 1971, with an initial capital of NT\$60 million.
- b. Official gas supply began on March 26, 1974.
- c. Public offering of shares on December 15, 1983, with capital of NT\$175.2 million.
- d. Listed on the stock exchange on April 26, 1994, with capital of over NT\$672.56 million.
- e. Capital increased to over NT\$1.80537 billion as of June 17, 2010, and remains so.

(3) Organization Structure

The shareholders' meeting is the highest authority. The Board of Directors has three functional committees—Audit, Remuneration, and Sustainability—to enhance supervision and management. The Audit Office reports directly to the Board.

Under the Board, management departments are divided into Business Development, Sales, Engineering, Administration, Finance, Occupational Safety, Human Resources, and IT, each handling respective functions. A Corporate Governance Officer is also appointed under the law.

(4) Service districts:

- a. The Company supplies natural gas to customers via pipelines within five districts, including Zhonghe,

Yonghe, Xindian and Shenkeng Districts in New Taipei City, and Wenshan District in Taipei City.

- b. To provide better customer service, the Company's office moved to self-build "Shin-Shin Building" (No. 100, Sec. 1, Yonghe Rd., Yonghe Dist., New Taipei City 234, Taiwan, R. O. C.) on December 24th, 1985.
- c. The Company has two gas storage tanks in Wanfang area in Taipei City and the Ankeng area in New Taipei City, respectively. We also have 11 pressure regulating stations to dispatch and regulate gas supply demands.

(5) Certified personnel

There are 165 full-time employees in the Company, including 95 Class B technician certified for Gas Piping and 29 Class C technician certified for Gas Appliances Technology, also 6 hold certifications in sustainability, cybersecurity, and personal data protection.

The company organizes or sponsors employees for training courses recognized by regulatory authorities each year to strengthen occupational safety and engineering skills. In the first half of 2025 alone, employees have attended over 900 training sessions, showing the company's commitment to sustainability, talent development, and safe gas supply.

2. Operation Highlights

(1) Current Industry Status

The government-owned "China Petroleum Cooperation, Taiwan" (known as CPC) provides natural gas to twenty-five government approved companies. They provide household and commercial customers stable and enough natural gas via pipelines in Taiwan. Also, CPC is the exclusive agent of

importing and providing natural gas in Taiwan, Republic of China.

(2) Future market of Supply and Demand

CPC has long-term procurement contracts with foreign suppliers, and both natural gas and shale gas reserves are abundant, ensuring supply security.

(3) Competition Niche

Gas company service areas are approved by authorities and do not overlap, providing supply stability. However, prices are regulated under the Natural Gas Enterprise Act.

(4) Business Developments

Household Customers Statistics			
Year	2023	2024	2025Q2
Customers	369,573	375,043	376,918
Penetration Rate	71.10%	70.88%	69.66%

(5) Natural Gas Sales

Recent years have seen a slight decline in gas sales because of global warming. However, in the first half of 2025, lower average temperatures led to a slight increase in usage. As of Q2 2025, gas sales reached 66,906,029 m³, achieving 60.41% of the annual target.

(6) Regular Pipeline Equipment Safety Checkup

To ensure customers safety, pipeline equipment's in households are checked every two-year and those in commercial ones are checked every one-year. To disseminate natural gas safety and anti-fraud, the Company distributes brochures and participates in

community affairs.

Item	2023	2024	2025Q2
<i>Ratio of Customer Pipeline Equipment checked</i>	87.31%	82.84%*	39.81%*
*With over 74,022 households inspected in Q2 2025, The Company is ensuring the safety of gas usage for our customers.			

(7) Regular Outdated Gas Meter Exchange

Item	2023	2024	2025 Q2
<i>Total Outdated Gas meter replacement</i>	34,740	24,847	11,739
Ratio (%)	102.18	92.03	51.04

(8) Updated Pipelines Replacement

The annual replacement pipeline length in the past three years:

- a. 8,300 meters in 2023, exceeding the annual planned target.
- b. 11,151.5 meters in 2024, exceeding the annual planned target.
- c. 5,159.7 meters in Q2 2025.

