

Stock Code: 9918



Shin Shin Natural Gas Co., Ltd.
2026 Annual General Meeting of
Shareholders

Meeting Handbook

June 26, 2026

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1. Agenda of the 2026 Annual General Meeting of Shareholders

Convene Time: 09:00 A.M., June 26 (Fri.), 2026

Starting Time for Registration: 08:30 a.m. on the above-mentioned date

Location: B1, No. 80, Sec. 1, Chenggong Rd., Yonghe Dist., New Taipei City (Tian Yueh Hall)

Method for Convening: Physical Meeting

- Meeting Start
- Speech by the Chairman
- Reporting Matters
- Recognition Matters
- Discussion Matters
- Extraordinary Motions
- Adjournment

2. Reporting Matters

1. 2025 Business Report. Please verify.

The business report (see pages 8 to 12 of this Handbook for details) is attached

2. The report on the annual final accounts of 2025 verified by the Audit Committee. Please Verify.

Audit Committee's Review Report

The Board of Directors prepared the Company's 2025 business report, financial statements, and surplus distribution table, among which the financial statements have been audited by Jiunn-huei Ko and Li-yen Wang, CPAs at BDO Taiwan, by whom an audit report has been issued. We have reviewed the above business report, financial statements, and surplus distribution table identifying no inconsistency, so we have issued a report as above under Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act. Please review it.

Shin Shin Natural Gas Co., Ltd.

Audit Committee Convener: Ching-kuo Lee

March 11, 2026

3. Report on the distribution of employees and directors remuneration of 2025. Please Verify.

- (1) Under Article 33 of the Company's Articles of Association, the Company's pre-tax profit in 2025 before deducting employees and directors remuneration was NT\$365,375,022, of which 2.2% was given (about NT\$8,038,250) as employees' remuneration, and another 2.2% was given (about NT\$8,038,250) as remuneration for directors, both of which are paid in cash under regulations.
- (2) This proposal has been reviewed by the 4th meeting of the 6th term of Remuneration Committee of the Company, and approved by the 10th meeting of the 20th (current) term of the board of directors.

4. Report on the Company's 2025 earnings distribution in form of cash dividend. Please verify.
- (1) The Company has proposed the earnings distribution plan under the Articles of Incorporation (please refer to page 30 of this Handbook for the 2025 Surplus Distribution Table).
 - (2) The Company's after-tax surplus in 2025 was NT\$285,844,009. After adding NT\$4,344,616 of the "re-measured net after-tax amount of 2025," 10% of such amount was given under the law as the legal reserve, totaling NT\$29,018,863. In addition, after a comprehensive review of the earnings status, NT\$ 270,806,180 was appropriated from the 2025 distributable earnings as shareholder dividends. Under the laws, according to the number of shares held by shareholders as listed in the shareholder register on the distribution base date, a cash dividend of NT\$1.5 per share will be distributed (rounded down to NT\$1). The cash dividends less than NT\$1 shall be transferred to the Employee Welfare Committee of the Company.
 - (3) The board of directors may determine the record date of dividend and other related matters.

3. Recognition Matters

Proposal 1

Proposed by the board of directors

The Company's 2025 business report and financial statements are submitted. Please recognize.

Description:

1. Under Article 228 of the Company Act.
2. The Company's 2025 business report, parent company-only financial statements and consolidated financial statements have been reviewed by the Audit Committee and approved by the Board of Directors. The parent company-only financial statements and consolidated financial statements have been audited by Jiunn-Huei Ko and Li-Yen Wang, CPAs at BDO Taiwan, as detailed on pages 8 to 28 of this handbook.

Resolution:

2025 Annual Business Report of Shin Shin Natural Gas Co., Ltd.

1. Overview of the business plan:

The Company's operating income target for 2025 was about NT\$1.9331 billion, and the pre-tax profit target was about NT\$220 million. With the concerted efforts of everyone, the operational plan has been put into practice prudently, and both revenue and pre-tax earnings have exceeded the targets of the annual operational plan.

2. Effectiveness of implementing the operation plan:

1. Operation plan:

(1) Promotion goals:

In 2025, the target for installation quantity was 4,400 households. In addition to handling the annual extension, the Company also increased existing pipeline service area's customer density, and completed the installation for 4,822 households, reaching an achievement rate of 109.59%, with an increase of 69 households compared with the previous year (2024).

(2) Operating revenue:

In 2025, the target for annual operating revenue was NT\$1.9331 billion, and the actual revenue was NT\$2.03297 billion, reaching an achievement rate of 106.81%, with an increase of NT\$60.10 million compared to the previous year (2024). The consolidated operating revenue of the parent and subsidiary companies was NT\$2.05167 billion.

(3) Pre-tax surplus:

In 2025, the goal for pre-tax surplus was NT\$220 million, and the actual surplus was NT\$349.29 million, reading an achievement rate of 158.77%, with a decrease of NT\$111.95 million compared to the previous year (2024). The consolidated pre-tax surplus of parent and subsidiary companies was NT\$356.27 million.

(4) Number of gas-supplied households:

In 2025, the number of gas-supplied households was 378,981, an increase of 3,938 households compared to 375,043 in the previous year (2024).

(5) Volume of gas sold:

The actual volume of gas sold in 2025 was 110,625,665 cubic meters, an increase of 1,472,041 cubic meters compared to the 109,153,624

cubic meters in the previous year (2024), or an increase of 1.35%, please refer to Schedule 1.

(6) Gas bill collection:

For gas bill payments until the end of 2025, 54 post offices and financial institutions were designated as bill payment locations, and 13 banks offered automatic gas bill deductions via credit card. These options were used by 996,369 customers, representing 44.31% of all gas bill payers. Other payment options included five major convenience store chains and 12 financial institutions, which were used by 851,784 customers. Also, 17 digital payment channels were available and used by 303,192 customers. In addition, to meet the goals of energy saving, carbon reduction, and sustainable operations, the Company has actively promoted the application of "e-billing" since March 1, 2023. As of December 31, 2025, 32,974 users had applied for e-bill. A lottery event was organized in 2026 to promote the use of e-bill.

(7) Meter replacement:

The 2025 annual target for meter replacement was replacing the meters of 23,000 households, and the actual replaced meters covered 23,799 households (microcomputer meters for 20,617 households and mechanical meters for 3,182 households), reaching a meter replacement rate of 103.47%.

(8) Increasing customer density:

In 2025, existing pipelines market penetration were increased for 665 households, accounting for 13.79% of the 4,822 households promoted throughout the year.

(9) Review of the effectiveness of the pipeline extension plan:

The 2025 annual pipeline extension plan including 25 projects was approved by the 2nd meeting of the 20th term of the board of directors, with a budget of NT\$43.05 million and an estimated installation of 3,567 households. 29 projects were completed throughout the year, an increase of 4 projects compared with the planned projects. The total construction cost was NT\$61,130,837, an increase of NT\$18,080,837 over the original budget. 4,157 households have paid installation fees throughout the year, reaching an achievement rate of 116.54%.

Among them, there were 10 projects in Yonghe and Zhonghe District, with a project budget of NT\$14.56 million; 1,538 households were

expected to be installed, and 1,802 households have paid installation fees, reaching an achievement rate of 117.17%. 12 projects were actually completed, with a total cost of NT\$22,615,091. In addition, there were 15 projects in the Xindian, Wenshan and Shengkeng areas, with a project budget of NT\$28.49 million; 2,029 households were expected to be installed, and 2,355 households have paid installation fees, reaching an achievement rate of 116.07%. 17 projects were actually completed, with a total cost of NT\$38,515,746. Please refer to Exhibit 2 for details.

(10) Regular inspection of pipelines of users:

Under Article 48 of the Natural Gas Enterprise Act, inspection is carried out using a monthly cyclical inspection method every two years to ensure the safety of gas supply to users. In addition, according to the regulations of the New Taipei City Government: If the user's pipeline installation has been installed for more than 35 years and failed the previous inspection, the regular inspection has not been carried out for two consecutive times, and the pipelines of the natural gas meter are corroded or covered and no improvement has been made upon issuing the improvement notice, the frequency of inspection shall be adjusted from once every two years to once a year to strengthen the safety of gas supply.

In 2025, 185,932 households were scheduled to be inspected, and actual inspections were completed for 154,329 households, reaching a regular inspection rate of 83.0% in line with the regulations of the competent authority. However, for users not yet inspected, the supplementary inspection operation will continue to be performed.

2. Improvement of fixed assets

To ensure the safety of the gas supply, 1,004 meters of cast iron pipes were replaced with PE pipes in 2025; 4,492 meters of pipeline were updated to meet the requirements of the local public infrastructure sewage project and the MRT project; a further 6,161 meters of pipeline were planned to be replaced, bringing the total to 11,657 meters, at a maintenance cost of NT\$170,048,933.

3. Future Outlook:

Faced with environmental impacts brought about by climate change, we will pursue updates to our sustainability policies, adjust our business planning timeline, and dedicate ourselves to environmental protection by reducing waste and pollution emissions. We will fulfill our corporate social responsibility, protecting customer well-being, fostering positive

relationships with our employees, strengthening corporate sustainability, and enhancing industrial competitiveness.

Chairman: (signature) Manager: (signature) Accounting Head: (signature)

Shin Shin Natural Gas Co., Ltd.
Statistics of the 2025 Annual Operating Results

Items	As of the end of 2024	2025	Annual Results	Remarks
Households that Applied	414,328	3,960	418,288	
Households that Paid Installation Fees	403,232	4,822	408,054	
Households Supplied	375,043	3,938	378,981	
Household Charged	373,534	4,353	377,887	
Volume of Gas Sold	109,153,624 cubic meters	110,625,665 cubic meters		
Operating Revenue		NT\$2,032,973,987		

Schedule 2

Shin Shin Natural Gas Co., Ltd.
Statistics of the 2025 Annual Pipeline Extension Project

Area	Annual Plan		Actual Implementation		Estimated number of installations	Number of households that paid installation fees	Achievement Rate (%)
	Extension Project	Project Budget (NT\$)	Extension Project	Project Settlement (NT\$)			
Zhonghe Yonghe	10	14,560,000	12	22,615,091	1,538	1,802	117.17
Xindian Wenshan Shenkeng	15	28,490,000	17	38,515,746	2,029	2,355	116.07
Total	25	43,050,000	29	61,130,837	3,567	4,157	116.54
Remarks							

Independent Auditor's Report

To the Board of Directors and Shareholders of Shin Shin Natural Gas Co., LTD.

Audit opinions:

We have audited the Parent Company Only balance sheets of Shin Shin Natural Gas Co., LTD. as of December 31, 2025 and 2024, and the related Parent Company Only statements of comprehensive income, Parent Company Only statements of changes in equity, Parent Company Only statements of cash flows, and notes to the Parent Company Only financial statements (including significant accounting policies) for the years then ended.

The Parent Company Only financial statements referred to above present fairly, materially, the financial position of Shin Shin Natural Gas Co., LTD. as of December 31, 2025 and 2024, and its Parent Company Only financial performance and cash flows for the years then ended, in agreement with the requirements of Regulations Governing the Preparation of Financial Statements by Securities Issuers and the Regulations on Accounting Handling for Public Natural Gas Enterprises.

Basis for opinions

We conducted our audit of the financial statements under the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Auditing Standards. Our responsibilities under those standards are further described in the responsibilities of auditors for the audit of the Parent Company Only financial statements. We are independent of Shin Shin Natural Gas Co., LTD. Under the Code of Professional Ethics for Certified Public Accountants, and we have fulfilled our other ethical responsibilities under the Code. We believe that the audit evidence we have obtained is sufficient to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our judgment, were of most significance in our audit of the 2025 Parent Company Only financial statements of Shin Shin Natural Gas Co., LTD. These matters were discussed in the content of our audit of the Parent Company Only financial statements and in forming our opinion on it, and we do not provide separate opinions.

Key audit matters of the 2025 Parent Company Only financial statements of Shin Shin Natural Gas Co., LTD. were :

Key audit matter - Reasonableness and appropriateness of sales revenue recognition

Description

Please refer to Note 4(24) to the Parent Company Only financial statements for the accounting policy on revenue recognition. The sales revenue of Shin Shin Natural Gas Co., Ltd. is mainly from natural gas sales, inner tube installations and other service revenue.

1. Revenue from natural gas sales is recognized based on meter reading data of the meter readers, and is divided into monthly and bi-monthly meter readings. The part of gas sales not yet read as of the end of the reporting period is recognized as revenue from gas sales revenue and gas charges receivable based on estimated degrees. Therefore, evaluating the reasonableness of the gas sales revenue was identified as a key audit matter.
2. The revenue from inner tube installation and other service revenue is recognized under the installation contractor's construction settlement statistics. So the timing of revenue recognition was identified as a key audit matter since the revenue recognition process usually involves human work.

Corresponding audit procedures

The major procedures performed by us for the above key audit matters include, but are not limited to:

1. Evaluate and test the effectiveness of internal control procedures relevant to the recognition of revenue from gas sales and installations.
2. Based on our understanding of the industry of Shin Shin Natural Gas Co., LTD., we evaluated the reasonableness of the estimated degrees of the unread part recognized as gas sales revenue.
3. Evaluate the appropriateness of the timing of recognition by performing a cut-off test on the advanced installation revenue after the period.

Responsibilities of Management and those in Charge with Governance of the Parent Company Only Financial Statements

The management is responsible for the preparation and fair presentation of the Parent Company Only financial statements under the Regulations Governing the Preparation of Financial Statements by Securities Issuers and the Regulations on Accounting Handling for Public Natural Gas Enterprises, and for such internal control as the management determines is necessary to enable the preparation of the Parent Company Only financial statements to be free from material misstatement whether or not due to fraud or error.

In preparing the Parent Company Only financial statements, the management is also responsible for assessing the ability of Shin Shin Natural Gas Co., LTD. as a going concern, revealing, matters related to a going concern and using the going concern basis of accounting. Unless the management either intends to liquidate Shin Shin Natural Gas Co., LTD. or to stop operations, or has no other realistic alternative but to do so.

Those in charge of governance (including the supervisors) are responsible for overseeing the reporting process of the financial statements of Shin Shin Natural Gas Co., LTD.

Auditor's responsibilities for the audit of the Parent Company Only Financial Statements

Our goals are to obtain reasonable assurance about whether the Parent Company Only financial statements are free from material misstatements, whether due to fraud or error, and to issue an auditor's report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted under the Generally Accepted Auditing Standards will always detect a material misstatement when it exists in a Parent Company Only financial statement. Misstatements can arise from fraud or error. Misstatements can arise from fraud or error. Misstatements are considered material, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken based on this Parent Company Only financial statements.

When auditing under the Generally Accepted Auditing Standards, we exercise judgment and maintain professional skepticism throughout the audit. We also performed these works:

1. Identify and assess the risks of material misstatement of the Parent Company Only financial statements, whether or not due to fraud or error; design, and perform countermeasures for assessed risks; and obtain evidence that is sufficient to provide a basis for audit opinion. The risk of not detecting a material misstatement because of fraud is higher than that because of 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 to design audit procedures appropriate in the circumstances, but not to express an opinion on the effectiveness of the internal control effective in Shin Shin Natural Gas Co., LTD.
3. Evaluate the appropriateness of accounting policies used and the reasonability of accounting estimates and related disclosures made by the management.
4. Conclude the appropriateness of the going concern basis of accounting by the management,

and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Shin Shin Natural Gas Co., LTD. to continue as a going concern. If we conclude that a material uncertainty exists, we must draw attention in our auditor's report to the related disclosures in the Parent Company Only financial statements or, if such disclosure is inappropriate, to change our opinion. Our conclusions are based on the audit evidence obtained up to the auditor's report. Future events or conditions may cause Shin Shin Natural Gas Co., LTD. to stop as a going concern.

