

Stock Code: 9918

Shin Shin Natural Gas Co., LTD. and its subsidiaries

Consolidated Financial Statements

(Including Independent Auditor's Report)

2021 and 2020

Company name: Shin Shin Natural Gas Co., LTD.

Company Address: No. 100, Section 1, Yonghe Road, Yonghe District, New Taipei City

Company TEL: (02)2921-7811

Notice to Readers

The accompanying financial statements are intended only to present the financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and financial statements shall prevail.

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Declaration

The entities to be included in the consolidated financial statements of affiliated enterprises in 2021 (from January 1, 2021 to December 31, 2021) pursuant to the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" are the same as those to be included in the consolidated financial statements of the parent company and subsidiaries pursuant to the IAS No. 10. Further, the related information to be disclosed in the consolidated financial statement of affiliated enterprises has been disclosed in the said consolidated financial statements of parent company and subsidiaries. Accordingly, it is not necessary for the Company to prepare the consolidated financial statements of affiliated enterprises separately.

Declared by

Company name: Shin Shin Natural Gas Co., LTD.

Person in charge: Chen Ho-Chia

March 18, 2022

Independent Auditor's Report

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

Audit opinions:

We have audited the accompanying consolidated balance sheets of Shin Shin Natural Gas Co., LTD. and its subsidiaries as of December 31, 2021 and 2020, and the related consolidated 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.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Shin Shin Natural Gas Co., Ltd. and its subsidiaries as at December 31, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers", 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 conclude our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Generally Accepted 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 in accordance with the Code of Professional Ethics for Certified Public Accountants, and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the 2021 consolidated financial statements of Shin Shin Natural Gas Co., LTD. These matters were addressed in the content of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide separate opinions on those matters.

Key audit matters of the 2021 consolidated financial statements of Shin Shin Natural Gas Co., LTD. and its subsidiaries were as follows:

Key audit matter - Reasonableness and appropriateness of sales revenue recognition

Description of the matter

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 portion 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, the evaluation of 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 in accordance with the installation contractor's construction settlement statistics. Therefore, 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, the following:

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 nature of the industry of Shin Shin Natural Gas Co., LTD., we evaluated the reasonableness of the estimated degrees of the unread portion 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 at the end of the period.

Other matters

We have also audited the standalone financial statements of Shin Shin Natural Gas Co., LTD. as of and for the year ended December 31, 2021 and 2020 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 consolidated 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 necessary internal control related to the preparation of consolidation of financial statements in order 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, disclosing as applicable, 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 cease 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 objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole 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 in accordance with the generally accepted accounting principles will always detect a material misstatement when it exists. 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 on the basis of these consolidated financial statements.

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

1. Identify and assess the risks of material misstatements of the consolidated financial statements, whether or not due to fraud or error; design, and perform countermeasures for assessed risks; and obtain evidence that is sufficient and appropriate to provide a basis for audit opinion. The risk of not detecting a material misstatement due to fraud is higher than that due to error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 use 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 are required to draw attention in our

auditor's report to the related disclosures in the consolidated financial statements or, if such disclosure is inappropriate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. Future events or conditions may cause Shin Shin Natural Gas Co., LTD. and its subsidiaries to cease 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 manner that achieves fair presentation.
6. Obtain sufficient and appropriate 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 that we identify during our audit).

We also provide those in charge of governance with a statement that we have complied with 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 that are 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, 2021. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

BDO Taiwan

CPA: Wang Li Yen

CPA: Chiang Chia Fang

Approval of Attestation of the Competent Securities Authority: Jin-Guan-Zheng-Shen-Zi No. 0990073519
Jin-Guan-Zheng-Shen-Zi No. 1080339009

March 18, 2022

Shin Shin Natural Gas Co., LTD. and its subsidiaries
Consolidated Balance Sheets
December 31, 2021 and 2020

Unit: In thousands of NT\$

Code	Assets	Note	December 31, 2021		December 31, 2020		Code	Liabilities and equity	Note	December 31, 2021		December 31, 2020	
			Amount	%	Amount	%				Amount	%	Amount	%
	Current assets						Current liabilities						
1100	Cash and cash equivalents	4, 6(1)	\$ 558,033	10	\$ 513,396	10	2130	Contract liabilities - current	6(12)	\$ 540,708	11	\$ 524,127	11
1110	Financial assets measured at fair value through profit or loss - current	4, 6(2)	773,039	14	636,068	12	2150	Notes payable	4, 6(13)	18,312	-	6,635	-
1150	Notes receivable, net	4, 6(4)	78	-	999	-	2170	Accounts payable	4, 6(13)	122,155	2	121,740	2
1170	Accounts receivable, net	4, 6(4)	170,787	3	187,520	4	2200	Other payables	6(14)	214,856	4	218,636	4
1200	Other receivables	6(5)	947,535	19	970,630	18	2230	Current income tax liabilities	4	20,636	-	43,487	1
1220	Current income tax assets		605	-	-	-	2250	Provision for liabilities - current	4, 6(15)	1,830	-	1,932	-
130x	Inventories	4, 6(6)	34,365	1	45,069	1	2280	Lease liabilities - current	4	2,958	-	808	-
1410	Pre-payments		6,069	-	6,405	-	2300	Other current liabilities		9,163	-	7,394	-
1470	Other current assets		1,459	-	-	-	21xx	Total current liabilities		930,618	17	924,759	18
11xx	Total current assets		2,491,970	47	2,360,087	45							
	Non-current assets						2570	Deferred income tax liabilities	4, 6(29)	65,390	1	65,881	1
1510	Financial assets measured at fair value through profit or loss - current	4, 6(2)	18,343	-	15,889	-	2580	Lease liabilities - non-current	4	3,539	-	1,355	-
1535	Financial assets measured at amortized cost - non-current	4, 6(3)	78,380	1	79,449	2	2600	Other non-current liabilities	4, 6(16)	1,201,843	23	1,135,061	22
1600	Property, plant and equipment	4, 6(7)	2,333,194	44	2,248,016	43	25xx	Total non-current liabilities		1,270,772	24	1,202,297	23
1755	Right-of-use assets.	4, 6(8)	8,332	-	4,099	-							
1760	Investment property, net	4, 6(10)	47,979	1	48,205	1	2xxx	Total liabilities		2,201,390	41	2,127,056	41
1780	Intangible assets		27	-	59	-							
1840	Deferred income tax assets	4, 6(29)	36,378	1	34,891	1		Equity					
1900	Other non-current assets	6(11)	320,057	6	409,803	8		Equity attributable to shareholders of the parent company					
15xx	Total non-current assets		2,842,690	53	2,840,411	55	3100	Capital stock					
							3110	Capital - common stock	4, 6(18)	1,805,375	35	1,805,375	35
							3200	Capital surplus	6(19)	72,764	1	68,720	1
							3300	Retained earnings	6(20)				
							3310	Legal reserve		716,359	13	683,563	13
							3320	Special reserve		142,872	3	142,872	3
							3350	Undistributed earnings (or losses to be made up for)		442,728	8	419,740	8
							3500	Treasury stock	6(21)	(46,828)	(1)	(46,828)	(1)
							31xx	Total equity attributable to shareholders of the parent company		3,133,270	59	3,073,442	59
							3xxx	Total equity		3,133,270	59	3,073,442	59
1xxx	Total assets		\$ 5,334,660	100	\$ 5,200,498	100		Total liabilities and equity		\$ 5,334,660	100	\$ 5,200,498	100