To ensure safety, the Company inspects, maintains and replaces worn pipelines and valves regularly according to the annual plan.

(9) Working Environment Safety Management

We implement various occupational safety policies and education training revise work standards as needed, and carefully supervise all safety inspections and audits. We conduct unscheduled inspections of occupational

safety facilities and staff at various construction sites. Through a sound management system, we provide a comprehensive working environment, implement various health protection measures, and ensure staff safety, event safety, and property safety.

The Company has collected 5,834,681 non-disaster hours from October 28, 2009, to June 30, 2025. The Industrial Safety and Health Association (ISHA) of the R.O.C., entrusted by the Ministry of Labor, issued the 11th Certificate of Merit for the achievement. To accrue more non-disaster hours, the Company will make more efforts to maintain project quality and occupational safety.

3. Financial Review

(1) Condensed Consolidated Income Statement

Unit: NT\$ 1,000

Item\Fiscal Year	2023-Y	2024-Y	2025-Q2	2024-Q2
Net Revenue	1,932,392	1,992,727	1,205,298	1,146,921
Gross Profit	564,927	591,521	392,186	364,624
Gross Profit Rate	29.23%	29.68%	32.54%	31.79%
Operating Expenses	269,034	270,786	143,352	150,282
Operating Income	295,893	320,735	248,834	214,342
Non-Operating Profit	121,037	147,173	(53,063)	119,617
Income before tax	416,930	467,908	195,771	333,959
Net Income	355,885	397,412	146,036	287,908
EEPS in NT Dollar	2.00	2.23	0.82	1.61

(2) Condensed Consolidated Balance Sheet

Unit: NT\$ 1,000

Item\Fiscal Year	2023-Y	2024-Y	2025-Q2	2024-Q2
Total Assets	5,749,623	5,973,424	6,040,205	6,036,790
Cash and Cash Equivalents	411,489	531,608	848,994	653,402
Financial Assets- Current	2,079,278	1,460,904	1,134,338	1,735,319
Accounts and Notes Receivable, Net	190,406	201,476	222,964	228,424
Other Accounts Receivables	23,371	6,668	14,889	78,254
Inventories, Net	42,313	67,610	89,570	37,560
Other Assets	433,016	433,062	432,781	367,671
Property, Plant and Equipment	2,569,750	3,272,096	3,296,669	2,936,160
Total Liabilities	2,583,470	2,665,667	2,875,272	2,853,535
Current Liabilities	1,169,391	1,179,690	1,325,276	1,377,988
Non-Current Liabilities	1,414,079	1,485,977	1,549,996	1,475,547
Total Equity	3,166,153	3,307,757	3,164,933	3,183,255

(3) Condensed Consolidated Statement of Cash Flow

Unit: NT\$ 1,000

Item\Fiscal Year	2023-Y	2024-Y	2025-Q2	2024-Q2
Cash and Cash Equivalents at Beginning of Year	590,318	411,489	531,608	411,489
Net Cash Provided by Operating Activities	498,879	598,544	480,182	236,907
Net Cash used for Investing Activities	(501,542)	(207,474)	(164,623)	2,525
Net Cash Provided by Financing Activities	(176,166)	(270,951)	1,827	2,481
Cash and Cash Equivalents at End of Year	411,489	531,608	848,994	653,402

(4) Key Financial Indexes

Item\Fiscal Year	2023-Y	2024-Y	2025-Q2	2024-Q2
Current Ratio (%)	235.64	193.16	175.14	198.76
Quick Ratio (%)	231.44	186.68	168.19	195.79
Inventory Turnover (times)	31.25	25.49	20.69	39.17
Days Inventory Outstanding (days)	11.68	14.31	17.64	9.31
Accounts Receivable Turnover (times)	9.25	9.79	10.94	10.57
Days Sales Outstanding (day)	39.45	37.28	33.36	34.53