5. Evaluate the overall presentation, structure, and content of the Parent Company Only statements, including related notes, whether the Parent Company Only statements represent the underlying transactions and events in a way that achieves fair presentation.
6. Obtain sufficient audit evidence regarding the financial information or the entities or business activities of Shin Shin Natural Gas Co., LTD. to express an opinion on the Parent Company Only financial statements. We are responsible for the direction, supervision, and performance of the 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 we identify during our audit).

We also provide those in charge of governance with a statement we have followed relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to affect our independence, and other matters (including related protective measures).

Based on our communications with the governing units, we have determined the key audit matters relevant to our audit of the Parent Company Only financial statements of Shin Shin Natural Gas Co., LTD. for the year ended December 31, 2025. We describe these matters in our auditor's report unless law or regulation prevents public disclosure about the matter or when, in 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.

BDO Taiwan

CPA:

CPA:

Approval of Attestation of the Competent Securities Authority: (1994) Tai-Cai-Zheng -Zi No. 31146
Jin-Guan-Zheng-Shen-Zi No. 0990073519

March 11, 2026

Shin Shin Natural Gas Co., LTD.

Parent Company Only Balance Sheet

December 31, 2025 and 2024

Unit: In thousands of NT\$

Code	Assets	Note	December 31, 2025		December 31, 2024		Code	Liabilities and equity	Note	December 31, 2025		December 31, 2024	
			Amount	%	Amount	%				Amount	%	Amount	%
1100	Current assets						2130	Current liabilities					
1100	Cash and cash equivalents	4, 6(1)	\$ 262,724	4	\$ 299,583	5	2130	Contract liabilities - current	6(14)	\$ 639,587	12	\$ 786,965	13
1110	Financial assets measured at fair value through profit or loss - current	4, 6(2)	402,085	7	449,038	8	2150	Notes payable	4, 6(15)	19,828	-	13,110	-
1136	Financial assets measured at amortized cost - current	4, 6(3)	493,200	9	532,900	9	2160	Notes payable - related parties	4, 6(15), 7	13,583	-	4,603	-
1170	Accounts receivable, net	4, 6(4)	171,104	3	201,376	3	2170	Accounts payable	4, 6(15)	57,625	1	81,537	1
1180	Accounts receivable - related parties, net	4, 6(4), 7	4,145	-	4,750	-	2180	Accounts payable - related parties	4, 6(15), 7	18,134	-	4,064	-
1200	Other receivables	6(5)	3,756	-	5,054	-	2200	Other payables	4, 6(16)	212,889	4	208,911	4
130x	Inventories	4, 6(6)	72,759	1	48,221	1	2220	Other payables - related parties	7	4,501	-	3,505	-
1410	Pre-payments		7,872	-	8,797	-	2230	Current income tax liabilities	4	30,951	1	31,491	1
1470	Other current assets		7,395	-	1,126	-	2250	Provision for liabilities - current	4, 6(17)	1,827	-	1,749	-
11xx	Total current assets		<u>1,425,040</u>	<u>24</u>	<u>1,550,845</u>	<u>26</u>	2280	Lease liabilities - current	4	13,107	-	11,819	-
							2300	Other current liabilities		15,124	-	8,427	-
	Non-current assets						21xx	Total current liabilities		<u>1,027,156</u>	<u>18</u>	<u>1,156,181</u>	<u>19</u>
1550	Investments accounted for using the equity method	4, 6(7)	455,634	8	541,310	9							
1600	Property, plant and equipment	4, 6(8)	3,614,389	61	3,497,678	59		Non-current liabilities					
1755	Right-of-use assets	4, 6(9)	40,862	1	52,856	1	2570	Deferred income tax liabilities	4, 6(30)	65,257	1	65,257	1
1760	Investment property, net	4, 6(11)	47,079	1	47,304	1	2580	Lease liabilities - non-current	4	27,892	-	40,512	1
1840	Deferred income tax assets	4, 6(30)	2,311	-	3,592	-	2600	Other non-current liabilities	6(18)	1,422,570	24	1,377,603	23
1900	Other non-current assets	4, 6(12)	270,691	5	253,725	4	25xx	Total non-current liabilities		<u>1,515,719</u>	<u>25</u>	<u>1,483,372</u>	<u>25</u>
15xx	Total non-current assets		<u>4,430,966</u>	<u>76</u>	<u>4,396,465</u>	<u>74</u>							
							2xxx	Total liabilities		<u>2,542,875</u>	<u>43</u>	<u>2,639,553</u>	<u>44</u>
								Equity					
							3100	Capital stock	4, 6(19)				
							3110	Ordinary share		1,805,375	32	1,805,375	31
							3200	Capital surplus	6(20)	87,426	1	83,381	1
							3300	Retained earnings	4, 6(21)				
							3310	Legal reserve		843,037	15	802,175	14
							3320	Special reserve		142,872	2	142,872	2
							3350	Unappropriated retained earnings (accumulated deficit)		481,249	8	520,782	9
							3500	Treasury stock	4, 6(22)	(46,828)	(1)	(46,828)	(1)
							3xxx	Total equity		<u>3,313,131</u>	<u>57</u>	<u>3,307,757</u>	<u>56</u>
1xxx	Total assets		<u>\$ 5,856,006</u>	<u>100</u>	<u>\$ 5,947,310</u>	<u>100</u>		Total liabilities and equity		<u>\$ 5,856,006</u>	<u>100</u>	<u>\$ 5,947,310</u>	<u>100</u>

(Please refer to Notes to the Financial Statements)

Chairman

Managerial Officer

Accounting Head

Shin Shin Natural Gas Co., LTD.
Parent Company Only Statement of Comprehensive Income
January 1 to December 31, 2025 and 2024

Unit: In thousands of NT\$

Code	Items	Note	2025		2024	
			Amount	%	Amount	%
4000	Operating revenue	4, 6(23)	\$ 2,032,974	100	\$ 1,972,873	100
5000	Operating costs	6(24)	1,458,617	72	1,419,642	73
5900	Operating gross profit (loss)		574,357	28	553,231	27
	Operating expenses					
6100	Selling expenses		118,643	6	113,694	6
6200	Administrative expenses		178,940	9	169,484	8
6450	Expected credit impairment loss		438	-	610	-
6000	Total operating expenses		298,021	15	283,788	14
6900	Operating profit (loss)		276,336	13	269,443	13
	Non-operating income and expenses					
7100	Interest income	6(26)	20,544	1	24,781	1
7010	Other income	6(27)	25,481	2	20,683	1
7020	Other gain and loss	6(28)	20,703	1	33,384	2
7050	Financial costs	6(29)	(1,006)	-	(556)	-
7070	Share of profits and losses of subsidiaries, affiliates and joint ventures accounted for using the equity method	4, 6(7)	7,240	-	113,522	6
7000	Total of non-operating income and expenses		72,962	4	191,814	10
7900	Net profit (net loss) before tax		349,298	17	461,257	23
7950	Income tax expense (or benefit)	4, 6(30)	63,454	3	63,845	3
8200	Net profit (net loss) for the period		285,844	14	397,412	20
	Other comprehensive income					
8310	Items not to be reclassified as profit or loss					
8311	Re-measurement of defined benefit plan	4, 6(13)	5,431	-	14,008	1
8349	Incomes tax related to items not to be reclassified as profit or loss	4	(1,086)	-	(2,802)	-
8300	Other comprehensive income (net)		4,345	-	11,206	1
8500	Total comprehensive income for the period		\$ 290,189	14	\$ 408,618	21
	Earnings per share	6(31)				
9750	Basic earnings per share		\$ 1.61		\$ 2.23	
9850	Diluted earnings per share		\$ 1.60		\$ 2.23	

(Please refer to Notes to the Financial Statements)

Chairman

Managerial Officer

Accounting Head

Shin Shin Natural Gas Co., LTD.
Parent Company Only Statements of Changes in Equity
January 1 to December 31, 2025 and 2024

Unit: In thousands of NT\$

	Retained earnings						
	Ordinary share	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings (accumulated deficit)	Treasury stock	Total equity
Balance as of January 1, 2024	\$ 1,805,375	\$ 79,589	\$ 766,432	\$ 142,872	\$ 418,713	\$ (46,828)	\$ 3,166,153
Appropriation and distribution of earnings:							
Provision of legal reserve	-	-	35,743	-	(35,743)	-	-
Cash dividends on ordinary share	-	-	-	-	(270,806)	-	(270,806)
Net profit for the period from January 1 to December 31, 2024	-	-	-	-	397,412	-	397,412
Other comprehensive income for the period from January 1 to December 31, 2024	-	-	-	-	11,206	-	11,206
Total comprehensive income for the period	-	-	-	-	408,618	-	408,618
Capital surplus adjusted for dividends paid to subsidiaries	-	3,792	-	-	-	-	3,792
Balance as of December 31, 2024	\$ 1,805,375	\$ 83,381	\$ 802,175	\$ 142,872	\$ 520,782	\$ (46,828)	\$ 3,307,757
Balance as of January 1, 2025	\$ 1,805,375	\$ 83,381	\$ 802,175	\$ 142,872	\$ 520,782	\$ (46,828)	\$ 3,307,757
Appropriation and distribution of earnings:							
Provision of legal reserve	-	-	40,862	-	(40,862)	-	-
Cash dividends on ordinary share	-	-	-	-	(288,860)	-	(288,860)
Net profit for the period from January 1 to December 31, 2025	-	-	-	-	285,844	-	285,844
Other comprehensive income for the period from January 1 to December 31, 2025	-	-	-	-	4,345	-	4,345
Total comprehensive income for the period	-	-	-	-	290,189	-	290,189
Capital surplus adjusted for dividends paid to subsidiaries	-	4,045	-	-	-	-	4,045
Balance as of December 31, 2025	\$ 1,805,375	\$ 87,426	\$ 843,037	\$ 142,872	\$ 481,249	\$ (46,828)	\$ 3,313,131

(Please refer to Notes to the Financial Statements)

Chairman

Managerial Officer

Accounting Head

Shin Shin Natural Gas Co., LTD.
Parent Company Only Statements of Cash Flows
January 1 to December 31, 2025 and 2024

Unit: In thousands of NT\$

	2025	2024
Cash flows from operating activities		
Net profit before tax from continuing operations	\$ 349,298	\$ 461,257
Adjustment items		
Income and expense items		
Depreciation expenses	334,422	310,796
Amount of Expected credit impairment loss	438	610
Net gain on financial assets and liabilities measured at fair value through profit or loss	(18,038)	(5,109)
Interest expense	1,006	556
Interest income	(20,544)	(24,781)
Dividend income	(7,443)	(6,181)
Share of profits of subsidiaries, affiliates and joint ventures accounted for using the equity method	(7,240)	(113,522)
Gain on disposal and scrapping of property, plant and equipment	(1,620)	(628)
Transfer of property, plant and equipment to expense	1,741	1,906
Transfer of pre-payments for equipment to expense	120	-
Changes in assets/liabilities related to operating activities		
Decrease in financial assets mandatorily measured at fair value through profit or loss	64,991	56,261
Decrease in notes receivable	-	66
Decrease (increase) in accounts receivable	29,834	(11,646)
Decrease in accounts receivable - related parties	605	637
Decrease (increase) in other receivables	(76)	1,960
Increase in inventories	(104,056)	(93,921)
Increase in prepaid expenses	(129)	(224)
Decrease (increase) in pre-payments	1,054	(1,862)
Decrease in other current assets	977	740
Decrease (increase) in net defined benefit assets	(250)	1,010
Increase (decrease) in contract liabilities	(147,378)	26,965
Increase (decrease) in notes payable	716	(7,108)
Increase (decrease) in notes payable - related parties	8,980	(17,732)
Decrease in accounts payable	(23,912)	(34,983)
Increase (decrease) in accounts payable - related parties	14,070	(10,974)
Increase (decrease) in other payables	(6,895)	220
Increase (decrease) in other payables - related parties	996	(839)
Increase (decrease) in provision for liabilities	78	(140)
Increase in long-term deferred revenue	43,340	31,844
Increase (decrease) in other current liabilities	1,615	(902)
Cash inflows from operations	516,700	564,276
Interest received	21,868	28,235
Dividends received	104,454	90,868
Interest paid	(1,006)	(556)
Income tax paid	(63,800)	(55,266)
Net cash inflows from operating activities	578,216	627,557
Cash flows from investing activities		
Acquisition of financial assets measured at amortized cost	(651,000)	(699,649)
Principal repayment at maturity for financial assets measured at amortized cost	690,700	1,304,706
Acquisition of property, plant and equipment	(287,031)	(923,596)
Disposal of property, plant and equipment	1,875	825
Increase in refundable deposits	(7,256)	(2,195)
Decrease in refundable deposits	8	-
Increase in other financial assets	(3,210)	-
Decrease in other financial assets	-	61,748
Increase in pre-payments for equipment	(64,773)	(3,338)
Net cash outflows from investing activities	(320,687)	(261,499)
Cash flows from financing activities		
Increase in deposits received	13,280	9,214
Decrease in deposits received	(6,571)	(7,121)
Repayment of lease principal	(12,237)	(7,291)
Distribution of cash dividends	(288,860)	(270,806)
Net cash outflows from financing activities	(294,388)	(276,004)
Increase (decrease) in cash and cash equivalents for the period	(36,859)	90,054
Cash and cash equivalents at the beginning of the period	299,583	209,529
Cash and cash equivalents at the end of the period	\$ 262,724	\$ 299,583

(Please refer to Notes to the Financial Statements)

Chairman

Managerial Officer

Accounting Head

Independent Auditor's Report

To the Board of Directors and Shareholders of Shin Shin Natural Gas Co., LTD.

Audit opinions:

We have audited the consolidated balance sheets of Shin Shin Natural Gas Co., LTD. and its subsidiaries as of December 31, 2025 and 2024, and the related combined statements of comprehensive income, consolidated statements of changes in equity, consolidated statements of cash flows, and notes to the consolidated financial statements (including significant accounting policies) for the years then ended.

The accompanying consolidated financial statements present fairly, materially, the consolidated financial position of the Shin Shin Natural Gas Co., Ltd. and its subsidiaries as at December 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended under the “Regulations Governing the Preparation of Financial Reports by Securities Issuers”, the Regulations on Accounting Handling for Public Natural Gas Enterprises, and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

Basis for opinions

We conducted our audit of the financial statements under the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Auditing Standards. Our responsibilities under those standards are further described in the responsibilities of auditors for the audit of the consolidated financial statements. We are independent of Shin Shin Natural Gas Co., LTD. and its subsidiaries under the Code of Professional Ethics for Certified Public Accountants, and we have fulfilled our other ethical responsibilities under the Code. We believe that the audit evidence we have obtained is sufficient to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our judgment, were of most significance in our audit of the 2025 combined financial statements of Shin Shin Natural Gas Co., LTD. These matters were discussed in the content of our audit of the consolidated financial statements and in forming our opinion on it, and we do not provide separate opinions.

