

Stock Code: 9918



Shin Shin Natural Gas Co., Ltd.

Investor Conference 2026

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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, we provide professional tailored design, construction of natural gas pipeline and safety devices for customers.

(2) Major events and growth of capital

- a. Registered date: May 25th, 1971. The initial capital was NT\$ 60,000,000.
- b. Official operation date: March 26th, 1974.
- c. Stock public offering date: December 15th, 1983. The Stock listing capital was NT\$ 175,200,000.
- d. Stock listing date: April 26th, 1994. The Stock listing capital was NT\$ 672,560,000.
- e. Stock listing capital since June 17th, 2010: NT\$ 1,805,370,000.

(3) Organization Structure

The Shareholders' Meeting is the highest authority of the Company. To ensure sound supervisory functions and enhance management capabilities, the Board of Directors has established three functional committees: the Audit Committee, the Remuneration Committee and the Sustainability Committee. The Internal Audit Office reports directly to the Board of Directors. Under the Board of Directors, there are managerial departments, including Business Development, Sales, Engineering, Administration, Finance, and Occupational Safety, Personnel, and Information Technology, which are responsible for executing various business operations. 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 the "Farglory Chasing Light Building" (8F, No.29, Xinmin St., Zhonghe Dist., New Taipei City 235009, Taiwan, R.O.C.) on November 17, 2025.
- 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 163 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.

To strengthen occupational safety and engineering knowledge, we conduct in-house training or send staffs to participate in relevant educational training courses at training institutions recognized by competent authorities, with over 1,350 person-times of training yearly. To help to execute various safety operations, we encourage our colleagues to obtain multiple certifications in various engineering categories. This shows our company's emphasis and commitment to employee 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

To provide sustainable supply and stable natural gas rate to domestic market, CPC has signed long term contracts with foreign suppliers. With many deposits and mining activities of natural gas and shale oil around the world, the demands of natural gas shall be met in the foreseeable future.

(3) Competition Niche

According to the Natural Gas Enterprise Act, a natural gas enterprise is solely supplying natural gas to approved service districts only, with endorsement by the government authorities. There are twenty-five government approved natural gas companies in Taiwan. Those companies have exclusive business advantage within their service districts. However, the consumables and service charges are also under supervision by Natural Gas Enterprise Law.

(4) Business Developments

Household Customers Statistics			
Year	2023	2024	2025
Customers	369,573	375,043	378,981
Penetration Rate	71.10%	70.88%	69.73%

(5) Natural Gas Sales

Over the past three years, the Company's gas sales volume has remained relatively stable. The impact of global warming, the increase in smaller urban households, and changes in lifestyle patterns have limited significant growth in gas consumption. Gas sales volume was about:

- 110.53 million cubic meters in 2023
- 109.13 million cubic meters in 2024
- 110.62 million cubic meters in 2025

Gas sales recorded a slight increase in 2025.

(6) Convenient Payment Methods

a. Direct Debit:

Customers can set up automatic payments through the 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.

(7) 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 circulate natural gas safety and anti-fraud, the Company distributes brochures and participates in community affairs. The annual results in the past three years:

Item	2023	2024	2025
<i>Ratio of Customer Pipeline Equipment checked</i>	87.31%	82.84%*	83%*
*With over 152,000 households inspected in 2024, The Company is ensuring the safety of gas usage for our customers.			

(8) Updated Pipelines Replacement

The annual replacement pipeline length in the past three years:

- a. 8,300 meters in 2023.
- b. 11,151.5 meters in 2024.
- c. 10,892 meters in 2025 (largely over 8,336 meter of annual target plan).

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

3. Financial Review

(1) Condensed Consolidated Income Statement

Unit: NT\$ 1,000

Item\Fiscal Year	2023-Y	2024-Y	2025-Y
Net Revenue	1,932,392	1,992,727	2,051,671
Gross Profit	564,927	591,521	612,056
Gross Profit Rate	29.23%	29.68%	29.83%
Operating Expenses	269,034	270,786	281,968
Operating Income	295,893	320,735	330,088
Non-Operating Profit	121,037	147,173	26,191
Income before tax	416,930	467,908	356,279
Net Income	355,885	397,412	285,844
EEPS in NT Dollar	2.00	2.23	1.61

(2) Condensed Consolidated Balance Sheet

Unit: NT\$ 1,000

Item\Fiscal Year	2023-Y	2024-Y	2025-Y
Total Assets	5,749,623	5,973,424	5,863,758
Cash and Cash Equivalents	411,489	531,608	609,384
Financial Assets- Current	2,079,278	1,460,904	1,157,957
Accounts and Notes Receivable, Net	190,406	201,476	171,236
Inventories, Net	42,313	67,610	81,333
Other Assets	456,387	439,730	446,349
Property, Plant and Equipment	2,569,750	3,272,096	3,397,499
Total Liabilities	2,583,470	2,665,667	2,550,627
Current Liabilities	1,169,391	1,179,690	1,032,526
Non-Current Liabilities	1,414,079	1,485,977	1,518,101
Total Equity	3,166,153	3,307,757	3,313,131