(Please refer to Notes to the Standalone Financial Statements)

Chairperson

Managerial Officer

Accounting Officer

Shin Shin Natural Gas Co., LTD. and its subsidiaries
Consolidated Statements of Comprehensive Income
January 1 to December 31, 2021 and 2020

Unit: In thousands of NT\$

Code	Item	Note	2021		2020	
			Amount	%	Amount	%
4000	Operating revenue	4, 6(22)	\$ 1,794,167	100	\$ 1,986,369	100
5000	Operating costs	6(23)	1,298,572	73	1,445,167	72
5900	Operating gross profit (loss)		495,595	27	541,202	28
5950	Operating gross profit (loss), net		495,595	27	541,202	28
	Operating expenses					
6100	Selling expenses		63,755	4	67,572	3
6200	Administrative expenses		171,676	9	167,340	9
6450	Expected credit impairment loss (gain)		(1,283)	-	(955)	-
6000	Total operating expenses		234,148	13	233,957	12
6900	Operating profit (loss)		261,447	14	307,245	16
	Non-operating income and expenses					
7100	Interest income	6(25)	20,062	1	22,281	1
7010	Other income	6(26)	25,995	1	19,505	1
7020	Other gain and loss	6(27)	91,487	6	43,635	2
7050	Financial costs	6(28)	(84)	-	(105)	-
7000	Total of non-operating income and expenses		137,460	8	85,316	4
7900	Net profit (net loss) before tax		398,907	22	392,561	20
7950	Income tax expense (or benefit)	4, 6(29)	56,512	3	65,816	3
8200	Net profit (net loss) for the period		342,395	19	326,745	17
	Other comprehensive income					
8310	Items not to be reclassified as profit or loss					
8311	Re-measurement of defined benefit plan	4, 6(17)	2,811	-	1,524	-
8349	Incomes tax related to items not to be reclassified as profit or loss	4, 6(29)	(562)	-	(305)	-
8300	Other comprehensive income (net)		2,249	-	1,219	-
8500	Total comprehensive income for the period		\$ 344,644	19	\$ 327,964	17
8600	Net profit (loss) attributable to:					
8610	Shareholders of the parent company (net profit/loss)		\$ 342,395	19	\$ 326,745	17
8700	Total comprehensive income attributable to:					
8710	Shareholders of the parent company (comprehensive income)		\$ 344,644	19	\$ 327,964	17
	Earnings per share					
		6(30)				
9750	Basic earnings per share		\$ 1.92		\$ 1.84	
9850	Diluted earnings per share		\$ 1.92		\$ 1.83	

(Please refer to Notes to the Standalone Financial Statements)

Chairperson

Managerial Officer

Accounting Officer

Shin Shin Natural Gas Co., LTD. and its subsidiaries

Consolidated Statements of Changes in Equity

January 1 to December 31, 2021 and 2020

Unit: In thousands of NT\$

	Equity attributable to shareholders of the parent company							Total	Total equity
	Capital - common stock	Capital surplus	Retained earnings			Treasury stock	Equity attributable to shareholders of the parent company		
			Legal reserve	Special reserve	Undistributed earnings (Or losses to be made up for)				
Balance as of January 1, 2020	\$ 1,805,375	\$ 65,307	\$ 655,631	\$ 142,872	\$ 363,434	\$ (46,828)	\$ 2,985,791	\$ 2,985,791	
Appropriation and distribution of earnings:									
Provision of legal reserve	-	-	27,932	-	(27,932)	-	-	-	
Cash dividends on common stock	-	-	-	-	(243,726)	-	(243,726)	(243,726)	
Net profit for the period from January 1 to December 31, 2020	-	-	-	-	326,745	-	326,745	326,745	
Other comprehensive income for the period from January 1 to December 31, 2020	-	-	-	-	1,219	-	1,219	1,219	
Total comprehensive income for the period	-	-	-	-	327,964	-	327,964	327,964	
Capital surplus adjusted for dividends paid to subsidiaries	-	3,413	-	-	-	-	3,413	3,413	
Balance as of December 31, 2020	\$ 1,805,375	\$ 68,720	\$ 683,563	\$ 142,872	\$ 419,740	\$ (46,828)	\$ 3,073,442	\$ 3,073,442	
Balance as of January 1, 2021	\$ 1,805,375	\$ 68,720	\$ 683,563	\$ 142,872	\$ 419,740	\$ (46,828)	\$ 3,073,442	\$ 3,073,442	
Appropriation and distribution of earnings:									
Provision of legal reserve	-	-	32,796	-	(32,796)	-	-	-	
Cash dividends on common stock	-	-	-	-	(288,860)	-	(288,860)	(288,860)	
Net profit for the period from January 1 to December 31, 2021	-	-	-	-	342,395	-	342,395	342,395	
Other comprehensive income for the period from January 1 to December 31, 2021	-	-	-	-	2,249	-	2,249	2,249	
Total comprehensive income for the period	-	-	-	-	344,644	-	344,644	344,644	
Capital surplus adjusted for dividends paid to subsidiaries	-	4,044	-	-	-	-	4,044	4,044	
Balance as of December 31, 2021	\$ 1,805,375	\$ 72,764	\$ 716,359	\$ 142,872	\$ 442,728	\$ (46,828)	\$ 3,133,270	\$ 3,133,270	