Key audit matters of the 2025 combined financial statements of Shin Shin Natural Gas Co., LTD. and its subsidiaries were:

Key audit matter - Reasonableness and appropriateness of sales revenue recognition

Description

Please refer to Note 4(24) to the consolidated financial statements for the accounting policy on revenue recognition. The sales revenue of Shin Shin Natural Gas Co., Ltd. is mainly from natural gas sales, inner tube installations and other service revenue.

1. Revenue from natural gas sales is recognized based on meter reading data of the meter readers, and is divided into monthly and bi-monthly meter readings. The part of gas sales not yet read as of the end of the reporting period is recognized as revenue from gas sales revenue and gas charges receivable based on estimated degrees. Therefore, evaluating the reasonableness of the gas sales revenue was identified as a key audit matter.
2. The revenue from inner tube installation and other service revenue is recognized under the installation contractor's construction settlement statistics. So the timing of revenue recognition was identified as a key audit matter since the revenue recognition process usually involves human work.

Corresponding audit procedures

The major procedures performed by us for the above key audit matters include, but are not limited to:

1. Evaluate and test the effectiveness of internal control procedures relevant to the recognition of revenue from gas sales and installations.
2. Based on our understanding of the industry of Shin Shin Natural Gas Co., LTD., we evaluated the reasonableness of the estimated degrees of the unread part recognized as gas sales revenue.
3. Evaluate the appropriateness of the timing of recognition by performing a cut-off test on the advanced installation revenue after the period.

Other matters

We have also audited the Parent Company Only financial statements of Shin Shin Natural Gas Co., LTD. as of and for the year ended December 31, 2024 and 2023 on which we have issued an unqualified opinion.

Responsibilities of Management and Those in Charge with Governance of the Consolidated Financial Statements

The responsibility of management is to prepare fairly presented combined financial statements in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, the Regulations on Accounting Handling for Public Natural Gas Enterprises, and International Financial Reports Standards, International Accounting Standards interpretations, and announcements of interpretations recognized and published by the Financial Supervisory Commission and maintain the internal control related to preparing consolidation of financial statements to ensure the material misstatement caused by fraud or error does not exist in the consolidated financial statements.

In preparing the consolidated financial statements, the management is also responsible for assessing the ability of Shin Shin Natural Gas Co., LTD. and its subsidiaries as a going concern, revealing, matters related to a going concern and using the going concern basis of accounting. Unless the management either intends to liquidate Shin Shin Natural Gas Co., LTD. and its subsidiaries or to stop operations, or has no other realistic alternative but to do so.

Those in charge of governance (including the supervisors) are responsible for overseeing the

reporting process of the financial statements of Shin Shin Natural Gas Co., LTD.

Auditor's responsibilities for the audit of the consolidated Financial Statements

Our goals are to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatements, whether due to fraud or error, and to issue an auditor's report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted under the Generally Accepted Auditing Standards will always detect a material misstatement when it exists in a consolidated financial statement. Misstatements can arise from fraud or error. Misstatements are considered material, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken based on these consolidated financial statements.

When auditing under the Generally Accepted Auditing Standards, we exercise judgment and maintain professional skepticism throughout the audit. We also performed these works:

1. Identify and assess the risks of material misstatements of the consolidated financial statements, whether or not because of fraud or error; design, and perform countermeasures for assessed risks; and obtain evidence that is sufficient to provide a basis for audit opinion. The risk of not detecting a material misstatement because of fraud is higher than that because of 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 to design audit procedures appropriate in the circumstances, but not to express an opinion on the effectiveness of the internal control effective in Shin Shin Natural Gas Co., LTD.
3. Evaluate the appropriateness of accounting policies used and the reasonability of accounting estimates and related disclosures made by the management.
4. Conclude the appropriateness of the going concern basis of accounting by the management, and, based on the audit evidence obtained, whether a material uncertainty exists related to the events or conditions that may cast a significant doubt on Shin Shin Natural Gas Co., LTD. and its subsidiaries to continue as a going concern. If we conclude that a material uncertainty exists, we must draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosure is inappropriate, to change our opinion. Our conclusions are based on the audit evidence obtained up to the auditor's report. Future events or conditions may cause Shin Shin Natural Gas Co., LTD. and its subsidiaries to stop as a going concern.
5. Evaluate the overall presentation, structure, and content of the consolidated statements, including related notes, whether the consolidated statements represent the underlying transactions and events in a way that achieves fair presentation.
6. Obtain sufficient audit evidence regarding the financial information or the entities or business activities of Shin Shin Natural Gas Co., LTD. and its subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the 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 we identify during our audit).

We also provide those in charge of governance with a statement we have followed relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to affect our independence, and other matters (including related

protective measures).

Based on our communications with the governing units, we have determined the key audit matters relevant to our audit of the consolidated financial statements of Shin Shin Natural Gas Co., LTD. and its subsidiaries for the year ended December 31, 2025. We describe these matters in our auditor's report unless law or regulation prevents public disclosure about the matter or when, in 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.

BDO Taiwan

CPA:

CPA:

Approval of Attestation of the Competent Securities Authority: (1994) Tai-Cai-Zheng -Zi No.
31146

Jin-Guan-Zheng-Shen-Zi No. 0990073519

March 11, 2026

Shin Shin Natural Gas Co., LTD. and its subsidiaries
Consolidated Balance Sheet
December 31, 2025 and 2024

Unit: In thousands of NT\$

Code	Assets	Note	December 31, 2025		December 31, 2024		Code	Liabilities and equity	Note	December 31, 2025		December 31, 2024	
			Amount	%	Amount	%				Amount	%	Amount	%
	Current assets							Current liabilities					
1100	Cash and cash equivalents	4, 6(1)	\$ 609,384	10	\$ 531,608	9	2130	Contract liabilities - current	6(13)	\$ 642,942	12	\$ 790,775	13
1110	Financial assets measured at fair value through profit or loss - current	4, 6(2)	612,157	12	875,404	15	2150	Notes payable	4, 6(14)	19,828	-	13,110	-
1136	Financial assets measured at amortized cost - current	4, 6(3)	545,800	9	585,500	10	2170	Accounts payable	4, 6(14)	76,897	1	94,577	2
1150	Notes receivable, net	4, 6(4)	-	-	100	-	2200	Other payables	6(15)	224,712	4	220,662	4
1170	Accounts receivable, net	4, 6(4)	171,236	3	201,376	3	2220	Other payables - related parties	VII	-	-	369	-
1200	Other receivables	6(5)	5,309	-	6,668	-	2230	Current income tax liabilities	4	35,112	1	35,969	1
130x	Inventories	4, 6(6)	81,333	1	67,610	1	2250	Provision for liabilities - current	4, 6(16)	1,827	-	1,749	-
1410	Pre-payments		7,882	-	8,814	-	2280	Lease liabilities - current	4	13,107	-	11,819	-
1470	Other current assets		7,421	-	1,626	-	2300	Other current liabilities		18,101	-	10,660	-
11xx	Total current assets		2,040,522	35	2,278,706	38	21xx	Total current liabilities		1,032,526	18	1,179,690	20
	Non-current assets							Non-current liabilities					
1510	Financial assets measured at fair value through profit or loss - non-current	4, 6(2)	24,723	-	26,573	-	2570	Deferred income tax liabilities	4, 6(29)	65,257	1	65,257	1
1600	Property, plant and equipment	4, 6(7)	3,397,499	57	3,272,096	55	2580	Lease liabilities - non-current	4	27,892	-	40,512	1
1755	Right-of-use assets	4, 6(8)	40,862	1	52,856	1	2600	Other non-current liabilities	6(17)	1,424,952	24	1,380,208	23
1760	Investment property, net	4, 6(10)	47,079	1	47,304	1	25xx	Total non-current liabilities		1,518,101	25	1,485,977	25
1780	Intangible assets		80	-	35	-		Total liabilities		2,550,627	43	2,665,667	45
1840	Deferred income tax assets	4, 6(29)	41,891	1	41,719	1	2xxx						
1900	Other non-current assets	4, 6(11)	271,102	5	254,135	4		Equity					
15xx	Total non-current assets		3,823,236	65	3,694,718	62		Equity attributable to Owners of the parent company					
							3100	Capital stock	4, 6(18)				
							3110	Ordinary share		1,805,375	32	1,805,375	30
							3200	Capital surplus	6(19)	87,426	1	83,381	1
							3300	Retained earnings	4, 6(20)				
							3310	Legal reserve		843,037	15	802,175	14
							3320	Special reserve		142,872	2	142,872	2
							3350	Unappropriated retained earnings (accumulated deficit)		481,249	8	520,782	9
							3500	Treasury stock	4, 6(21)	(46,828)	(1)	(46,828)	(1)
							31xx	Total equity attributable to Owners of the parent company		3,313,131	57	3,307,757	55
								Total equity		3,313,131	57	3,307,757	55
							3xxx						
1xxx	Total assets		\$ 5,863,758	100	\$ 5,973,424	100		Total liabilities and equity		\$ 5,863,758	100	\$ 5,973,424	100

(Please refer to Notes to the Financial Statements)

Chairman

Managerial Officer

Accounting Head

Shin Shin Natural Gas Co., LTD. and its subsidiaries
Consolidated Statement of Comprehensive Income
January 1 to December 31, 2025 and 2024

Unit: In thousands of NT\$

Code	Items	Note	2025		2024	
			Amount	%	Amount	%
4000	Operating revenue	4, 6(22)	\$ 2,051,671	100	\$ 1,992,727	100
5000	Operating costs	6(23)	1,439,615	70	1,401,206	70
5900	Operating gross profit (loss)		612,056	30	591,521	30
	Operating expenses					
6100	Selling expenses		86,915	4	81,052	4
6200	Administrative expenses		194,615	10	189,124	10
6450	Expected credit impairment loss		438	-	610	-
6000	Total operating expenses		281,968	14	270,786	14
6900	Operating profit (loss)		330,088	16	320,735	16
	Non-operating income and expenses					
7100	Interest income	6(25)	26,122	1	30,029	2
7010	Other income	6(26)	21,511	1	20,184	1
7020	Other gain and loss	6(27)	(20,436)	(1)	97,516	4
7050	Financial costs	6(28)	(1,006)	-	(556)	-
7000	Total of non-operating income and expenses		26,191	1	147,173	7
7900	Net profit (net loss) before tax		356,279	17	467,908	23
7950	Income tax expense (or benefit)	4, 6(29)	70,435	3	70,496	4
8200	Net profit (net loss) for the period		285,844	14	397,412	19
	Other comprehensive income					
8310	Items not to be reclassified as profit or loss					
8311	Re-measurement of defined benefit plan		5,431	-	14,008	1
8349	Incomes tax related to items not to be reclassified as profit or loss	4, 6(29)	(1,086)	-	(2,802)	-
8300	Other comprehensive income (net)		4,345	-	11,206	1
8500	Total comprehensive income for the period		\$ 290,189	14	\$ 408,618	20
8600	Net profit (loss) attributable to:					
8610	Owners of the parent company (net profit/loss)		\$ 285,844	14	\$ 397,412	19
8700	Total comprehensive income attributable to:					
8710	Owners of the parent company (comprehensive income)		\$ 290,189	14	\$ 408,618	20
	Earnings per share	4 (31)				
9750	Basic earnings per share		\$ 1.61		\$ 2.23	
9850	Diluted earnings per share		\$ 1.60		\$ 2.23	

(Please refer to Notes to the Financial Statements)

Chairman

Managerial Officer

Accounting Head

Shin Shin Natural Gas Co., LTD. and its subsidiaries
Consolidated Statement of Changes in Equity
January 1 to December 31, 2025 and 2024

Unit: In thousands of NT\$

	Equity attributable to Owners of the parent company							
	Retained earnings							
	Ordinary share	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings (accumulated deficit)	Treasury stock	Total equity attributable to owners of parent	Total equity
Balance as of January 1, 2024	\$ 1,805,375	\$ 79,589	\$ 766,432	\$ 142,872	\$ 418,713	\$ (46,828)	\$ 3,166,153	\$ 3,166,153
Appropriation and distribution of earnings:								
Provision of legal reserve	-	-	35,743	-	(35,743)	-	-	-
Cash dividends on ordinary share	-	-	-	-	(270,806)	-	(270,806)	(270,806)
Net profit for the period from January 1 to December 31, 2024	-	-	-	-	397,412	-	397,412	397,412
Other comprehensive income for the period from January 1 to December 31, 2024	-	-	-	-	11,206	-	11,206	11,206
Total comprehensive income for the period	-	-	-	-	408,618	-	408,618	408,618
Capital surplus adjusted for dividends paid to subsidiaries	-	3,792	-	-	-	-	3,792	3,792
Balance as of December 31, 2024	\$ 1,805,375	\$ 83,381	\$ 802,175	\$ 142,872	\$ 520,782	\$ (46,828)	\$ 3,307,757	\$ 3,307,757
Balance as of January 1, 2025	\$ 1,805,375	\$ 83,381	\$ 802,175	\$ 142,872	\$ 520,782	\$ (46,828)	\$ 3,307,757	\$ 3,307,757
Appropriation and distribution of earnings:								
Provision of legal reserve	-	-	40,862	-	(40,862)	-	-	-
Cash dividends on ordinary share	-	-	-	-	(288,860)	-	(288,860)	(288,860)
Net profit for the period from January 1 to December 31, 2025	-	-	-	-	285,844	-	285,844	285,844
Other comprehensive income for the period from January 1 to December 31, 2025	-	-	-	-	4,345	-	4,345	4,345
Total comprehensive income for the period	-	-	-	-	290,189	-	290,189	290,189
Capital surplus adjusted for dividends paid to subsidiaries	-	4,045	-	-	-	-	4,045	4,045
Balance as of December 31, 2025	\$ 1,805,375	\$ 87,426	\$ 843,037	\$ 142,872	\$ 481,249	\$ (46,828)	\$ 3,313,131	\$ 3,313,131

(Please refer to Notes to the Financial Statements)

Chairman

Managerial Officer

Accounting Head

Shin Shin Natural Gas Co., LTD. and its subsidiaries
Consolidated Statement of Cash Flows
January 1 to December 31, 2025 and 2024