4. Operation Prospects

(1) New customer promotion

- a. The Company tries to extend pipeline network and expand service area to meet future demands, such as residential compounds, new residential buildings, urban renewal projects, and redevelopment areas. In 2025 H1 the Company added 1,511 new households.
- b. To collaborate with government's public construction projects and to extend pipelines to old residential areas without natural gas pipelines, the Company gradually starts pipeline network extension and expansion projects to meet the future demands.
- c. The Company puts efforts into densifying our service network to people who lived within our natural gas supply network, but haven't chosen our service yet. In 2025 H1 our company added 348 new customers.
- d. In cooperation with government policies, the Company helps fuel oil boiler households plan and design the replacement of natural gas to reduce air pollution. Also, the Company work on strengthening the use of natural gas by large natural gas customers, such as government agencies and schools in the Company's service districts to increase the use of natural gas. In 2025 H1, the Company pursued the conversion of 16 customers.

(2) Safety Enhancement Measures

- a. The permanent Emergency Response Center (ERC) of the Company applies various systems to establish strong disaster response procedures, such as MIS¹, GIS², real-time pipeline supply tracking system,

² Management Information System (MIS)

³ Geographic Information System (GIS)

construction live-stream and engineering rescue vehicle's GPS facilities to enhance multiple disaster response and recovery capabilities.

b. Speed-up outdated pipeline replacement:

To enhance natural gas supply safety, the Company continually replaces the outdated low-pressure cast iron pipelines in Yonghe and Zhonghe Districts in New Taipei City in 2025. Also, the Company incorporates mobile phone application of pipeline inspection for better pipeline safety and managing efficiency.

Enhancing Engineering Management System: Planning and establishing a supply equipment pipeline and dispatch system to effectively improve engineering safety management operations.

(3) Convenient Payment Options

a. Direct Debit:

Customers can set up automatic payments through post office, banks, or credit cards, offering convenience and eliminating concerns about overdue payments.

b. Various Payment Methods:

The Company provides many convenient payment services. Thus, customers can pay their bills by presenting their physical bills or downloading the three-barcode from The Company's official website. Payment can be made at convenience stores, and banks in person, or through online and mobile app channels. The Company has offered "Electronic Bills" since March 2022, providing an even more convenient and secure payment service. We urge customers to

apply for this service, contributing to net-zero carbon emissions. As of H1 2025, there are 29,996 electronic bill users, accounting for about 7.96% of our total gas supply customers, suggesting that continued promotion is needed.

(4) Promote Computerized Gas Meter

There are three main safety features of computerized gas meter, such as gas leaking, earthquake and overtime automatic shutdown. The Company works actively to cooperate with government policy on promoting computerized gas meter to household customers.

Item	2023	2024	2025 Q2
<i>Computerized gas meter installed</i>	220,296	245,420	257,408
<i>Gas meter installed</i>	369,573	375,043	376,933
Ratio	59.61%	65.44%	68.29%*
* Over 2/3 of total household customers.			

(5) Enhancing Risk Management

In 2025, the Board of Directors approved the Risk Management Policy and Procedures, and authorized the Audit Committee to supervise risk management. The identified risk areas include operations, finance, engineering, and information technology. Regular risk management reports are submitted to the Board of Directors to ensure stable company operations and long-term development.

(6) Timeline of ESG development

As a company with a paid-in capital of less than NT\$5 billion, the Company started greenhouse gas inventory

operations in 2024, and completed our sustainability report in H1 2025. We will manage the greenhouse gas inventory and verification disclosure schedule under the competent government authority's reference guidelines and relevant regulations, and report to the Board of Directors on a quarterly basis. The sustainability report has been approved by the Board of Directors and will be filed under regulations.

Recently, the Company established the "Sustainable Development Committee" under the Board of Directors to implement corporate sustainable development and strengthen corporate governance.

(7) Sustainable development

Natural gas is a clean and pollution-free energy source, offering low-carbon and environmentally friendly advantages, making it the best energy choice for urban daily life. With the support of shareholders, the guidance of the Board of Directors, and the collective efforts of all employees, the company's performance will flourish, and its future is bright.

Q & A