(Please refer to Notes to the Standalone Financial Statements)

Chairperson

Managerial Officer

Accounting Officer

Shin Shin Natural Gas Co., LTD. and its subsidiaries
Consolidated Statements of Cash Flows
January 1 to December 31, 2021 and 2020

Unit: In thousands of NT\$

	2021	2020
Cash flows from operating activities		
Net profit (loss) before tax from continuing operations	\$ 398,907	\$ 392,561
Adjustment items		
Income and expense items		
Depreciation expenses	236,044	212,914
Selling expenses	62	59
Amount of expected credit impairment loss (gain)	(1,283)	(955)
Net loss (gain) on financial assets and liabilities measured at fair value through profit or loss	(28,736)	(17,768)
Interest expense	84	105
Interest income	(20,062)	(22,281)
Dividend income	(18,058)	(12,658)
Loss (gain) on disposal and scrapping of property, plant and equipment	(988)	(1,347)
Transfer of property, plant and equipment to expense	561	1,590
Unrealized foreign currency exchange losses (gains)	1,069	846
Changes in assets/liabilities related to operating activities		
Decrease (increase) in financial assets mandatorily measured at fair value through profit or loss - current	(110,688)	36,187
Decrease (increase) in notes receivable	922	4,008
Decrease (increase) in accounts receivable	18,016	39,688
Decrease (increase) in other receivables	23,737	46,269
Decrease (increase) in inventories	(44,205)	(70,813)
Decrease (increase) in pre-paid expenses	2	(47)
Decrease (increase) in pre-payments	359	922
Decrease (increase) in other current assets	(1,460)	3,377
Increase (decrease) in contract liabilities	16,581	(138,911)
Increase (decrease) in notes payable	11,677	(1,120)
Increase (decrease) in accounts payable	415	(34,437)
Increase (decrease) in other payables	(3,780)	8,411
Increase (decrease) in provision for liabilities	(103)	330
Increase (decrease) in long-term deferred revenue	74,349	236,546
Decrease (increase) in other current liabilities	1,405	(341)
Decrease (increase) in net defined benefit liabilities	(5,625)	(12,551)
Cash inflows (outflows) from operations	549,202	670,584
Interest received	19,543	21,367
Dividends received	17,934	12,592
Interest paid	(84)	(105)
Income tax refunded (paid)	(82,508)	(54,735)
Net cash inflows (outflows) from operating activities	504,087	649,703
Cash flows from investing activities		
Acquisition of financial assets measured at fair value through profit or loss - current	-	(1,371)
Disposal of financial assets measured at amortized cost	-	20,000
Acquisition of property, plant and equipment	(261,665)	(314,295)
Disposal of property, plant and equipment	1,004	1,365
Increase in refundable deposits	(8)	-
Decrease in refundable deposits	455	71
Acquisition of intangible assets	(30)	(69)
Increase in other financial assets	89,635	(2,659)
Increase in pre-payments for equipment	(552)	(182)
Net cash inflows (outflows) from investing activities	(171,161)	(297,140)
Cash flows from financing activities		
Increase in deposits received	8,345	8,923
Decrease in deposits received	(7,111)	(9,287)
Repayment of lease principal	(4,707)	(4,902)
Distribution of cash dividends	(284,816)	(240,313)
Net cash inflows (outflows) from financing activities	(288,289)	(245,579)
Increase (decrease) in cash and cash equivalents for the period	44,637	106,984
Cash and cash equivalents at the beginning of the period	513,396	406,412
Cash and cash equivalents at the end of the period	\$ 558,033	\$ 513,396

(Please refer to Notes to the Standalone Financial Statements)

Chairperson

Managerial Officer

Accounting Officer

Shin Shin Natural Gas Co., LTD. and its subsidiaries
Notes to the Consolidated Financial Statements
2021 and 2020
(All amounts are in NTD unless otherwise stated in the notes)

I. Company History

(I) Shin Shin Natural Gas Co., LTD. (hereinafter referred to as the "Company") was established on May 25, 1971 in accordance with the Company Act of the R.O.C. The Company's principal business activities are the transmission of combustible natural gas by pipeline for non-industrial fuel supply, the installation of gas pipeline construction, and other related natural gas industry and affiliated businesses. The Company and its subsidiaries are hereinafter referred to as the "Consolidated Company".

(II) Subsidiaries included in the consolidated statements

Name of investor company	Name of subsidiary	Business nature	Percentage of shareholding	
			2021.12.31	2020.12.31
Shin Shin Natural Gas Co., LTD.	EVFA INTERNATIONAL CO., LTD. (hereinafter referred to as subsidiary)	Manufacture and sale of gas equipment and import/export dealership and planning and supervision of gas equipment and construction	100	100

II. Date and Procedure for Approval of Financial Statements

The consolidated financial statements were approved and issued by the Board of Directors on March 18, 2022.

III. Application of New and Revised Standards and Interpretation

(I) Effect of the adoption of newly issued and amended IFRSs endorsed by the Financial Supervisory Commission (hereinafter referred to as "FSC")

The newly issued, amended and revised standards and interpretations of International Financial Reporting Standards (IFRS) endorsed by the FSC for the year ended December 31, 2021 are listed below.

Newly issued/amended/revised standards and interpretations	Effective date of issuance by the International Accounting Standards Board (IASB)
Amendments to IFRS 4 "Extension of Provisional Exemption from IFRS 9"	January 1, 2021
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4, and Phase 2 of IFRS 16, "Changes in Interest Rate Indicators"	January 1, 2021
Amendments to IFRS 16, "Rental Reductions Related to COVID-19 Pandemic after June 30, 2021 (Note) The FSC allowed the early application on January 1, 2021.	April 1, 2021 (Note)

The Consolidated Company has evaluated that the amendments to the above standards and interpretations will not have a material impact on the financial position and financial performance.

(II) Effect of not adopting the newly issued and amended IFRSs endorsed by the FSC

The newly issued, amended and revised standards and interpretations of IFRSs endorsed by the FSC for the year ended December 31, 2022 are listed below.