Unit: In thousands of NT\$

	2025	2024
Cash flows from operating activities		
Net profit before tax from continuing operations	\$ 356,279	\$ 467,908
Adjustment items		
Income and expense items		
Depreciation expenses	291,268	269,587
Amortization expense	67	69
Amount of Expected credit impairment loss	438	610
Net loss (gain) on financial assets and liabilities measured at fair value through profit or loss	33,431	(48,475)
Interest expense	1,006	556
Interest income	(26,122)	(30,029)
Dividend income	(12,813)	(14,378)
Gain on disposal and scrapping of property, plant and equipment	(1,597)	(628)
Transfer of property, plant and equipment to expense	1,741	1,906
Unrealized foreign currency exchange gains	-	(411)
Transfer of pre-payments for equipment to expense	120	-
Changes in assets/liabilities related to operating activities		
Decrease in financial assets mandatorily measured at fair value through profit or loss	231,666	41,464
Decrease (increase) in notes receivable	100	(34)
Decrease (increase) in accounts receivable	29,702	(11,646)
Decrease (increase) in other receivables	(78)	13,014
Increase in inventories	(93,242)	(98,871)
Increase in prepaid expenses	(112)	(224)
Decrease (increase) in pre-payments	1,044	(1,862)
Decrease in other current assets	1,451	352
Decrease (increase) in net defined benefit assets	(250)	1,010
Increase (decrease) in contract liabilities	(147,833)	28,038
Increase (decrease) in notes payable	716	(7,108)
Decrease in accounts payable	(17,680)	(30,856)
Decrease in other payables	(6,823)	(640)
Increase (decrease) in other payables - related parties	(369)	369
Increase (decrease) in provision for liabilities	78	(140)
Increase in long-term deferred revenue	43,340	31,844
Increase (decrease) in other current liabilities	1,790	(770)
Cash inflows from operations	687,318	610,655
Interest received	27,390	33,697
Dividends received	12,982	14,398
Interest paid	(1,006)	(556)
Income tax paid	(72,551)	(59,650)
Net cash inflows from operating activities	654,133	598,544
Cash flows from investing activities		
Acquisition of financial assets measured at amortized cost	(803,600)	(699,650)
Principal repayment at maturity for financial assets measured at amortized cost	843,300	1,324,215
Acquisition of property, plant and equipment	(252,592)	(889,007)
Disposal of property, plant and equipment	1,875	825
Increase in refundable deposits	(7,256)	(2,195)
Decrease in refundable deposits	8	-
Acquisition of intangible assets	(112)	(72)
Increase in other financial assets	(3,210)	-
Decrease in other financial assets	-	61,748
Increase in pre-payments for equipment	(64,773)	(3,338)
Net cash outflows from investing activities	(286,360)	(207,474)
Cash flows from financing activities		
Increase in deposits received	13,649	11,944
Decrease in deposits received	(6,594)	(8,590)
Repayment of lease principal	(12,237)	(7,291)
Distribution of cash dividends	(284,815)	(267,014)
Net cash outflows from financing activities	(289,997)	(270,951)
Increase in cash and cash equivalents for the period	77,776	120,119
Cash and cash equivalents at the beginning of the period	531,608	411,489
Cash and cash equivalents at the end of the period	\$ 609,384	\$ 531,608

(Please refer to Notes to the Financial Statements)

Chairman

Managerial Officer

Accounting Head

Proposal 2

Proposed by the board of directors

The Company's "surplus distribution" plan of 2025 is submitted for recognition.

Descriptions: The Company's 2025 earnings distribution was reviewed by the Audit Committee and approved by a resolution of the board of directors. The Surplus Distribution Table enclosed on Page 30 of this Handbook is submitted for recognition under the law.

Resolution:

Shin Shin Natural Gas Co., Ltd.
Surplus Distribution Table
2025

Unit: NT\$

Undistributed surplus at the beginning of the period	191,060,886
Add: 2025 net surplus after tax	285,844,009
Add: Net profit after-tax re-measured amount of 2025	4,344,616
Debit: Allocation of 10% for legal reserve	29,018,863
Distributable Surplus	452,230,648
Distribution Items:	
Shareholder dividends - cash (NT\$1.5 per share)	270,806,180
Undistributed surplus at the end of the period	181,424,468

Note 1: The earnings of 2025 have priority for distribution.

Note 2: Under Article 33-1 of the Company's Articles of Incorporation, the Board of Directors may distribute part or all of the dividend and bonus as cash by a meeting resolution and report to the shareholders' meeting.

Chairperson: (signature)

Manager: (signature)

Accounting Head: (signature)

4. Discussion Matters

Proposal 1

Proposed by the board of directors

Some provisions of the Company's "Regulations for the Acquisition or Disposal of Assets" are amended and submitted for resolution.

Description:

1. According to the amendments to some provisions of the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" issued by the Financial Supervisory Commission on July 24, 2025, the amendment to some provisions of the Company's "Regulations Governing the Acquisition and Disposal of Assets" is made. Please refer to pages 33 to 36 of this Handbook for the comparison table before and after the amendment, and Appendix 3 for the original texts.
2. This proposal has been approved by the 10th board meeting of the current (20th) term of the board of directors, and is submitted for resolution under the law.

Resolution:

Attachments

The Before and After Amendment Comparison Table of the Regulations Governing the Acquisition and Disposal of Assets by Shin Shin Natural Gas Co., LTD.

Amended Articles	Original Articles	Explanation of amendment
Article 8 Announcements and Declaration 1. Under the following circumstances, The Company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the proper format as prescribed by regulations within 2 days counting inclusively from occurrence of the event: (1) Acquisition or disposal of real property or right-of-use assets of it from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets of it from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more. Trading of domestic government bonds, bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises. (2) Merger, demerger, acquisition, or transfer of shares. (3) Losses from derivatives trading reaching the limits on aggregate losses or losses on	Article 8 Announcements and Declaration 1. Under the following circumstances, The Company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the proper format as prescribed by regulations within 2 days counting inclusively from occurrence of the event: (1) Acquisition or disposal of real property or right-of-use assets of it from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets of it from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more. Trading of domestic government bonds, bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises. (2) Merger, demerger, acquisition, or transfer of shares. (3) Losses from derivatives trading reaching the limits on aggregate losses or losses on	Article 8 of these procedures is amended under Article 31 of the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies." 1. The acquisition or disposal of equipment for business use is an activity required for the Company's normal operations. Considering the materiality of information disclosure, Item 3 was added to Subparagraph 4, Paragraph 1, stipulating that for public companies with paid-in capital of NT\$50 billion or more, the threshold for announcing the acquisition or disposal of equipment for business use when the counterparty is not an affiliated party is raised to over 5 percent of the Company's paid-in capital. Item 2, Subparagraph 4, Paragraph 1 was also changed, providing that for public companies with paid-in capital of NT\$10 billion or more but less than NT\$50 billion, the threshold for announcing the acquisition or disposal of equipment for business use when the counterparty is not an affiliated party is NT\$1 billion. 2. Companies manage their funds through investments in fixed-income products to enhance their cash yield to effectively use their working capital. However, current threshold of NT\$300 million for required disclosure may

Amended Articles	Original Articles	Explanation of amendment
individual contracts set out in the procedures adopted by the Company. (4) Where equipment or right-of-use assets of it for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount meets the following criteria: 1. For public companies whose paid-in capital is less than NT\$10 billion, the transaction amount reaches NT\$500 million or more. 2. For public companies whose paid-in capital is NT\$10 billion or <u>more but less than NT\$50 billion</u>, and the transaction amount reaches NT\$1 billion or more. 3. <u>For public companies whose paid-in capital is NT\$50 billion or more, and where the transaction amount reaches or exceeds 5% of their paid-in capital.</u> (5) Where land is acquired under an arrangement on engaging others to build on the Company's own land, engaging others to build on rented land, joint construction and allocation of	individual contracts set out in the procedures adopted by the Company. (4) Where equipment or right-of-use assets of it for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount meets the following criteria: 1. For public companies whose paid-in capital is less than NT\$10 billion, the transaction amount reaches NT\$500 million or more. 2. For public companies whose paid-in capital is NT\$10 billion or more, the transaction amount reaches NT\$1 billion or more. (5) Where land is acquired under an arrangement on engaging others to build on the Company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint	result in large enterprises having to make frequent disclosures. Based on considerations of the materiality of information disclosure and considering the risk features of such instruments, a new Subparagraph 6 has been added to Paragraph 1. This applies to public companies whose paid-in capital is NT\$50 billion or more; government bonds, ordinary corporate bonds, and general financial bonds not involving equity (excluding subordinated bonds) listed on the stock exchange or traded at securities firms' business premises are not subject to the restrictions in Subparagraph 7 if the trading counterparty is not a related party. The announcement standard for the transaction amount is increased to at least 5 percent of the paid-in capital. 3. Current Subparagraph 6 of Paragraph 1 is renumbered as 7, with minor text revisions.

Amended Articles	Original Articles	Explanation of amendment
housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the Company expects to invest in the transaction reaches NT\$500 million. (6) <u>For public companies whose paid-in capital is NT\$50 billion or more, government bonds, ordinary corporate bonds, and general financial bonds not involving equity (excluding subordinated bonds) listed on the stock exchange or traded at securities firms' business premises are not subject to the restrictions in Subparagraph 7 if the trading counterparty is not a related party and the transaction amount reaches or exceeds 5 percent of their paid-in capital.</u> (7) Where an asset transaction other than those referred to in the preceding <u>six</u> subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million.	construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the Company expects to invest in the transaction reaches NT\$500 million. (6) Where an asset transaction other than those referred to in the preceding <u>five</u> subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million.	

Amended Articles	Original Articles	Explanation of amendment
However, these conditions are not subject to this restriction: (these articles are omitted)	However, these conditions are not subject to this restriction: (these articles are omitted)	
Article 15-1 For the calculation of 10 percent of total assets under these Regulations, the total assets stated in the most recent parent company only financial report <u>or individual</u> financial report prepared under the Regulations Governing the Preparation of Financial Reports by Securities Issuers shall be used. In the case of a company whose shares have no par value or a par value other than NT\$10, for the calculation of transaction amounts of 20 percent of paid-in capital under these Regulations, 10 percent of equity attributable to owners of the parent company shall be substituted; <u>for the calculation of transaction amounts of 5 percent of paid-in capital under these Regulations, 2.5 percent of equity attributable to owners of the parent company shall be substituted</u>; for calculations under these Regulations about transaction amounts relative to paid-in capital of NT\$10 billion, NT\$20 billion of equity attributable to owners of the parent company shall be substituted; <u>for calculations under these Regulations about transaction amounts relative to paid-in capital of</u>	Article 15-1 For the calculation of 10 percent of total assets under these Regulations, the total assets stated in the most recent parent company only financial report prepared under the Regulations Governing the Preparation of Financial Reports by Securities Issuers shall be used. In the case of a company whose shares have no par value or a par value other than NT\$10—for the calculation of transaction amounts of 20 percent of paid-in capital under these Regulations, 10 percent of equity attributable to owners of the parent shall be substituted; for calculations under these Regulations about transaction amounts relative to paid-in capital of NT\$10 billion, NT\$20 billion of equity attributable to owners of the parent shall be substituted.	1. Paragraph 1 has been revised with minor text changes. 2. To follow the addition of clauses in Paragraph 1, Article 8 of these Regulations concerning the standards for public companies with a paid-in capital of NT\$50 billion or more, Paragraph 2 has been amended, stipulating the method for calculating the 5 percent of paid-in capital and the NT\$50 billion paid-in capital threshold for companies whose shares have no par value or a par value per share other than NT\$10.

Amended Articles	Original Articles	Explanation of amendment
<u>NT\$50 billion, NT\$100 billion of equity attributable to owners of the parent company shall be substituted.</u>		

5. Extraordinary Motions

6. Adjournment

Rules of Procedure for Shareholders Meetings for Shin Shin Natural Gas Co., LTD.

It was resolved in the regular shareholders meeting to have the “Rules of Procedure for Shareholders Meetings” taken force continuously on May 14, 1982.

The amendments were passed in the regular shareholders’ meeting on May 24, 1997.

The partial amendments were passed in the 11th board meeting of the 12th term on March 25, 2002, and presented in the regular shareholders’ meeting on June 21, 2002.

The partial amendments were passed in the 4th board meeting of the 13th term on March 12, 2004, and presented in the regular shareholders’ meeting on June 18, 2004.

The amendments were passed in the regular shareholders’ meeting on June 12, 2014.

The amendments were passed in the regular shareholders’ meeting on June 23, 2015.

The amendments were passed in the regular shareholders’ meeting on June 23, 2017.

The amendments were passed in the regular shareholders’ meeting on August 31, 2021.

The amendments were passed in the regular shareholders’ meeting on June 27, 2023.

Article 1 [Basis]

The rules of procedures for the Company’s shareholders’ meetings, except as otherwise provided by laws and regulations or the Articles of Incorporation, shall be as provided in these Rules.

Article 2 [Convening shareholders’ meetings]

Unless otherwise provided by law or regulation, the Company’s shareholders’ meeting shall be convened by the board of directors.

The Company’s shareholders’ meeting may be held by these means:

1. Physical shareholders’ meeting.
2. Hybrid shareholders’ meeting.
3. Virtual shareholders’ meeting.

The relevant organizational time and data transmission and preparation of the Company’s shareholders’ meeting shall be handled under laws and regulations.

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.

The shareholders’ meeting is convened by the board of directors with the meeting agenda 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). The meeting shall move forward in the order set by the agenda, which may not be changed without resolving the shareholders’ meeting.

The preceding paragraph applies 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 before completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by resolving 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 help the attending shareholders in electing a new chair by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

Election or dismissal of directors, change of the Articles of Association, capital reduction, application for cessation of public offering, permission for directors to compete, capital go up from earnings, capital –go up from reserve, company dissolution, merger, division, or each subparagraphs of Article 185, paragraph 1 of the Company Act, Article 26-1 and Article 43-6 of the Securities and Exchange Act, and Article 56-1 and Article 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers should be detailed in the reasons for convening a meeting and may not be proposed as an extraordinary motion at the meeting.

Shareholders holding one percent or more of the total of outstanding shares of the Company may propose to the Company a proposal for discussion at a regular shareholders’ meeting if only one matter

shall be allowed in each single proposal, and if a proposal has more than one matter, such proposal shall not be included in the agenda.

In addition, when the circumstances of the subparagraphs 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.

Article 3 [Attending shareholders' meetings by proxy]

A shareholder who cannot go to a shareholders' meeting in person may appoint a proxy to go to the shareholders' meeting on their behalf with power authorized detailed.

A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders' meeting, and shall deliver the proxy form to the Company before five days before the date of the shareholders' meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.

After a proxy form has been delivered to the Company, if the shareholder intends to go to the meeting in person or by videoconference or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to the Company before two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

When a person who acts as the proxy for two or more shareholders, voting power represented by them may not exceed three percent of the total of voting shares of the Company; otherwise, the part of excessive voting power shall not be counted.

Article 4 [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 by 3 p.m.

The restrictions on the place of the meeting shall not apply when the Company convenes a virtual shareholders' meeting.

Article 5 [Shareholder attendance registration]

The Company shall specify in its shareholders' meeting notice the time during which attendance registrations for shareholders, solicitors and proxies (collectively, "shareholders") will be accepted, the place to register for attendance, and other matters for attention.

The place at which attendance registrations are accepted shall be marked, and suitable staff assigned to handle the registrations. Shareholders completing registration on the videoconferencing platform will be considered as go to the shareholders' meeting in person.

Shareholders shall go to the shareholders' meeting based on attendance cards, sign-in cards, or other certificates of attendance. Solicitors asking for proxy forms shall also bring identification documents for verification.

The Company shall give the attending shareholders an attendance book to sign, or attending shareholders may hand in sign-in cards instead of signing in.

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.

In the event of a virtual shareholders' meeting, shareholders wishing to go to the meeting by videoconference shall register with the Company at the venue or website designated by the Company two days before the meeting date.