(3) Condensed Consolidated Statement of Cash Flow

Unit: NT\$ 1,000

Item\Fiscal Year	2023-Y	2024-Y	2025-Y
Cash and Cash Equivalents at Beginning of Year	590,318	411,489	531,608
Net Cash Provided by Operating Activities	498,879	598,544	654,133
Net Cash used for Investing Activities	(501,542)	(207,474)	(286,360)
Net Cash Provided by Financing Activities	(176,166)	(270,951)	(289,997)
Cash and Cash Equivalents at End of Year	411,489	531,608	609,384

(4) Key Financial Indexes

Item\Fiscal Year	2023-Y	2024-Y	2025-Y
Current Ratio (%)	235.64	193.16	197.62
Quick Ratio (%)	231.44	186.68	188.98
Inventory Turnover (times)	31.25	25.49	19.33
Days Inventory Outstanding (days)	11.68	14.31	18.88
Accounts Receivable Turnover (times)	9.25	9.79	10.54
Days Sales Outstanding (day)	39.45	37.28	34.62

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 individual building renewal projects. In 2025 the Company added 4,125 new customers.
- b. The Company puts efforts to collaborate with government's sewage sewer projects, public infrastructure projects, extending pipelines to old residential areas for future demands, and densifying our service network to people who lived within our natural gas supply network, but haven't chosen our service yet. In 2025 the Company added 665 new customers.
- c. In the first half of 2026, the Company expects to complete the design and cost estimation work for about 1,500 households, including about 1,300 households at the "Tatung New Era" Building in Zhonghe District, New Taipei City, and nearly 200 households at the "Mingde Residential Complex" in Xindian District, New Taipei City. Also, in line with government policies, the Company also assists fuel-oil boiler users in planning and converting their systems to natural gas, thus helping to reduce air pollution. The Company work on strengthening the large-volume gas customers, such as government agencies and schools, in the Company's service districts to increase the use of natural gas. In 2025, the Company pursued the conversion of 32 customers. In 2026, the Company will sequentially complete the

construction for large natural gas customers, such as Cardinal Tien Hospital in Xindian and the Global Mall in Zhonghe District.

(2) Safety Enhancement Measures

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

a. 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.

b. Enhancing Engineering Management System:

Planning and establishing a supply equipment pipeline and dispatch system to effectively improve engineering safety management operations.

(3) Promotion of E-Billing

- a. Since March 2022, the Company has introduced electronic billing services, giving users a more convenient and secure payment option. Customers are encouraged to actively subscribe to contribute to the goal of Net-Zero Emissions. As of the end of 2025, nearly 32,974 users have registered for electronic

¹ MIS: Management Information System

² GIS: Geographic Information System

- billing, accounting for about 8.70% of total gas users.
- b. In 2026, the Company will launch a digital billing promotion campaign with a lucky draw, aiming to increase the number of subscribers, reduce paper usage, and work with customers to support environmental protection and sustainability.

(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.

The conversion results in the past three years:

Item	2023	2024	2025
Total Outdated gas meter replacement	34,740	24,847*	23,779
Ratio (%)	102.18	92.03	103.47
* This was primarily due to labor shortages.			

The computerized meter installation rates in the past three years:

Item	2023	2024	2025
Computerized gas meter installed	220,296	245,420	270,000 (Approx.)
Gas meter installed	369,573	375,043	375,043
Ratio	59.61%	65.44%*	71.02%*
* Over 2/3 of total household customers.			

(5) Enhancing Risk Management

In 2024, 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) Occupational 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 over 600 million non-disaster hours from October 28th 2009 till December 31st 2025. The Industrial Safety and Health Association (ISHA) of the R.O.C., entrusted by the Ministry of Labor, issued the 12th 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.

(7) Information Security and Personal Data Protection

In addition to ensuring the stable operation of the Company's MIS, GIS, corporate intranet and extranet, and financial management systems, the Company has implemented various information security management measures. Application control software has been introduced to regularly scan internal computer systems, and any improperly installed or unauthorized

applications are removed when identified.

For personal data protection, the Company has implemented email auditing software to monitor outgoing emails. If personal data is detected, the email will be temporarily blocked until administrators review the situation and decide whether to release or reject it. The Company also conducts social engineering simulation exercises, sending simulated phishing emails on an unannounced and irregular basis. In addition, information security and personal data protection training programs are organized regularly to enhance employees' awareness and vigilance.

(8) 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. We completed our sustainability report in 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.

(9) 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. We believe that with the support and care of our shareholders, the guidance of the Board of Directors, and the collective efforts of all employees, the company's performance will thrive, and its future will be prosperous.

Q & A