Newly issued/amended/revised standards and interpretations	Effective date of issuance by the International Accounting Standards Board (IASB)
Amendment to IFRS 3 "Update the index of the conceptual framework".	January 1, 2022
Amendment to IAS 16 "Property, plant and equipment: price before reaching the intended state of use"	January 1, 2022
Amendment to IAS 37 "Onerous Contracts - Cost of Performing Contracts".	January 1, 2022
Annual Improvements for the 2018-2020 Cycle	January 1, 2022

The Consolidated Company has evaluated that the amendments to the above standards and interpretations will not have a material impact on the financial position and operating results.

(III) Effect of IFRSs issued by the IASB but not yet endorsed by the FSC

Newly issued/amended/revised standards and interpretations	Effective date of issuance by the International Accounting Standards Board (IASB)
Amendment to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2023
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendment to IFRS 17 "Insurance Contracts"	January 1, 2023
Amendment to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023
Amendment to IAS 8 "Definition of Accounting Estimates"	January 1, 2023
Amendment to IAS 12 "Deferred Income Taxes on Assets and Liabilities Arising from a Single Transaction"	January 1, 2023
Amendment to IFRS 17 "First-time Adoption of IFRS 17 and IFRS 9 - Comparative Information"	January 1, 2023
Amendments to IFRS 10 and IAS 28, "Sale or Contribution of Assets between an Investor and its Affiliate or Joint Venture and Investment in Affiliates".	To be decided by the IASB

The above standards or interpretations have been issued by the IASB but not yet endorsed by the FSC, and their actual application dates are subject to the FSC. The Consolidated Company is in the process of evaluating the effect of each amendment in the applicable period.

IV. Summary of Significant Accounting Policies

The significant accounting policies used in the preparation of these consolidated financial statements are described below and have been applied consistently throughout the reporting periods unless otherwise stated.

(I) Statement of Compliance

The accompanying consolidated financial statements have been prepared in accordance with 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.

(II) Basis of Preparation

1. The consolidated financial statements have been prepared on the historical cost basis, except for the following significant items.
 - (1) Financial assets and liabilities measured at fair value through profit or loss
 - (2) Net defined benefit liabilities recognized as pension fund assets less the net present value of the defined benefit obligation.
2. The preparation of financial statements in conformity with the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission requires the use of certain significant accounting estimates and the application of management judgment in the process of applying the Consolidated Company's accounting policies. For items involving a higher degree of judgment or complexity, or items involving significant assumptions and estimates in the financial statements, please refer to Note 5 for details.

(III) Principles Governing the Preparation of Consolidated Financial Statements

1. The Consolidated Company has included all subsidiaries in the entities for the preparation of consolidated financial statements. A subsidiary is an entity (including a structured entity) that is controlled by the Consolidated Company, and the Consolidated Company controls the entity when the Consolidated Company is exposed to variable remuneration from its participation in the entity or has rights to such variable remuneration and has the ability to affect such remuneration through its power over the entity. Subsidiaries are included in the consolidated financial statements from the date the Consolidated Company obtains control and are discontinued on the date control is lost.
2. Intercompany transactions, balances and unrealized gains or losses within the Consolidated Company have been eliminated. The accounting policies of the subsidiaries have been adjusted as necessary to conform to the policies adopted by the Company.
3. Changes in ownership of subsidiaries that do not result in a loss of control are accounted for as equity transactions, i.e., as transactions with owners. The difference between the amount of the adjustment to the non-controlling interest and the fair value of the consideration paid or received is recognized directly in equity.
4. When the Consolidated Company loses control over a subsidiary, then:
 - (1) the assets (including goodwill) and liabilities of the subsidiary are derecognized;
 - (2) the carrying amount of any non-controlling interest is derecognized;
 - (3) the fair value of the consideration acquired is recognized;

- (4) the fair value of any investment retained is recognized;
 - (5) any gain or loss is recognized in profit or loss for the period;
 - (6) the amount of items previously recognized in other comprehensive income or loss by the parent company is recognized as profit or loss for the period;
 - (7) The remaining investment in a former subsidiary is remeasured at fair value and recognized as the fair value of the originally recognized financial asset or the cost of the originally recognized investment in a related party or joint venture, and the difference between the fair value and the carrying amount is recognized in profit or loss for the current period.
5. The components of profit or loss and other comprehensive income or loss are attributed to shareholders of the parent company and non-controlling interests; total comprehensive income or loss is also attributed to shareholders of the parent company and non-controlling interests, even if this results in a loss balance for non-controlling interests.

(IV) Foreign currencies

1. The individual financial statements of each consolidated entity are presented in the currency of the primary economic environment in which the entity operates (functional currency). In preparing the consolidated financial statements, the results of operations and financial position of the each consolidated entity are translated into NTD, which is the functional currency of the Company and the presentation currency of the consolidated statements.
2. For the purpose of preparing the individual financial statements of each consolidated entity, transactions in currencies other than the functional currency of the entity (foreign currencies) are recognized at the exchange rates prevailing on the transaction dates. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the spot rate on that date; non-monetary items denominated in foreign currencies that are measured at fair value are retranslated at the rate of exchange prevailing on the date when the fair value was determined; non-monetary items denominated in foreign currencies that are measured at historical cost are not retranslated. Exchange differences are recognized in profit or loss in the period in which they occur.

(V) Criteria for classifying assets and liabilities as current or non-current

1. An asset is classified as current if it meets one of the following criteria, otherwise it is classified as non-current:
 - (1) The asset is expected to be realized in the normal operating cycle, or is intended to be sold or consumed.
 - (2) The asset is held primarily for trading purposes.
 - (3) Expected to be realized within twelve months after the end of the reporting period.
 - (4) Cash or cash equivalents, unless restricted from being exchanged or used to settle liabilities for at least twelve months after the end of the reporting period.
2. A liability is classified as current if it meets one of the following criteria, otherwise it is classified as non-current:
 - (1) The liability is expected to be settled in the normal operating cycle.
 - (2) The asset is held primarily for trading purposes.
 - (3) Expected to be repaid within twelve months after the end of the reporting period.
 - (4) Those whose settlement cannot be unconditionally deferred until at least twelve months after the end of the reporting period. The terms of a liability that may be settled by issuing equity instruments at the option of the counterparty do not affect its classification.

(VI) Cash and cash equivalents

1. Cash and cash equivalents include cash on hand, bank deposits, and other short-term highly liquid investments with maturities of three months or less from the date of acquisition.
2. Cash equivalents are short-term, highly liquid investments with the following criteria:
 - (1) Readily convertible into cash at fixed prices.
 - (2) The risk of change in value is minimal.