In the event of a virtual shareholders' meeting, the Company shall upload the meeting handbook, annual report and other meeting materials to the videoconferencing platform and keep this information revealed until the end of the meeting.

Article 5-1 [Convening virtual shareholders' meetings and details to be included in the

shareholders' meeting notice]

To convene a virtual shareholders' meeting, the Company shall include these particulars in the shareholders' meeting notice:

1. How shareholders go to the virtual meeting and exercise their rights.
2. Actions to be taken if the videoconferencing platform or participation in the virtual meeting by videoconference is obstructed because of natural disasters, accidents or other force majeure events.

Article 6 [Chair of the shareholders' meeting]

If a shareholders' meeting is convened by the board of directors, the meeting shall be chaired by the chairperson. When the chairperson is on leave or unable to exercise their powers, the chairperson shall appoint one director to act as chair. Where the chairperson does not appoint a director, the directors shall select from among themselves one person to serve as chair.

The chair as referred to in the preceding paragraph shall have held their 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.

If a shareholders' meeting is convened by a party with the power to convene 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 people kept by it to go to a shareholders' meeting in a non-voting capacity.

Article 7 [Recording of the shareholders' meeting by audio or video and retention]

The Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure to the end of the meeting. The recorded materials of the preceding paragraph shall be kept for at least one year. If, however, a shareholder sues under Article 189 of the Company Act, the recorded materials shall be kept until the conclusion of the litigation.

In case of a virtual shareholders' meeting, the Company shall make an uninterrupted audio and video recording of the virtual meeting, which shall be kept by the Company during the entirety of its existence.

Article 8 [Standard compliant of meetings]

Attendance and voting in shareholders' meetings shall be calculated based on the number of shares.

The chair shall call the meeting to order at the scheduled meeting time and announce the number of non-voting shares and the number of shares present and other related information. However, when the attending shareholders do not represent most of the total of issued shares, the chair may announce a postponement if 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 of issued shares, the chair shall declare the meeting adjourned. 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 of issued shares, a tentative resolution may be adopted under 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 one month.

When, before conclusion of the meeting, the attending shareholders represent most of the total of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders' meeting under Article 174 of the Company Act.

Article 9 [Shareholder speech and response]

Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, their shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.

A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be

considered to have not spoken. When the content of the speech does not correspond to the given on the speaker's slip, the spoken content shall prevail.

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 with the floor; the chair shall stop any violation.

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 five minutes. If the shareholder's speech violates the rules or exceeds the agenda item, the chair may terminate the speech.

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

Where a virtual shareholders meeting is convened, shareholders at the virtual meeting online may raise questions in writing at the virtual meeting platform from the chair declaring the meeting open until the chair declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall have no more than 200 words. The regulations in paragraphs 1 to 5 do not apply.

The proposals are to be discussed in the order set in the agenda, and the chair should immediately stop individuals who violate the procedures from speaking.

In addition to the proposals in the agenda, shareholders' amendments to the original proposals, alternative proposals or other extraordinary motions proposed shall be seconded by other shareholders; the same shall apply for changes to the agenda and motions to adjourn the meeting.

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

Article 10 [Calculation of voting rights and recusal]

As for 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 of issued shares.

When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that this relationship would prejudice the interests of the Company, that shareholder may not vote on that item, and they 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.

Article 11 [Voting]

Shareholders may receive one vote for each share held, unless the shares are restricted shares or considered non-voting shares under Article 179, paragraph 2 of the Company Act.

When the Company holds a shareholders' meeting, it may let shareholders exercise voting rights by correspondence or electronic means. 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 considered to have gone to the meeting in person. However, as for motions and amendments to original proposals of the shareholders' meeting, voting rights shall be deemed waived.

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, unless a declaration is made to cancel the earlier declaration of intent.

After a shareholder has exercised voting rights by correspondence or electronic means, if the shareholder intends to go to the shareholders meeting in person or online, 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 way the voting rights were exercised, before two business days before the date of the shareholders meeting. When a shareholder has exercised voting rights both by

correspondence or electronic means and by appointing a proxy to go to 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 passing a proposal shall require an affirmative vote of most of the voting rights represented by the attending shareholders.

When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal 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 considered rejected, and no further voting shall be required.

When the chair considers that the discussion of a proposal has reached the point where it is ready to be voted on, they may declare the end of the discussion, put the proposal to a vote and arrange adequate time for voting.

When the Company convenes a virtual shareholders' meeting, after the chair declares the meeting open, shareholders at the meeting by videoconference shall cast votes on proposals and elections on the videoconferencing platform before the chair announces the end of the voting session, or they will be considered to have abstained from voting.

In the event of a virtual shareholders' meeting, votes shall be counted at once after the chair announces the end of the voting session, and the results of the votes and elections shall be announced right away. When the Company convenes a hybrid shareholders' meeting, if shareholders who have registered to go to the meeting by videoconference under Article 5 attend the physical shareholders' meeting in person, they shall revoke their registration two days before the shareholders' meeting like they registered. If their registration is not revoked within the time limit, they may only go to the shareholders' meeting by videoconference.

When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and went to the shareholders' meeting by videoconference, except for extraordinary motions, they may not exercise voting rights on the original proposals or amend the original proposals or exercise voting rights on amendments to the original proposals.

Article 12 [Vote supervision, counting and announcing]

Vote tracking and counting staff for the voting on a proposal shall be appointed by the chair if all tracking staff shall be shareholders of the Company.

Vote counting for shareholders' meeting proposals or elections shall be conducted in public at the place of the shareholders' meeting. Right after the vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record of the vote shall be made.

Article 13 [Elections of directors]

The election of directors at a shareholders' meeting shall be held under the applicable election and appointment rules of the Company.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the tracking staff and kept in proper custody for at least one year. If, however, a shareholder sues under Article 189 of the Company Act, the recorded materials shall be kept until the conclusion of the litigation.

Article 14 [Preparation and retention of meeting minutes]

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 shall be distributed to each shareholder within 20 days after the meeting. The meeting minutes may be produced and distributed in electronic form.

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

The meeting minutes shall accurately record the year, month, day, place of the meeting, the full name

of the chair, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights), and reveal the number of voting rights won by each candidate in the event of an election of directors. The meeting minutes shall be kept during the existence of the Company.

Where a virtual shareholders' meeting is convened, in addition to the details to be included in the meeting minutes as described in the preceding paragraph, the start time and end time of the shareholders' meeting, how the meeting is convened, the full name of the chair and secretary, and actions to be taken in the event of disruption to the videoconferencing platform or participation in the meeting by videoconference because of natural disasters, accidents or other force majeure events, and how issues are dealt with shall also be included in the minutes.

Article 15 [Maintaining order at the meeting place]

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

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

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 staff to escort the shareholder from the meeting.

Article 16 [Break and recess of the 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, because of the circumstances, the meeting will be resumed.

If the meeting venue is no longer available for continued use and not all 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 five days under Article 182 of the Company Act.

Article 17 [Handling of disconnection]

In the event of a virtual shareholders' meeting, when declaring the meeting open, unless under a circumstance where a meeting does not have to be postponed to or resumed at another time under Article 44-20, paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the chair shall also declare that if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the chair has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply.

For a meeting to be postponed or resumed as described in the preceding paragraph, shareholders who have not registered to participate in the affected shareholders' meeting online may not go to the postponed or resumed session.

For a meeting to be postponed or resumed under the first paragraph, the number of shares represented and voting rights and election rights exercised at the affected shareholders' meeting by shareholders who have registered to participate in the affected shareholders' meeting and have successfully signed in the meeting but do not go to the postponed or resumed session shall be counted towards the total of shares, number of voting rights and number of election rights represented at the postponed or resumed session.

During a postponed or resumed session of a shareholders' meeting held under the first paragraph, no further discussion or resolution is required for proposals for which votes have been cast and counted and results have been announced, or lists of elected directors announced.

When the Company convenes a hybrid shareholders' meeting, and the virtual meeting cannot continue as described in first paragraph, if the total represented at the meeting, after deducting those represented by shareholders at the virtual shareholders' meeting by videoconference, still meets the minimum legal requirement for a shareholders' meeting, then the shareholders' meeting shall continue, and no postponement or resumption of it under the first paragraph is required.

Under the circumstances where a meeting should continue as in the preceding paragraph, the shares represented by shareholders at the virtual meeting by videoconference shall be counted towards the total represented by shareholders present at the meeting, provided these shareholders shall be considered abstaining from voting on all proposals on meeting agenda of that shareholders' meeting.

When postponing or resuming a meeting according to the first paragraph, the Company shall handle the preparatory work based on the date of the original shareholders' meeting under the requirements under Article 44-20, paragraph 7 of the Regulations Governing the Administration of Shareholder Services of Public Companies.

For dates or period under the latter half of Article 12 and Article 13, paragraph 3 of the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, and 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 shall handle the matter based on the date of the shareholders' meeting postponed or resumed under the first paragraph.

Article 18 [Unaddressed matters]

Matters not dealt with in these Rules shall be handled under the Company Act, the Company's Articles of Incorporation and orders and instructions of the competent authority.

Article 19 [Amendments]

These Rules, and any amendments, shall be started after adoption by the shareholders' meeting.

Shin Shin Natural Gas Co., Ltd. Articles of Incorporation

Chapter I General Principles

- Article 1 The Company is incorporated under the Company Act and is named “Shin Shin Natural Gas Co., Ltd.” (“the Company”).
- Article 2 The Company is a joint investment of the Veterans Affairs Council, R.O.C. and the private sector. The Company supplies natural gas in Taipei City and New Taipei City, to develop public utilities, serving society, and arranging employment for veterans.
- Article 3 The Company’s scope of business operation is:
1. D201011 Natural Gas Utility Enterprise
 2. CR01010 Gas Apparatus and Parts Manufacturing
 3. E502010 Fuel Catheter Installation Engineering
 4. JE01010 Rental and Leasing
 5. B102010 Extraction of Crude Petroleum and Natural Gas
 6. E603130 Gas Water Heater Contractors
 7. D401010 Thermal Energy Supply
 8. E603040 Fire Safety Equipment Installation Engineering
 9. E603050 Automatic Control Equipment Engineering
 10. F401181 Measuring Instruments Import
 11. F213050 Retail Sale of Measuring Instruments
 12. F113060 Wholesale of Measuring Instruments
 13. ID01010 Measuring Instruments Certification
 14. D101050 Combined Heat and Power
 15. F105050 Wholesale of Furniture, Bedding Kitchen Utensils and Fixtures
 16. F205040 Retail Sale of Furniture, Bedding Kitchen Utensils and Fixtures
 17. E801070 Kitchenware and Sanitary Fixtures Installation Engineering
 18. F401010 International Trade
 19. H701010 Housing and Building Development and Rental
 20. H703100 Real Estate Leasing
 21. Z99999 All business activities not prohibited or restricted by law, except those that are subject to special approval.
- Article 4 The Company is in New Taipei City, and may set up branches in other regions as needed. The establishment and abolition of the Company is decided by the board of directors.
- Article 5 The Company’s announcements shall be handled under the relevant laws and regulations.

Chapter II Stock and Shares

- Article 6 The total authorized capital stock of the Company is NT\$1,858,000,000 with 185,800,000 shares issued at a par value of NT\$10. The board of directors may make multiple issuances depending on business needs.
- Article 6-1 The Company’s total investment amount may exceed 40% of the paid-in capital depending on the actual needs with the board of directors allowed for implementation.
- Article 6-2 The Company may make external endorsements and guarantees per resolving the board of directors.
- Article 7 The Company’s shares shall all be name-bearing share certificates signed by directors representing the Company or affixed seals of them and shall be duly certified or authenticated by share certificate issuers under the law before issuance of it.

The Company is exempted from printing certificates for the shares issued, and shall register the issued shares with a centralized securities depository enterprise.

Article 8 The Company's handling of stock affairs shall follow the "Regulations Governing the Administration of Shareholder Services of Public Companies" and related laws and regulations and securities regulations published by the Securities and Futures Bureau of the Financial Supervisory Commission (the Securities and Futures Bureau).

Article 9 The transfer of shares will be suspended within 60 days before the convening date of a regular shareholders' meeting, or within 30 days before the convening date of a special shareholders' meeting, or within five days before the date fixed by the Company for distribution of dividends, bonuses, or other benefits.

Chapter III Shareholders' Meetings

Article 10 Shareholders' meetings include both regular shareholders' meetings and special shareholders' meetings, of which, a regular shareholders' meeting is to be held at least once a year and convened by the board of directors within 6 months at the end of the fiscal year. A special shareholders' meeting is to be held when necessary. The shareholders' meeting notice may be sent electronically with the consent of the shareholders. The adoption of electronic voting at the shareholders' meeting is listed as one channel for shareholders of the Company to exercise their voting rights, and its operation shall be handled under the regulations of the competent authority.

When the Company's shareholders' meeting is convened, it may be convened by videoconference or other methods announced by the central competent authority. However, if the central competent authority announces that the Company shall convene the shareholders' meeting within a certain period due to natural disasters, incidents or other force majeure factors, the meeting may be held by videoconference or under the method announced without being stipulated in the Articles of Association.

When a shareholders' meeting is convened by videoconference, the shareholders who participate in the meeting by videoconference will be considered to have gone to the meeting in person.

For the preceding two paragraphs, if the competent authority for securities has other provisions on the conditions, operating procedures and other matters that the Company shall meet, such provisions shall prevail.

Article 11 When a shareholder cannot go to a shareholders' meeting, they may appoint a proxy to go to the meeting by providing the proxy form issued by the Company and stating the proxy's permission.

Except for a trust enterprise or a stock agency approved by the competent authority for securities, when one person is a proxy of two or more shareholders the voting rights of the proxy may not exceed three percent of the total voting rights of the issued shares. The voting rights by proxy that exceed the threshold will not be counted and shall be handled under the relevant laws and regulations. If duplicates of the proxy forms stated in the preceding paragraph are delivered, the one received earliest shall prevail.

Article 12 Resolutions at a shareholders' meeting are based on the shares represented by the shareholders present, with one share having one voting right. However, restricted shares or shares without voting rights as stipulated in the Company Act are not subject to this restriction.

Article 13 Resolutions at a shareholders' meeting shall, unless otherwise provided by laws and regulations or the Company's Articles of Incorporation, be adopted by a majority vote of the shareholders present, who represent more than one half of the total of voting shares.

Article 14 The shareholders' meeting is convened and chaired by the chairperson. When the chairperson is on leave, the chairperson shall appoint one director to chair the

shareholders' meeting. Where the chairperson appoints a director, the directors shall select from among themselves one person to serve as chair. If a shareholders' meeting is convened by a party with the power to convene 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.

Chapter IV Directors

- Article 15 The Company appoints 15 to 24 directors (including independent directors) to organize the board of directors, and the directors are elected for a three-year term and eligible for re-election under Article 192 and Article 198 of the Company Act.
- The election of directors is started under the candidate nomination system as stated in Article 192-1 of the Company Act. Matters related to the acceptance and announcement of the candidate nomination for directors shall be handled under the relevant laws and regulations of the Company Act and the Securities and Exchange Act.
- The number of independent directors may not be less than three, and may not be less than one fifths of the total of directors to be elected. The professional qualifications, restrictions on shareholding and concurrent positions, determination of independence, nomination methods, and other matters to be followed regarding the election of independent directors shall be handled under the regulations of the competent authority.
- Article 16 The directors organize the board of director with a resolution adopted by a majority vote at a board meeting attended by over two thirds of the total of directors, and the directors shall elect one director from among themselves as the chairperson. The chairperson represents the Company externally, and shall perform their duties under laws and regulations, the Articles of Incorporation, and the resolutions of the shareholders' meeting and the board of directors.
- Article 17 A board meeting should be convened at least once per quarter. A special board meeting may be convened when necessary. Board meetings are chaired by the chairperson. When the chairperson is on leave, the chairperson shall appoint one director to chair the board meeting. Where the chairperson does not appoint a director, the directors shall select from among themselves one person to serve as chair.
- Article 17-1 The Company shall have all directors informed seven days in advance regarding the convening of the board meeting with the information of time, place, and reason for convening detailed; however, in case of emergency, a board meeting may be convened. The directors may be informed of the board meeting to be convened in writing, by e-mail, or by fax.
- Article 18 The Company's directors may appoint other directors to go to the board meeting, but the proxy is limited to one person.
- Article 19 The board of directors may appoint an adjunct and a secretary to help the chairperson in handling general business and specific matters of the board of directors, when necessary-and to participate in project reviews, general document reviews, and assigned matters.
- The Company has set up an audit office, which is subordinate to the board of directors. The audit office has an important auditor and several auditors. The appointment and dismissal of the main auditor shall be approved by the Audit Committee and reported to the board of directors. Auditors shall be approved by the chairperson under "Guidelines for Appointment, Dismissal, Evaluation and Wage and Remuneration of Internal Auditors."
- Article 20 The board of directors exercises these authorities:

1. Review of business development policy.
2. Review, supervision, and implementation of business plans.
3. Budget review.
4. Proposal of capital increase or decrease plans.
5. Review of corporate bonds issuance or arrangement.
6. Proposal of earnings distribution.
7. Review of foreign investments
8. Review and approval of important contracts.
9. Proposal of amendments to the Articles of Incorporation.
10. Review and approval of the organizational charter and important business rules.
11. Discussion and resolution of the establishment, reorganization, or dissolution of branches.
12. Employment and dismissal of the Company's general manager, deputy general manager, chief engineer, deputy chief engineer, chief auditor, senior supervisor and senior deputy supervisor, and adjunct and secretary of the board of directors.
13. Convening of the shareholders' meeting.
14. Other responsibilities entrusted by law.

Article 21 Resolutions at a board meeting shall, unless otherwise provided by the Company Act, be adopted by a majority vote of the directors present, who represent more than one half of the total of directors.

Article 22 Resolutions of the board of directors shall be distributed by the Company to all relevant units for further handling.

Article 23 An acting director is to be appointed to help the chairperson in handling routine operations depending on the needs of the chairperson and with the consent of the board of directors.

Article 24 (Deleted)

Article 25 The general manager and responsible supervisors shall go to the board meeting to report and state their opinions on a non-voting capacity.

Article 26 The Company has established an Audit Committee composed of the independent directors. One of the independent directors is the convener, and at least one of the independent directors has accounting or financial knowledge.

The members of the Audit Committee members, implementation of powers, and other matters to be followed are to be handled under the relevant laws and regulations.

Article 27 The directors' payment is to be determined by the board of directors under the general standard of the industry.

Article 28 (Deleted)

Chapter V Management and Other Employees

Article 29 The Company has appointed a general manager. The chairperson presents this appointment to the board of directors for resolution, and the same shall apply for the dismissal of the general manager. There is an adjunct in the general manager's office to help the general manager in handling routine operations and specific and assigned matters. The said appointment is resolved by the general manager with the chairperson before reporting to the board of directors for resolution.

Article 30 The Company has two deputy general managers, one chief engineer, two deputy chief engineers, one secretary and several senior supervisors and deputy supervisors who are

submitted by the general manager to the chairperson for choice before reporting to the board of directors for resolution. Other employees are appointed and dismissed by the general manager under the Company's staff management regulations and reported to the board of directors for future reference.

- Article 31 Among the Company's employees, 50% of the office staff and 60% of the workers should be selected and placed (including indirect placement) from the competent veterans recommended by the Veterans Affairs Council, R.O.C. If necessary, the employment ratio may be increased by resolution of the board of directors.

Chapter VI Accounting

- Article 32 The Company's fiscal year is from January 1 to December 31. The Company, at the end of the fiscal year, shall handle the final accounts under Article 228 of the Company Act. The board of directors shall prepare these reports for the recognition of the shareholders' meeting under legal procedures.

1. The business report.
2. The financial statements.
3. The proposal for distribution of earnings or covering of losses.

The reports shall be prepared under the regulations of the central competent authority, and shall be audited and certified by independent auditors.

- Article 33 The Company shall appropriate employee compensation for an amount equivalent to 2.2% of the profits of which no less than 23% of the amount shall be appropriated as payment for entry-level employees, which is to be distributed in shares or cash by resolution of the board of directors. The employees of subordinate companies who meet certain conditions also may receive such earnings distribution. The Company's board of directors may resolve to have directors' payment appropriated for an amount of no more than 2.2% of the profits.

The proposal for the distribution of employee compensation and directors' payment shall be reported to the shareholders' meeting.

However, when the Company has built up losses, an equivalent amount should be reserved in advance for making up such losses before appropriating the employee compensation and directors' payment under the ratio stated in the first paragraph.

- Article 33-1 The Company adopts a fixed cash-dividend payment ratio policy. In principle, the annual cash dividends paid shall not be less than 20% of the total dividends. However, the Company may increase the distribution ratio by referring to the business plan, Profitability, investment capital needs, and considering the Company's business capital adequacy in response to the change in economy and market environment. If the Company has "current net income" in each annual final account, in addition to making up for losses and appropriating legal reserve for an amount equivalent to 10% of after-tax surplus, the balance with the kept earnings at the beginning of the same period and the "adjusted unappropriated retained earnings for the current year" should be distributed in the following order:

1. Appropriate special reserve with the appropriation ratio determined by law or resolved by the board of directors. When necessary, the board of directors shall draw up a plan and submit it to the shareholders' meeting for resolution.
2. Depending on the Company's current share capital, financial structure, future operational development needs and surplus considerations, at least 20% of the distributable surplus shall be given as shareholder dividends, and the board of directors shall formulate a distribution proposal and submit it to the general

meeting of shareholders for resolution.

The Company may distribute all or part of the dividends and bonuses, legal reserve and paid-in capital as cash and report to the shareholders' meeting, after such matter has been approved by at least half of the directors in attendance in a board meeting attended by no less than two thirds of all board members, and the preceding paragraph requiring resolution by the shareholders' meeting shall not apply.

Chapter VII Additional Provisions

- Article 34 The organizational charter and bylaws of the Company shall be established separately.
- Article 35 Matters not dealt with in the Articles of Incorporation shall be handled under the Company Act, Banking Act, Rules Governing Bills Finance, and other relevant laws and regulations.
- Article 36 The Articles of Incorporation were formulated on March 25, 1971.
The 1st amendment was made on May 25, 1972.
The 2nd amendment was made on November 25, 1972.
The 3rd amendment was made on March 31, 1975.
The 4th amendment was made on June 23, 1976.
The 5th amendment was made on March 2, 1977.
The 6th amendment was made on June 26, 1978.
The 7th amendment was made on May 23, 1979.
The 8th amendment was made on June 6, 1980.
The 9th amendment was made on May 8, 1981.
The 10th amendment was made on August 28, 1981.
The 11th amendment was made on November 20, 1981.
The 12th amendment was made on May 14, 1982.
The 13th amendment was made on May 6, 1983.
The 14th amendment was made on May 15, 1984.
The 15th amendment was made on May 21, 1985.
The 16th amendment was made on April 25, 1986.
The 17th amendment was made on April 29, 1988.
The 18th amendment was made on April 28, 1989.
The 19th amendment was made on April 27, 1990.
The 20th amendment was made on April 26, 1991.
The 21st amendment was made on May 8, 1992.
The 22nd amendment was made on May 14, 1993.
The 23rd amendment was made on March 26, 1994.
The 24th amendment was made on May 27, 1995.
The 25th amendment was made on May 11, 1996.
The 26th amendment was made on May 24, 1997.
The 27th amendment was made on May 29, 1998.
The 28th amendment was made on May 29, 1999.
The 29th amendment was made on May 19, 2000.
The 30th amendment was made on June 21, 2002.

The 31st amendment was made on June 17, 2005.

The 32nd amendment was made on June 23, 2006.

The 33rd amendment was made on June 17, 2010.

The 34th amendment was made on June 13, 2012.

The 35th amendment was made on June 21, 2013.

The 36th amendment was made on June 12, 2014.

The 37th amendment was made on June 23, 2015.

The 38th amendment was made on June 27, 2016.

The 39th amendment was made on June 23, 2017.

The 40th amendment was made on June 22, 2020.

The 41st amendment was made on August 31, 2021.

The 42nd amendment was made on June 17, 2022.

The 43rd amendment was made on June 25, 2025.

The Articles of Incorporation are to be started after resolution of the regular shareholders' meeting, and the same shall apply for amendments.

Regulations Governing the Acquisition and Disposal of Assets by Shin Shin Natural Gas Co., LTD. (Before amendment)

The “Procedures” was formulated on May 19, 2000.

The 1st amendment was made in the regular shareholders meeting on June 20, 2003.

The 2nd amendment was made in the regular shareholders meeting on June 22, 2007.

The 3rd amendment was made in the regular shareholders meeting on June 17, 2010.

The 4th amendment was made in the regular shareholders meeting on June 13, 2012.

The 5th amendment was made in the regular shareholders meeting on June 12, 2014.

The 6th amendment was made in the regular shareholders meeting on June 23, 2017.

The 7th amendment was made in the regular shareholders meeting on June 28, 2019.

The 8th amendment was made in the regular shareholders meeting on August 31, 2021.

The 9th amendment was made in the regular shareholders meeting on June 17, 2022.

Article 1 The “Procedures” was formulated under the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies” issued by the competent authority, the Securities and Exchange Act, the “Regulations on Real Estate Appraisal,” and related regulations.

Article 2 assets.

The term "assets" as used in these Regulations includes:

1. Investments in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) calls for, beneficial interest securities, and asset-backed securities.
2. Real property (including land, houses and buildings, investment property, and construction enterprise inventory) and equipment.
3. Memberships.
4. Patents, copyrights, trademarks, franchise rights, and other intangible assets.
5. Right-of-use assets.
6. Claims of financial institutions (including receivables, bills bought and discounted, loans, and overdue receivables).
7. Derivatives.
8. Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares under law.
9. Other major assets.

Article 3 Definition

Terms used in these Regulations are defined:

1. Derivatives:

Forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value comes from a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable; or hybrid contracts combining the above contracts; or hybrid contracts or structured products containing embedded derivatives. The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term buy (sales) contracts.

2. Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares under law:

Refers to assets acquired or disposed through mergers, demergers, or acquisitions

conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or to transfer of shares from another company through issuance of new shares of its own as the consideration therefor ("transfer of shares") under Article 156-3 of the Company Act.

Related party or subsidiary:

As defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

4. Professional appraiser:

Refers to a real property appraiser or other person allowed by law to engage in the value appraisal of real property or equipment.

5. Date of occurrence:

Refers to contract signing, date of payment, date of consignment trade, date of transfer, dates of boards of directors resolutions, or other date that can confirm the counterpart and monetary amount of the transaction, whichever date is earlier; provided, for investment for which approval of the competent authority is required, the earlier of the above date or the date of receipt of approval by the competent authority shall apply.

6. Mainland China area investment:

Refers to investments in the mainland China area approved by the Ministry of Economic Affairs Investment Commission or conducted under the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area.

7. Investment professional:

Refers to financial holding companies, banks, insurance companies, bill finance companies, trust enterprises, securities firms operating proprietary trading or underwriting business, futures commission merchants operating proprietary trading business, securities investment trust enterprises, securities investment consulting enterprises, and fund management companies, that are lawfully incorporated and are regulated by the competent financial authorities of the jurisdiction where they are located.

8. Securities exchange:

"Domestic securities exchange" refers to the Taiwan Stock Exchange Corporation; "foreign securities exchange" refers to any organized securities exchange market regulated by the competent securities authorities of the jurisdiction where it is located.

9. Over-the-counter venue ("OTC venue", "OTC"):

"Domestic OTC venue" refers to a venue for OTC trading provided by a securities firm under the Regulations Governing Securities Trading on the Taipei Exchange; "foreign OTC venue" refers to a venue at a financial institution regulated by the foreign competent authority and that may conduct securities business.

Article 4

Procedures for the valuation of assets acquired

For the valuation of assets acquired by the Company, in terms of real estate and other fixed assets, the capital spending plans is to be drawn up by the demand unit in advance. The said plan after a usability assessment should be forwarded to the Finance Department to have a capital spending budgets planned, executed, and controlled. In terms of a marketable securities investment, the responsible unit shall set up an

investment team for execution after a feasibility assessment is conducted.

Article 5

Procedures for the valuation of assets disposed

For the valuation of assets disposed of by the Company, in terms of real estate and other fixed assets, a fixed asset disposal application form is to be filled out by the using unit or it is to be approved specially with the reasons for disposal, disposal methods, etc., detailed for approval in advance. Marketable securities cannot be processed until they are evaluated by the responsible unit.

Article 6

Procedure for determining trading conditions

1. The price determination and reference for the Company's assets acquired or disposed
 - (1) The price of the securities traded at the stock exchange market or at TPEx is to be determined according to the transaction amount.
 - (2) The price of equity securities traded not at the stock exchange market or TPEx is to be determined by considering their net value per share, profitability, future development potential, and the transaction price.
 - (3) The price of coupon bonds traded not at the stock exchange market or TPEx is to be determined by considering the market interest rate, bond coupon rate, and debtor's credit.
 - (4) The price of real estate traded is to be determined by referring to the announced present value, appraised value, actual transaction price of adjacent real estate, appraisal results, etc.
 - (5) The price of other fixed assets traded is to be determined price comparison, negotiation, or bidding.
2. The Company's authority hierarchy for the acquisition and disposal of assets
 - (1) The acquisition or disposal of the Company's assets must be determined by the board of directors, Chairman, or general manager under the "Segregation of Duties" of the Company.

The acquisition and disposal of assets are submitted for discussion by the board of directors under the preceding paragraph, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.
 - (2) The acquisition and disposal of the Company's fixed assets shall be handled under the procedures specified in the Company's internal control system.

Article 7

Executive unit

Finance Department is the executive unit for securities investment. The using unit and the relevant responsible units are the executive unit for real estate and fixed assets.

Article 8

Announcements and reporting

1. Under the following circumstances, The Company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the proper format as prescribed by regulations within 2 days counting inclusively from occurrence of the event:
 - (1) Acquisition or disposal of real property or right-of-use assets of it from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets of it from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the

company's total assets, or NT\$300 million or more. Trading of domestic government bonds, bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.