(VII) Financial assets measured at fair value through profit or loss

1. Financial assets not measured at amortized cost or at fair value through other comprehensive income
2. Financial assets measured at fair value through profit or loss that qualify as regular way purchases or sales are accounted for using trade date accounting.
3. On initial recognition, the related transaction costs are recognized at fair value through profit or loss, and on subsequent recognition, the gain or loss is recognized at fair value through profit or loss.
4. Dividends income is recognized in profit or loss when the right to receive dividends is established, it is probable that the economic benefits associated with the dividends will flow in and the amount of the dividends can be measured reliably.

(VIII) Financial assets measured at amortized cost

1. Refer to those that also meet the following criteria:
 - (1) Financial assets held under the operating model whose objective is to collect the contractual cash flows.
 - (2) The contractual terms of the financial asset generate cash flows at a specific date that are solely for the purpose of paying the principal and the interest on the outstanding principal amount.
2. Trade date accounting is used for financial assets measured at amortized cost in accordance with trading practice.
3. Financial assets are measured at their fair value plus transaction costs on initial recognition. Interest income and impairment losses are subsequently recognized over the circulation period using the effective interest method in accordance with the amortization procedure, and the gains or losses are recognized in profit or loss when derecognized.

(IX) Accounts and notes receivable

1. Accounts and notes receivable are accounts and notes with unconditional right to receive the consideration for the transfer of goods or services in accordance with contractual agreements.
2. Measured at their fair value on initial recognition. Interest income and impairment losses are subsequently recognized over the circulation period using the effective interest method in accordance with the amortization procedure, and the gains or losses are recognized in profit or loss. Short-term accounts and notes receivable with unpaid interest are measured at their original invoice amount because the effect of discounting is not significant.

(X) Impairment of financial assets

At the end of each reporting period, for financial assets measured at amortized cost, an allowance for losses is provided for at the 12-month expected credit loss amount, taking into account all reasonable and probable information (including forward-looking information) for financial assets whose credit risk has not increased significantly since initial recognition. If the credit risk has increased significantly since initial recognition, the allowance for loss is measured at the expected credit loss over the period of time; for accounts receivable that do not contain significant financial components, the allowance for loss is measured at the expected credit loss over the duration.

(XI) De-recognition of financial assets

Financial assets are derecognized when one of the following criteria is met:

1. The contractual rights to cash flow from the financial assets expire.
2. The contractual rights to receive cash flows from the financial assets are transferred and substantially all risks and rewards of ownership of the financial assets have been transferred.
3. Transfer of contractual rights to receive cash flows from financial assets without retaining control over the financial assets.

(XII) Offset of financial assets and liabilities

Financial assets and financial liabilities are offset and presented in the balance sheet on a net basis when there is a legally enforceable right to offset the amounts of recognized financial assets and liabilities and there is an intention to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

(XIII) Inventories

Inventories are recognized and measured at cost at the time of acquisition and are inventoried on a continuous basis. The cost of inventories is calculated using the first-in, first-out method and is measured at the lower of cost or net realizable value at the end of the period. The lower of cost or net realizable value is compared on an item-by-item basis. Net realizable value is the estimated selling price under normal circumstances less costs and marketing expenses to completion.

(XIV) Property, plant and equipment

1. Recognition and Measurement

Property, plant and equipment are recognized and measured at cost, and the related interest is capitalized during the period of purchase and construction. Cost includes expenses directly attributable to the acquisition of assets.

Property, plant and equipment are treated as separate items (major components) of property, plant and equipment when they comprise different components and a different depreciation rate or method is more appropriate in relation to the total cost of the item.

Gains or losses on disposal of property, plant and equipment are determined by the difference between the carrying amount of property, plant and equipment and the disposal price, and are recognized as "other gains and losses" in profit or loss, net.

2. Subsequent Costs

If it is probable that future economic benefits expected to arise from an item of property, plant and equipment will flow to the Consolidated Company and the amount can be measured reliably, the expenditure is recognized as part of the carrying amount of the item and the carrying amount of the replaced portion is derecognized. The cost of routine maintenance of property, plant and equipment is recognized in profit or loss as incurred.

3. Depreciation expense

Depreciation is computed using the straight-line method over the estimated useful lives of the assets, less their residual values, and is assessed on the basis of the individual significant components of the assets. If the useful life of a significant component is different from that of other components of the assets, the significant component should be depreciated separately. Depreciation is recognized in profit or loss. Land is not subject to depreciation.

The estimated useful lives of major assets for the current and comparative periods are as follows:

Item	Useful life
Housing equipment	5~55
Gas transmission equipment	
High-pressure gas transmission pipeline	12~21
Medium-pressure gas transmission pipeline	10~30
Low-pressure gas transmission pipeline	11~30
Outer tube	10~25
Gas governor stations	11~20
Gas sales equipment	
Gas meter	10~11
Gas storage equipment	5~20
Transportation equipment	5~6
Machinery and equipment	5~10
Other equipment	
Office desks and chairs	6
Computer	4~6
Air conditioning	9

Depreciation methods, useful lives and residual values are reviewed at the end of each financial year. If the expected values of residual values and useful lives differ from previous estimates, or if there is a significant change in the expected pattern of consumption of future economic benefits embodied in an asset, the change is accounted for in accordance with IAS 8, "Accounting Policies, Changes in Accounting Estimates and Errors," from the date of the change.

(XV) Lessee's lease transactions - right-of-use assets/lease liabilities

Except for leases of low-value underlying assets and short-term leases (leases ending within 12 months), right-of-use assets and lease liabilities are recognized at the lease commencement date.

1. Lease liabilities are recognized at the lease commencement date by discounting outstanding lease payments at the present value of the Consolidated Company's incremental borrowing rate, with lease payments consisting of:
 - (1) fixed payments (including material fixed payments), net of any lease incentives receivable;
 - (2) lease payments that depend on changes in an index or rate (measured using the original index or rate at the inception date);
 - (3) the amount expected to be paid by the lessee under the residual value guarantee;
 - (4) the exercise price of a purchase option if the lessee can be reasonably certain that it will exercise such option; and
 - (5) penalties payable for lease termination if the lease period reflects that the lessee will exercise the option to terminate the lease;

interest expense is provided for under the amortized cost method over the lease period using the interest method of subsequent adoption. Lease liabilities are reassessed and right-of-use assets are remeasured when there is a change in the lease period or lease payments that is not a contractual modification.