- (2) Merger, demerger, acquisition, or transfer of shares.
- (3) Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the Company.
- (4) Where equipment or right-of-use assets of it for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount meets the following criteria:
 1. For public companies whose paid-in capital is less than NT\$10 billion, the transaction amount reaches NT\$500 million or more.
 2. For public companies whose paid-in capital is NT\$10 billion or more, the transaction amount reaches NT\$1 billion or more.
- (5) Where land is acquired under an arrangement on engaging others to build on the Company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the Company expects to invest in the transaction reaches NT\$500 million.
- (6) Where an asset transaction other than those referred to in the preceding five subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million.

However, these conditions are not subject to this restriction:

1. Trading of domestic government bonds or foreign government bonds with a credit rating not lower than Taiwan's sovereign credit rating.
2. Where done by professional investors-securities trading on Stock Exchange or Taipei Exchange, or subscription of foreign government bonds or ordinary corporate bonds and general bank debentures without equity features (excluding subordinated bonds) that are offered and issued in the primary market, or subscription or redemption of ETNs, or subscription by a securities firm of securities as required by its undertaking business or as an advisory recommending securities firm for an emerging stock company, under the rules of the Taipei Exchange.
3. Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.

The transactions above shall be calculated:

- (1) any individual transaction.
- (2) The cumulative transaction amount of acquisitions and disposals of the same underlying asset with the same transaction counterparty within the preceding year.
- (3) The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property or right-of-use assets of it within the same development project within

the preceding year.

- (4) The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.

“Within the preceding year” as used in the preceding paragraph refers to the year preceding the date of occurrence of the current transaction. Items duly announced under these Regulations need not be counted toward the transaction amount.

2. The Company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by the company and any subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the competent authority by the 10th day of each month.
3. Under the following circumstances, the Company acquiring or disposing assets shall publicly announce and report the relevant information on the competent authority designated website in the proper format as prescribed by regulations within 2 days counting inclusively from occurrence of the event:
 - (1) Change, termination, or rescission of a contract signed regarding the original transaction.
 - (2) The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date in the contract.
 - (3) Change to the originally publicly announced and reported information.
4. The matters to be announced and reported by the subsidiaries of the Company:
 - (1) The procedures for the acquisition or disposal of assets of the Company’s subsidiary shall also be handled under Article 15 of the Procedures.
 - (2) For the subsidiaries who are not the public companies in Taiwan, when the acquisition or disposal of assets are a reportable matter as defined in the Procedures, the Company shall conduct the announcement and reporting for the subsidiaries.
 - (3) In the announcement and reporting standards of the Company’s subsidiaries, the term “reaching 20% of the Company’s paid-in capital or 10% of the total assets” is based on the Company’s paid-in capital or total assets.
5. Public announcement and regulatory filing procedures.

According to the “Procedures,” for the Company’s acquiring or disposing of assets, the Finance Department shall have the announcement drafted up for approving the managing director and then publicly announce it with the relevant information enclosed to all relevant units within 2 days counting inclusively from occurrence of the event.
6. When the Company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so must correct it, all the items shall be again publicly announced and reported in their entirety within two days counting inclusively from knowing of such error or omission.
7. The Company acquiring or disposing of assets shall keep all relevant contracts, meeting minutes, logbooks, appraisal reports and CPA, attorney, and securities underwriter opinions at the company, where they shall be kept for 5 years unless another act provides otherwise.

1. The Company in acquiring or disposing of real property, equipment, or right-of-use assets of it where the transaction amount reaches 20 percent of the company's paid-in capital or NT\$300 million or more, the company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets of it held for business use, shall obtain an appraisal report before the date of occurrence of the event from a professional appraiser and shall agree with these provisions:
 - (1) Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors; the same procedure shall also be followed whenever there is any subsequent change to the terms of the transaction.
 - (2) Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.
 - (3) Where any of these circumstances applies regarding the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall render a specific opinion on the reason for the discrepancy and the appropriateness of the transaction price:
 1. The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.
 2. The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.
 - (4) No more than 3 months may elapse between the appraisal report issued by a professional appraiser and the contract execution date. provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.
2. The Company acquiring or disposing of securities shall, before the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20 percent of the company's paid-in capital or NT\$300 million or more, the company shall also engage a certified public accountant before the date of occurrence of the event to provide an opinion on the reasonableness of the transaction price. This requirement does not apply, however, to publicly quoted prices of securities with an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC).
3. Where the Company acquires or disposes of intangible assets or right-of-use assets of them or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the company shall engage a certified public accountant before the date of occurrence of the event to render an opinion on the reasonableness of the transaction price.
4. Where the Company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted

for the appraisal report or CPA opinion.

5. Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the Company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet these requirements:

- (1) May not have received a final and unappealable sentence to imprisonment for 1 year or longer for violating the Securities and Exchange Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have passed since completion of service of the sentence, since end of the period of a suspended sentence, or since a pardon was received.
- (2) May not be a related party or de facto related party of any party to the transaction.
- (3) If the company must obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.

When issuing an appraisal report or opinion, the foregoing officers shall act under the self-discipline rules of their respective trade associations and these matters.

- (1) ~~Prior to~~ before accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.
- (2) When executing a case, they shall appropriately plan and execute adequate working procedures, to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.
- (3) They shall undertake an item-by-item evaluation of the appropriateness and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.
- (4) They shall issue a statement attesting to the professional competence and independence of the staff who prepared the report or opinion, and that they have evaluated and found that the information used is appropriate and reasonable, and that they have followed applicable laws and regulations.

The calculation of three of the proceeding transaction amounts referred to in the preceding three paragraphs shall be done under Article 31, paragraph 2 of Regulations Governing the Acquisition and Disposal of Assets by Public Companies, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.

Article 10 Total amounts of real property and right-of-use assets of it or securities acquired by the company and each subsidiary for business use, and limits on individual securities.

1. The Company may buy assets within the scope of Article 2 of the "Procedures."
2. The total real estate and its right-of-use assets or securities purchased by the Company for a purpose other than business is limited to 40% of the shareholders' equity in the Company's most recent financial report audited and certified by an

independent auditor. The investment in a single equity by the Company is limited to 20% of the shareholders' equity, and the investment in a single company is limited to 40% of the shareholders' equity.

3. The total real estate and its right-of-use assets or securities purchased by the Company's subsidiary that is not a professional investor for a purpose other than business is limited to the shareholders' equity in its most recent financial report audited and certified by an independent auditor. The investment in a single equity by the subsidiary is limited to 60% of the shareholders' equity in its most recent financial report audited and certified by an independent auditor.
4. The total real estate and its right-of-use assets or securities purchased by the Company's subsidiary that is a professional investor for a purpose other than business; also, the subsidiary's investment in a single security, are both limited to the net worth of the subsidiary.

Article 11 Procedures for related party transactions

1. The Company should have the acquisition or disposal of assets from or to a related party handled under Article 9 of the "Procedures" and shall also have the resolutions adopted and the reasonableness of the transaction terms appraised under these requirements. If the transaction amount reaches 10% or more of the Company's total assets, the Company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion in compliance with the Article 9 of the Procedures.

The calculation of the transaction amount referred to in the preceding paragraph shall be made under Article 9 of this procedure.

When judging whether a transaction counterparty is a related party, in addition to legal formalities, the substance of the court shall also consider the relationship.

2. When the Company intends to acquire or dispose of real property or right-of-use assets of it from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets of it from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the company may not enter into a transaction contract or make a payment until these matters have been approved by the audit committee and board of directors:
 - (1) The purpose, necessity and expected benefit of the acquisition or disposal of assets.
 - (2) The reason for choosing the related party as a transaction counterparty.
 - (3) regarding the acquisition of real property or right-of-use assets of it from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms under Paragraph 3 and Paragraph 4.
 - (4) The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the company and the related party.
 - (5) Monthly cash flow forecasts for the year beginning from the expected month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds use.

- (6) An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with Article 9 of this procedure.
- (7) Restrictive covenants and other important stipulations associated with the transaction.

The calculation of the transaction amounts referred to in the preceding paragraph shall be made under Article 31, Paragraph 2 of the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" and within one year as stated herein refers to the year preceding the date of occurrence of the current transaction. Items approved by the board of directors and recognized by the Audit Committee need not be counted toward the transaction amount.

As for the transactions listed and conducted below, between the Company and the subsidiaries, or between the subsidiaries in which it directly or indirectly holds 100% of the issued shares or authorized capital, the Company's board of directors may delegate the Chairman to decide such matters when the transaction is within a certain amount and have the decisions submitted to and ratified in next board of directors meeting.

- (1) Acquisition or disposal of equipment or right-of-use assets of it held for business use.
- (2) Acquisition or disposal of real property right-of-use assets held for business use.

When a matter is proposed for discussion in the board meeting under Paragraph 2, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board meeting.

The matters for which Paragraph 2 requires recognition by the Audit Committee shall first be approved by one-half or more of all Audit Committee members and then submitted to the board of directors for resolution.

If the company transacts with an amount over 10% of the Company's total assets, the materials in each Subparagraph shall be submitted to the shareholders' meeting for approval before signing the transaction contract and making payment. However, the transaction does not apply to the Company and its subsidiaries.

The calculation of the preceding transaction amounts referred to in Paragraph 2 and the paragraph shall be done under Article 8 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which are submitted to the approval by the board of directors and the shareholders' meeting, and the recognition by the Audit Committee need not be counted toward the transaction amount.

3. The Company that acquires real property or right-of-use assets of it from a related party shall evaluate the reasonableness of the transaction costs by these means:
 - (1) based on the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer. Necessary interest on funding is imputed as the weighted average interest rate on borrowing in the year the company purchases the property, provided it may not be higher than the maximum non-financial industry lending rate announced by the Ministry

of Finance.

- (2) Total loan value appraisal from a financial institution where the related party has created a mortgage on the property as security for a loan, provided the actual cumulative amount loaned by the financial institution shall have been 70 percent or more of the financial institution's appraised loan value of the property and the period of the loan shall have been 1 year or more. However, this shall not apply where the financial institution is a related party of one of the transaction counterparties.

Where land and structures are combined as a single property bought or leased in one transaction, the transaction costs for the land and the structures may be separately appraised under either mean listed in the preceding paragraph.

- (3) The Company that acquires real property or right-of-use assets of it from a related party and appraises the cost of the real property or right-of-use assets of it under the preceding two subparagraphs shall also engage a CPA to check the appraisal and render a specific opinion.

When the Company acquires real property or right-of-use assets of it from a related party and one of these circumstances exists, the acquisition shall be conducted under Paragraph 2, and Subparagraph (1), (2), and (3) of Paragraph 2 do not apply.

1. The related party acquired the real property or right-of-use assets of it through inheritance or as a gift.
 2. More than 5 years will have elapsed from the time the related party signed the contract to obtain the real property or right-of-use assets of it to the signing date for the current transaction.
 3. The real property is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real property, either on the company's own land or on rented land.
 4. The real property right-of-use assets for business use are acquired by the Company with its subsidiaries, or by its subsidiaries in which it holds 100 percent of the issued shares or authorized capital.
4. When the results of the Company's appraisal conducted under Subparagraph (1) and Subparagraph (2) of the preceding Article are uniformly lower than the transaction price, the matter shall be handled in compliance with Paragraph 5. However, where these circumstances exist, objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA have been obtained, this restriction shall not apply:
 - (1) Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of these conditions:
 1. Where undeveloped land is appraised under the way in the preceding paragraph, and structures according to the related party's construction cost plus reasonable construction profit are valued over the actual transaction price. The Reasonable construction profit shall be considered the average gross operating profit margin of the related party's construction division over the most recent 3 years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.

2. Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices under standard property market sale or leasing practices.

- (2) Where the Company acquiring real property, or obtaining real property right-of-use assets through leasing, from a related party provides evidence that the terms of the transaction are like the terms of completed transactions involving neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year.

Completed transactions involving neighboring or closely valued parcels of land in the preceding paragraph in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transactions involving similarly sized parcels in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than 50 percent of the property in the planned transaction; within the preceding year refers to the year preceding the date of occurrence of the acquisition of the real property or obtainment of the right-of-use assets of it.

5. Where the Company acquires real property or right-of-use assets of it from a related party and the results of appraisals conducted under the above provisions are uniformly lower than the transaction price, these steps shall be taken:

- (1) A special reserve shall be set aside under Article 41, paragraph 1 of the Securities and Exchange Act against the difference between the real property transaction price and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares. Where the Company uses the equity method to account for its investment in public companies, then the special reserve called for under Article 41, paragraph 1 of the Securities and Exchange Act shall be set aside pro rata in a proportion consistent with the share of the Company's equity stake in the other company.
- (2) The Audit Committee shall follow Article 218 of the Company Act.
- (3) Actions taken under the subparagraphs (1) and (2) of the preceding paragraph shall be reported to a shareholders' meeting, and the details of the transaction shall be revealed in the annual report and any investment prospectus.

The Company that has set aside a special reserve under the preceding paragraph may not use the special reserve until it has recognized a loss on decline in market value of the assets it bought or leased at a premium, or they have been disposed of, or the leasing contract has been terminated, or adequate compensation has been made, or the status quo ante has been restored, or other evidence confirms that there was nothing unreasonable about the transaction, and the competent authority has given its consent.

When a public company obtains real property or right-of-use assets of it from a related party, it shall also follow the preceding two paragraphs if other evidence indicates that the acquisition was not an arm's length transaction.

Article 12 The Company's engaging in derivatives trading

1. Trading principles and strategies
- (1) Type of derivatives for trade:

The Company engages in derivatives transactions to hedge risks. So the derivatives for trade must be limited to those related to the Company's assets or liabilities susceptible to changes in prices, exchange rates, interest rates, indexes, and other factors, such as, forward contracts, futures, options, swap, and hybrid contract for the aforementioned instruments.

(2) Hedging strategy:

The Company engages in derivatives transactions to hedge risks. The hedging strategies adopted are divided into two categories, complete hedging and selective hedging, depending on the assets or liabilities to be hedged and the expectations for the future.

(3) Segregation of duties:

The Finance Department engages in derivatives trading on behalf of the Company. It should be divided into transaction execution, confirmation operators, settlement operators, and risk measurement, supervision, and control staff, which must be handled by different staff, not concurrently. Also, each transaction must be approved by the Chairman in advance.

(4) Performance evaluation:

The Finance Department shall prepare performance evaluation reports regularly for the reference of the management in gaining an understanding of the performance of the executing unit, which shall include the following information:

1. The nature and amount of derivatives held
2. Hedged amount of the assets or liabilities held
3. Realized and unrealized gains and losses
4. Transaction cost
5. Capital cost

(5) The total derivatives contract amount:

The Finance Department shall grasp the overall position of the Company to hedge transaction risks. The hedged transaction amount shall not exceed the net demand position of the Company. Each transaction must be approved by the Chairman in advance.

(6) Total and individual contract loss limits:

The individual contract loss amount may not exceed 10% of the total transaction contract amount.

2. Risk management measures

(1) Credit risk:

The Company engages in derivatives transactions with banks or legal brokers only to avoid credit risks.