2. Right-of-use assets are recognized at cost at the inception date of the lease and the cost consists of:
 - (1) the original measurement amount of the lease liability;
 - (2) any lease payments made on or before the commencement date;
 - (3) any original direct costs incurred; and
 - (4) the estimated cost of dismantling, removing and restoring the subject asset to its location, or restoring the subject asset to the condition required by the terms and conditions of the lease.

Depreciation expense is provided on the earlier of the expiration of the useful life of the right-of-use asset or the expiration of the lease period, measured subsequently using the cost model. When a lease liability is reassessed, the right-of-use asset is adjusted for any re-measurement of the lease liability.

(XVI) Investment property

Investment property is recognized at acquisition cost and subsequently measured at cost. Except for land, depreciation is provided on a straight-line basis over the estimated useful lives of 26 to 55 years.

(XVII) Impairment of financial assets

The Consolidated Company estimates the recoverable amount of an asset at the end of the reporting period for which there is an indication of impairment. If the recoverable amount is less than the carrying amount, an impairment loss is recognized. The recoverable amount is the higher of an asset's fair value less costs to sell or its value in use. Except for goodwill, when an impairment loss recognized in prior years does not exist, the impairment loss is reversed to the extent that it was recognized in prior years.

(XVIII) Accounts and notes payable

1. Accounts and notes payable represent debts incurred for the purchase of raw materials, goods or services on credit and notes payable for operating and non-operating purposes.
2. Measured at their fair value on initial recognition. Interest expenses are subsequently recognized over the circulation period using the effective interest method in accordance with the amortization procedure in profit or loss. Short-term accounts and notes payable with unpaid interest are measured at their original invoice amount because the effect of discounting is not significant.

(XIX) Provision for liabilities

Provisions for liabilities (including accumulated compensated absences) are recognized when there is a present legal or constructive obligation as a result of past events, it is probable that an outflow of economic resources will be required to settle the obligation, and the amount of the obligation can be reliably estimated. The provision for liabilities is measured at the best estimate of the present value of the expenditures required to settle the obligation at the end of the reporting period. The discount rate is the pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the liability, and the amortization of the discount is recognized as interest expense. No provision for liabilities for future operating losses is recognized.

(XX) Employee benefits

1. Short-term employee benefits

Short-term employee benefits are measured at the non-discounted amount expected to be paid and are recognized as expenses when the related services are rendered.

2. Pension

- (1) Defined contribution plan

A defined contribution plan is a plan under which there will be no additional legal or constructive obligation to pay after a defined contribution amount is paid into a separate, publicly or privately administered pension fund account, and the amount to be contributed to the pension fund is recognized as pension cost on an accrual basis. Pre-paid contributions are recognized as assets to the extent that they are refundable in cash or reduce future payments.

(2) Defined benefit plan

- ① A defined benefit plan is a pension plan that is not a defined contribution plan. A defined benefit plan generally determines the amount of retirement benefits an employee receives upon retirement, usually based on one or more factors, such as age, years of service, and remuneration. The net obligation under a defined benefit plan is calculated by discounting the amount of future benefits earned by employees for current or past service and subtracting the fair value of plan assets from the present value of the defined benefit obligation as of the end of the reporting period. The net defined benefit obligation is calculated annually by the actuary using the projected unit benefit method, and the discount rate is determined by reference to market yields on high quality corporate bonds with currencies and periods consistent with the defined benefit plan at the end of the reporting period; in countries where there is no deep market for these bonds, the market yield rate of government bonds (at the end of the reporting period) is used.
- ② The re-measurements arising from defined benefit plans are recognized in other comprehensive income in the period in which they occur and are reclassified to retained earnings in the period in which they are recognized in other comprehensive income, with no reclassification to profit or loss in subsequent periods.
- ③ Costs related to service costs for prior periods are recognized immediately in profit or loss.

3. Termination benefits

Termination benefits are recognized when the employee's employment is terminated prior to the normal retirement date or when the employee decides to accept the Company's benefit offer in exchange for the employee's employment or when the employee decides to accept the Company's benefit offer. The Consolidated Company recognizes the expense when it has made an explicit commitment to have a detailed formal termination plan that has no realistic possibility of being withdrawn or when the earlier of the related restructuring costs is recognized. Benefits paid more than 12 months after the end of the reporting period should be discounted.

4. Profit sharing remuneration for employees and for directors

Profit share remuneration for employees and for directors are recognized as expenses and liabilities when there is a legal or constructive obligation and the amount can be reasonably estimated.

(XXI) Income taxes

1. Income tax expense consists of current and deferred income taxes. Income taxes are recognized in profit or loss, except for those related to items included in other comprehensive income or directly in equity, which are included in other comprehensive income or directly in equity, respectively.
2. Current income taxes are based on tax rates that have been legislated or substantively enacted by the end of the reporting period. Management periodically evaluates the status of income tax returns with respect to applicable income tax regulations and, where applicable, estimates the income tax liability based on the expected tax payments to be made to the tax authorities. Additional income tax is levied on undistributed earnings in accordance with the Income Tax Act. Additional income tax expense on undistributed earnings is recognized when the actual distribution of earnings is approved by the shareholders in the year following the year in which the earnings are generated.

3. Deferred income tax is recognized using the balance sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts on the balance sheet. Deferred income tax is calculated using the tax rates that are expected to apply when the deferred income tax asset is realized or the deferred income tax liability is settled, if enacted or substantively enacted by the end of the reporting period.
4. Deferred income tax assets are recognized to the extent that it is probable that future taxable income will be available against which the temporary differences can be utilized, and unrecognized and recognized deferred income tax assets are reassessed at the end of each reporting period.
5. Current income tax assets and current income tax liabilities are offset when there is a legally enforceable right to offset current income tax assets and liabilities and there is an intention to settle the assets and settle the liabilities on a net basis or simultaneously. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets and liabilities and when the deferred income tax assets and liabilities are incurred by the same taxable entity or by different taxable entities that intend to settle or realize the assets and liabilities simultaneously on a net basis.

(XXII) Capital stock

1. Common stock

Common stock is classified as equity. The incremental costs directly attributable to the issuance of new shares are recorded as a deduction from equity, net of income tax.

2. Treasury stock

(1) When the Company repurchases outstanding shares, the consideration paid includes any incremental costs directly attributable to the issuance of new shares recognized as a deduction from equity, net of income taxes. Upon subsequent reissuance of repurchased shares, the difference between the consideration received and the carrying amount, net of any directly attributable incremental costs and income tax effects, is recognized as an adjustment to equity.

(2) Shares of the Company held by subsidiaries are considered as treasury stock.

(XXIII) Distribution of dividends

Dividends distributed to the Company's stockholders are recognized in the financial statements when the Company's stockholders resolve to distribute the dividends. Cash dividends distributed are recognized as a liability, while stock dividends distributed are recognized as stock dividends to be distributed and transferred to common stock on the base date of issuance of new shares.

(XXIV) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, less the estimated selling discounts and other similar discounts.

1. Sales of natural gas

(1) Revenue from the sale of natural gas is recognized when control over the product is transferred. Transfer of control of a product means that the product has been delivered to the customer and there is no outstanding obligation that would affect the customer's

acceptance of the product. Delivery occurs when the product is transported to a specific location and the risk of loss of the product has been transferred to the customer. Sales of natural gas are recognized based on the amount of gas used by the customer.

- (2) Accounts receivable are recognized when the products are delivered to customers because the Consolidated Company has an unconditional right to the contract price from that point onward and only requires time to collect the consideration from customers.

2. Revenue from inner tube installation and other services

The Consolidated Company provides services related to inner tube installation. Mostly the time for the installation of the inner tube is within one year. The related revenue is recognized when the installation is completed and the control is transferred to the customer.

3. Outer tube and demolition compensation income

In accordance with the new provisions of Article 26-1 of the Regulations on Accounting Handling for Public Natural Gas Enterprises, as amended and issued by the Ministry of Economic Affairs in its Order Jing-Neng-Zi No. 10204600900, if an operating asset of an enterprise is acquired, replaced, relocated or disposed of at the expense of others, the amount received, after deducting the carrying amount of the damaged or disposed of operating asset, shall be allocated to each operation and recognized as deferred revenue. In subsequent years, the amount is amortized to income along with the depreciation of the related assets.

4. Dividends income and interest income

Dividend income from investments is recognized when the right to receive payments from shareholders is established, provided that it is probable that the economic benefits associated with the transaction will flow to the Consolidated Company and the amount of income can be measured reliably.

Interest income from financial assets is recognized when it is probable that the economic benefits will flow to the Consolidated Company and the amount of income can be measured reliably. Interest income is recognized on an accrual basis over time based on the principal amount outstanding and the effective interest rate applicable.

5. Rental income

Rental income from investment properties is recognized on a straight-line basis over the lease period.

(XXV) Operating segments

The operating segments are the component units of the Consolidated Company that engages in operating activities that may generate revenues and expenses, including revenues and expenses resulting from transactions with other components of the enterprise. The operating results of the operating segments are reviewed by the Consolidated Company's operating decision maker (board of directors) to make decisions on resource allocation and to evaluate the performance of the segments. Separate financial information is available for each operating segment.

V. Significant Accounting Judgments and Estimations, and Main Sources of Assumption Uncertainties

The Consolidated Company makes significant judgments in the process of adopting accounting policies and makes significant assumptions and estimates about future events in the preparation of its consolidated financial statements. The judgments and estimates made are continually evaluated and adjusted based on historical experience and other factors, as described below.

(I) Significant judgments in the adoption of accounting policies

1. Investment property

Certain real estate held by the Consolidated Company for rental or capital appreciation purposes and other portions for personal use are classified as investment property when the individual portions can be sold separately and only when the portion for personal use is not significant to the individual real estate.

2. Determination of the lease period

The Consolidated Company considers all relevant facts and circumstances that would create an economic incentive to exercise or not to exercise the option, including all anticipated changes in facts and circumstances from the commencement date of the lease to the date of exercise of the option, in determining the lease period of the leased asset. The main factors to be considered include the contractual terms and conditions of the period covered by the option and the importance of the subject asset to the lessee's operations. The lease period is reassessed when significant events or changes in circumstances within the Consolidated Company's control occur.

(II) Significant accounting estimates and assumptions

The accounting estimates made by the Consolidated Company are based on reasonable expectations of future events based on current conditions at a particular date. However, actual results may differ from these estimates and there is a risk that the carrying amounts of assets and liabilities may be materially adjusted in the next financial year; please refer to the following explanation; please refer to Note 6 for the carrying amount of each asset and liability as of the end of the reporting period.

1. Estimated impairment of receivables

An impairment loss on receivables is recognized using the "expected credit loss model". Receivables are measured as an allowance for losses based on expected credit losses over the life of the receivable, and changes in future forward-looking information may affect the amount of the allowance for losses.

2. Provision for depreciation

In calculating depreciation, the Consolidated Company must use judgment and estimates to determine the residual value and useful life of the Consolidated Company's property, plant and equipment and investment property as of the end of the reporting period. Any changes in estimates may affect the amount of depreciation provided.

3. Fair value of financial instruments

The Consolidated Company uses fair value to measure and disclose financial and non-financial assets and liabilities, and uses market observable input values for fair value measurements whenever possible. When the fair value of financial assets and liabilities recognized in the balance sheet is not available in an active market, the fair value is determined using valuation techniques, including the income approach (e.g., discounted cash flow model) or the market approach, and changes in assumptions used in these valuation

techniques will affect the fair value of the reported financial instruments. Please refer to Note 12.

4. Assessment of impairment of tangible assets (excluding inventories)

In the asset impairment assessment process, the Consolidated Company relies on subjective judgment and relies on asset use patterns and industry characteristics to determine the individual cash flows, asset useful lives, and potential future revenues and expenses for specific groups of assets. Any change in estimates due to changes in economic conditions or in the Consolidated Company's strategy could result in a material impairment in the future.

5. Realizability of deferred income tax assets

Deferred income tax assets are recognized to the extent that it is probable that sufficient future taxable income will be available to allow deductions for temporary differences. The assessment of the realizability of deferred income tax assets requires management to make significant accounting judgments and estimates, including assumptions about expected future sales revenue growth and profitability, tax holiday, availability of income tax credits, and tax planning. Any changes in the global economic environment, industry environment and laws and regulations may result in significant adjustments to deferred income tax assets.

6. Measurement of inventories

Because inventories are measured at the lower of cost or net realizable value, the Consolidated Company must use judgment and estimates to determine the net realizable value of inventories at the end of the reporting period.