(2) Market price risk:

To avoid losses caused by changes in instruments prices, such as, interest rates, exchange rates, and stock prices, the nature, amount and quantity of derivatives transactions conducted by the Company must follow or related to the hedged assets or liabilities, the held position equals the market position in the sense of quantity and amount, but moves in the opposite direction, which can be reversed when it ends. In addition, a stop loss point is set for each derivatives transaction to avoid losses due to market price fluctuations.

- (3) Liquidity risk:
The Company should conduct derivatives transactions in stock market to hedge liquidity risk; however, the Company should trade with banks at TPEx, when necessary, to maintain liquidity.
 - (4) Legal risk:
The Company must have a contract signed with all derivatives trading counterparties. In addition, each transaction must be with legal transaction evidence obtained from the counterparty to ensure the legality of each transaction and to avoid the legal risks of derivatives transactions.
 - (5) Operational control:
According to the Company's operational control of derivatives transactions, each transaction must be started, confirmed, and settled different person, must not be concurrently; also, all transactions must be approved by the responsible supervisor in advance.
 - (6) Risk measurement, supervision, and control:
The board of directors shall designate relevant supervisors other than those defined in the preceding Subparagraph (5) to pay attention to the measurement of derivatives trading risks, and to supervise and control them. The Finance Department shall have the Company's derivatives trading positions evaluated at least once per week; however, positions for hedge trades required by business shall be evaluated at least twice per month. Evaluation reports shall be submitted to senior management staff allowed by the board of directors. The tracking principles are:
 1. Assess the adequacy of the risk management measures in use, which must follow the "Procedures" in process.
 2. Supervise the transaction and profit/loss situation, take necessary countermeasures for any nonconformity identified, and report to the board of directors right away. The Company shall invite independent directors to go to the board meeting to share their opinions.
 - (7) Supervision and management of the board of directors:
 1. Designate senior management staff to pay continuous attention to tracking and controlling derivatives trading risk.
 2. Evaluate whether derivatives trading performance follows established operational strategy and whether the risk undertaken is within the Company's permitted scope of tolerance.
 3. The Company shall report to the soonest meeting of the board of directors after it lets the relevant personnel handle derivatives transactions under the "Procedures" for engaging in derivatives transactions.
3. Operating procedure
- (1) The Finance Department after evaluation shall select a financial institution with better terms to sign a credit line contract with the approval of the Chairman. Then, the Finance Department shall conduct relevant foreign exchange hedging operations within the granted credit line.
 - (2) The Finance Department during the trading period shall propose the operation strategy for the next month according to the demand position statistics report every month for approving the responsible supervisor in advance for a strategic operation thereafter.

- (3) The Finance Department engaging in derivatives transactions shall establish a logbook in which details of the types and amounts of derivatives transactions engaged in, board of directors' approval dates, and the matters required to be carefully evaluated under Paragraph 2, Subparagraph (6) and (7) of this Article shall be recorded in the logbook.

4. Internal audit

The Company's internal audit staff shall sometimes determine the suitability of internal controls on derivatives and audit how faithfully derivatives transactions by the Finance Department adheres to the procedures for engaging in derivatives transactions, and prepare an audit report. If any material violation is discovered, the Audit Committee shall be notified in writing.

Article 13 Procedures for Mergers and Consolidations, Demerger, Acquisitions, and Transfer of Shares

1. The Company that conducts a merger, demerger, acquisition, or transfer of shares, before convening the board of directors to resolve on the matter, shall engage a CPA, attorney, or securities underwriter to give an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the board of directors for deliberation and passage. However, the requirement of obtaining an opinion on reasonableness issued by an expert may be exempted in a merger by the public companies of a subsidiary in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, and in the case of a merger between subsidiaries in which the Company directly or indirectly holds 100 percent of the respective subsidiaries' issued shares or authorized capital.
2. The public companies participating in a merger, demerger, acquisition, or transfer of shares shall prepare a public report to shareholders detailing important contractual content and matters relevant to the merger, demerger, or acquisition before the shareholders meeting and include it along with the expert opinion referred to the preceding Article when sending shareholders notification of the shareholders meeting for reference in deciding whether to approve the merger, demerger, or acquisition. Provided, where a provision of another act exempts a company from convening a shareholders meeting to approve the merger, demerger, or acquisition, this restriction shall not apply.

Where the shareholders meeting of any of the companies participating in a merger, demerger, or acquisition fails to convene or pass a resolution due to lack of a quorum, insufficient votes, or other legal restriction, or the proposal is rejected by the shareholders meeting, the companies participating in the merger, demerger or acquisition shall immediately publicly explain the reason, the follow-up measures, and the preliminary date of the next shareholders meeting.

3. The companies participating in a merger, demerger, or acquisition, unless other law provided otherwise or the competent authority is notified before extraordinary circumstances and grants consent, shall convene a board meeting and shareholders meeting on the same day to resolve matters related to the merger, demerger, or acquisition.

The company participating in a transfer of shares shall call a board meeting on the day of the transaction, unless other laws provide otherwise, or the competent authority is notified before extraordinary circumstances and grants consent.

When participating in a merger, demerger, acquisition, or transfer of another

company's shares, a company listed on an exchange or has its shares traded on an OTC market shall prepare a full written record of the following information and keep it for 5 years for reference:

- (1) Basic identification data for staff: Including the occupational titles, names, and national ID numbers (or passport numbers in foreign nationals) of all people involved in the planning or implementation of any merger, demerger, acquisition, or transfer of another company's shares before disclosure of the information.
- (2) Dates of material events: Including signing any letter of intent or memorandum of understanding, the hiring of a financial or legal advisor, the execution of a contract, and the convening of a board of directors meeting.
- (3) Important documents and minutes: Including merger, demerger, acquisition, and share transfer plans, any letter of intent or memorandum of understanding, material contracts, and minutes of board of directors meetings.

When participating in a merger, demerger, acquisition, or transfer of another company's shares, a company listed on an exchange or has its shares traded on an OTC market shall, within 2 days counting inclusively from passage of a resolution by the board of directors, report (in the prescribed format and via the Internet-based information system) the information set out in subparagraphs 1 and 2 of the preceding paragraph to the competent authority for recordation.

4. Prior confidentiality commitment: Every person participating in or privy to the plan for merger, demerger, acquisition, or transfer of shares shall issue a written undertaking of confidentiality and may not disclose the content of the plan before public disclosure of the information and may not trade, in their own name or under the name of another person, in any stock or other equity security of any company related to the plan for merger, demerger, acquisition, or transfer of shares.
5. The Company taking part in a merger, demerger, acquisition, or transfer of shares may not arbitrarily change the share exchange ratio or acquisition price unless under the below-listed circumstances, and shall stipulate the circumstances permitting alteration in the contract for the merger, demerger, acquisition, or transfer of shares:
 - (1) Cash capital increase, issuance of convertible corporate bonds, or issuing bonus shares, issuance of corporate bonds with calls for, preferred shares with calls for, stock warrants, or other equity based securities.
 - (2) An action, such as a disposal of major assets, that affects the Company's financial operations.
 - (3) An event, such as a major disaster or major change in technology, that affects shareholder equity or share price.
 - (4) An adjustment where any company participating in the merger, demerger, acquisition, or transfer of shares from another company, buys back treasury stock.
 - (5) An go up or decrease in the number of entities or companies taking part in the merger, demerger, acquisition, or transfer of shares.
 - (6) Other terms/conditions that the contract stipulates may be changed and that have been publicly disclosed.
6. The contract for participation by The Company in a merger, demerger, acquisition, or of shares shall record the rights and obligations of the companies participating

in the merger, demerger, acquisition, or transfer of shares, and shall also record:

- (1) Handling of breach of contract.
 - (2) Principles for handling equity-type securities issued or treasury stock bought back by any company extinguished in a merger or that is demerged.
 - (3) The treasury stock participating companies are allowed under law to buy back after the record date of calculation of the share exchange ratio, and the principles for handling of it.
 - (4) The way of handling changes in the number of participating entities or companies.
 - (5) Preliminary progress schedule for plan execution, and expected completion date.
 - (6) Scheduled date for convening the legally mandated shareholders meeting if the plan exceeds the deadline without completion, and relevant procedures.
7. After public disclosure of the information, if any company participating in the merger, demerger, acquisition, or share transfer intends further to carry out a merger, demerger, acquisition, or share transfer with another company, the participating companies shall carry out anew the procedures or legal actions originally completed toward the merger, demerger, acquisition, or share transfer; except that where the number of participating companies is decreased and a participating company's shareholders meeting has adopted a resolution letting the board alter the limits of authority, such participating company may be exempted from calling another shareholders meeting to resolve on the matter anew.
8. Where any company participating in a merger, demerger, acquisition, or transfer of shares is neither listed on an exchange nor has its shares traded on an OTC market, the Company shall sign an agreement with such company under Paragraph 3, 4, 6 of this Article.

Article 14 The responsible staff who violate the “Procedures” will be disciplined or reassigned at work according to the regulations of the competent authority and the Company.

Article 15 Subsidiary’s acquisition and disposal of assets

1. The Company’s subsidiaries shall formulate its “Procedures for the Acquisition or Disposal of Assets” under the “Procedures” for approving the board of directors before implementation, and the same for the amendments.
2. The acquisition or disposal of assets by a subsidiary of the Company shall be handled under the subsidiary’s “Procedures for the Acquisition or Disposal of Assets” and the authority hierarchy.

Article 15-1 For the calculation of 10 percent of total assets under these Regulations, the total assets stated in the most recent parent company only financial report prepared under the Regulations Governing the Preparation of Financial Reports by Securities Issuers shall be used.

In the case of a company whose shares have no par value or a par value other than NT\$10—for the calculation of transaction amounts of 20 percent of paid-in capital under these Regulations, 10 percent of equity attributable to owners of the parent shall be substituted; for calculations under these Regulations about transaction amounts relative to paid-in capital of NT\$10 billion, NT\$20 billion of equity attributable to owners of the parent shall be substituted.

Article 16 Other important matters

The matters not dealt with in the “Procedures” shall be handled under relevant law

and regulations and the Company's articles of incorporation.

Article 17 Validity and amendments

The "Procedures" shall be started with the resolution of the board of directors and the approval of the shareholders meeting, and the same for the amendments. If any director expresses dissent and it is in the minutes or a written statement, the company shall submit the director's dissenting opinion to the Audit Committee.

When the procedures for the acquisition and disposal of assets are submitted for discussion by the board of directors under the preceding paragraph, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.

When the procedures for the acquisition and disposal of assets are adopted or changed they shall be approved by one-half or more of all audit committee members and submitted to the board of directors for a resolution.

If approval of one-half or more of all audit committee members as required in the preceding paragraph is not obtained, the procedures may be started if approved by two-thirds or more of all directors, and resolving the audit committee shall be recorded in the minutes of the board of directors meeting.

The terms "all audit committee members" in paragraph 3 and "all directors" in the preceding paragraph shall be counted as the actual number of people holding those positions.

The matters not dealt with in the Procedures should be handled under the governing law and regulations or the relevant specifications of the Company.

Appendix 4

Shareholdings of Directors of Shin Shin Natural Gas Co., Ltd.

The minimum number of shares held by all directors as required by law: **10,832,247 shares**

Record Date: **April 28, 2026**

Title	Name	Date of election	Term of office	Number of shares held when elected		Number of shares held as per the shareholder register on the book closure date	
				Number of shares	Percentage (%)	Number of shares	Percentage (%)
Chairman	Ho-Chia Chen	2024.6.21	3 years	912,010	0.51	912,010	0.51
Director	Veterans Affairs Commission, Representative: Hsiao-Yi Li	2024.6.21	3 years	46,556,713	25.79	46,556,713	25.79
Director	Veterans Affairs Commission, Representative: Hui-chien Liu	2024.6.21	3 years				
Director	Veterans Affairs Commission, Representative: Kuang-yu Chan	2024.6.21	3 years				
Director	Veterans Affairs Commission, Representative: Chia-shih Chen	2024.6.21	3 years				
Director	Veterans Affairs Commission, Representative: Wen-cho Wan	2024.6.21	3 years				
Director	Veterans Affairs Commission, Representative: Ma-Ko Lo	2024.6.21	3 years				
Director	The Great Taipei Gas Corporation Representative: RICHARD H WU	2024.6.21	3 years	10,534,066	5.83	10,534,066	5.83
Director	The Great Taipei Gas Corporation Representative: Hsin-Ju Wu	2024.6.21	3 years				
Director	The Great Taipei Gas Corporation Representative: Po-Fong Lin	2024.6.21	3 years				
Director	Kindasaki Biochemical Technology Co., Ltd. Representative: Hsi-Shun Chen	2024.6.21	3 years	6,031,011	3.34	6,031,011	3.34
Director	Shin-Hai Gas Co, Ltd. Representative: Chen-Lung Li	2024.6.21	3 years	4,668,441	2.59	4,668,441	2.59
Director	Shin Kong Wu Foundation Representative: Chi-Hao Wu	2024.6.21	3 years	11,183	0.01	11,183	0.01
Director	Tung Chan Enterprise Co., Ltd. Representative: Hung-Wen Chuang	2024.6.21	3 years	31,506	0.02	31,506	0.02
Director	Jung-Chun Huang	2024.6.21	3 years	914,951	0.51	914,951	0.51
Director	Hui-Chun Chen Wu	2024.6.21	3 years	97,862	0.05	97,862	0.05
Director	Cheng-Cheng Wong	2024.6.21	3 years	1,139,698	0.63	1,139,698	0.63
Director	Kuo-Tai Chang	2024.6.21	3 years	1,327,101	0.74	1,327,101	0.74
Director	Ko-Tseng Li	2024.6.21	3 years	111,022	0.06	111,022	0.06
Independent Director	Ching-kuo Lee	2024.6.21	3 years	0	0	0	0
Independent Director	Jen, Ching-Tsung	2025.6.25	3 years	0	0	0	0
Independent Director	Shu-Ping Hsu	2024.6.21	3 years	0	0	0	0
Independent Director	Ming-Hsiung Chen	2024.6.21	3 years	0	0	0	0
Independent Director	Han-Lin Tseng	2024.6.21	3 years	0	0	0	0
Total						72,335,564	40.08%
Remarks	1. The Company's paid-in capital is NT\$1,805,374,530. The total of issued shares is 180,537,453. 2. The Company's 20th term Directors are 24 people (including 5 Independent Directors).						

Other Information

1. The impact of the free allotment proposed at the general shareholders' meeting on the Company's operating performance and earnings per share: The Company did not propose a free allotment at the **(2026)** Annual General Meeting of shareholders, so there was no impact on the Company's operating performance and earnings per share.
2. Description of the acceptance of shareholders' proposals at the **(2026)** Annual General Meeting of Shareholders:
 - (1) As per Articles 172-1 of the Company Act, each shareholder who holds more than one percent of the Company's total outstanding shares may submit a written proposal to the Company for the annual general meeting of shareholders.
 - (2) Such a proposal shall have only one issue and be limited to 300 characters. Any proposals with more than one issue or 300 characters will not be included in the agenda. Shareholders who make such proposals shall go to the general meeting of shareholders in person or by proxy and participate in the discussion of the proposals.
 - (3) The acceptance period of shareholders' proposals is from **April 20, 2026** to **April 29, 2026**, and has been announced on the MOPS under the law.
 - (4) During the abovementioned acceptance period of shareholders' proposals, the Company received no shareholders' proposals.