7. Calculation of Net Defined Benefit Liabilities

To calculate the present value of the defined benefit obligations, the Consolidated Company must use judgment and estimates to determine the relevant actuarial assumptions as of the end of the reporting period, including discount rates and future salary growth rates. Any changes in actuarial assumptions could materially affect the amount of the Consolidated Company's net defined benefit obligation.

8. Determination of the lessee's incremental interest rate

The lessee's incremental interest rate used for discounted lease payments is determined by considering the market risk-free rate, the estimated lessee credit risk discount and the guarantee conditions in a similar economic environment.

VI. Summary of Significant Accounting Items

(I) Cash and cash equivalents

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Cash on hand and revolving funds	\$525,216	\$327,266
Bank deposits	395,771,135	423,069,438
Time deposits	30,000,000	-
Cash equivalents - bills	131,736,507	90,000,000
Total	<u>\$558,032,858</u>	<u>\$513,396,704</u>

1. The credit quality of the Consolidated Company's corresponding financial institutions is good, and the Consolidated Company's transactions with various financial institutions are used to diversify the credit risk, and the possibility of default is expected to be low.
2. The above time deposits are due within three months. Time deposits with original maturities of more than three months have been reclassified to other receivables as described in Note 6(5).

(II) Financial assets measured at fair value through profit or loss

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Current item:		
Financial assets mandatorily measured at fair value through profit or loss		
Shares of TWSE/TPEX listed companies	\$502,275,257	\$367,976,417
Beneficiary certificates	54,744,000	86,269,800
Beneficiary securities	38,934,492	10,000,000
Bond	97,371,336	118,390,535
Bill	11,331,980	11,331,980
Sub-total	<u>704,657,065</u>	<u>593,968,732</u>
Adjustment to the valuation of financial assets mandatorily measured at fair value through profit or loss	68,381,947	42,099,160
Total	<u>\$773,039,012</u>	<u>\$636,067,892</u>
Non-current item:		
Financial assets mandatorily measured at fair value through profit or loss		
Shares of TWSE/TPEX listed companies	\$21,370,813	\$21,370,813
Adjustment to the valuation of financial assets mandatorily measured at fair value through profit or loss	(3,028,181)	(5,481,508)
Total	<u>\$18,342,632</u>	<u>\$15,889,305</u>

1. The valuation gains (losses) included in profit or loss due to changes in fair value on the above financial assets at fair value through profit or loss were \$105,164,287 and NT\$44,816,925 for 2021 and 2020, respectively.
2. For information on marketable securities held as of December 31, 2021, please refer to Note 13.

(III) Financial assets measured at amortized cost

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Non-current item:		
Financial bonds	\$70,000,000	\$70,000,000
Fixed income bonds	8,380,350	9,449,550
Total	<u>\$78,380,350</u>	<u>\$79,449,550</u>

1. The breakdown of financial assets measured at amortized cost recognized in profit or loss, is as follows:

	<u>2021</u>	<u>2020</u>
Interest income	<u>\$2,494,273</u>	<u>\$2,956,523</u>

2. Without considering the collaterals held or other credit enhancements, the Consolidated Company held financial assets measured at amortized cost with the largest credit risk exposure of \$78,380,350 and \$79,449,550 at December 31, 2021 and 2020, respectively.

3. Please refer to Note 12(2) for related credit risk information.

(IV) Notes and accounts receivable, net

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Notes receivable	\$77,500	\$999,008
Accounts receivable	177,661,888	195,858,098
Less: Allowance for losses	(6,875,109)	(8,338,008)
Net amount	<u>\$170,864,279</u>	<u>\$188,519,098</u>

1. The account aging analysis is as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Not overdue	\$170,003,530	\$187,607,831
Overdue		
Within 30 days	1,096,076	1,127,896
30~60 days	766,333	904,228
60~90 days	465,721	666,343
90 days or more	5,407,728	6,550,808
Less: Allowance for losses	(6,875,109)	(8,338,008)
Total	<u>\$170,864,279</u>	<u>\$188,519,098</u>

The above is an account aging analysis based on the number of days overdue.

2. Without considering the collaterals held or other credit enhancements, the Consolidated Company's notes receivable with the highest credit risk exposure were \$77,500 and \$999,008 as of December 31, 2021 and 2020, respectively; the Consolidated Company's accounts receivable with the highest credit risk exposure were \$170,786,779 and \$187,520,090 as of December 31, 2021 and 2020, respectively.

3. Please refer to Note 12(2) for related credit risk information.

(V) Other receivables

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Interests receivable	\$8,219,362	\$7,700,795
Dividends receivable	231,240	107,500
Time deposits with original maturities of more than three months	938,203,764	959,188,763
Others	880,533	3,632,903
Total	<u>\$947,534,899</u>	<u>\$970,629,961</u>

The credit quality of the Consolidated Company's corresponding financial institutions is good, and the Consolidated Company's transactions with various financial institutions are used to diversify the credit risk, and the possibility of default is expected to be low.

(VI) Inventories

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Materials	\$19,080,784	\$18,515,531
Installation contractors' materials	6,744,108	4,679,985
Natural gas inventory	1,226,119	1,190,952
Merchandise inventory	7,314,237	20,682,496
Total	<u>\$34,365,248</u>	<u>\$45,068,964</u>

1. Installation contractors' materials represent the cost of the tube materials requisitioned by the entrusted contractors for the installation of inner tubes, and are not intended to be sold for conversion into cash.
2. The allowance for decline in value of inventories was both \$0 as of December 31, 2021 and 2020.
3. Inventory-related expenses and losses recognized in operating costs for the years ended December 31, 2021 and 2020 were as follows:

	<u>2021</u>	<u>2020</u>
Cost of inventories sold and installation costs	<u>\$1,298,572,433</u>	<u>\$1,445,166,825</u>

(VII) Property, plant and equipment

	Land			Buildings	Gas sales equipment	Gas transmission equipment	Gas storage equipment	Transportation, machinery and other equipment	Unfinished construction and equipment pending acceptance	Total
	For self-use	For lease (Note)	Total							
<u>Cost:</u>										
Balance as of January 1, 2021	\$355,822,101	\$8,888,249	\$364,710,350	\$61,041,804	\$885,348,939	\$3,831,630,996	\$323,330,392	\$184,618,681	\$119,265,480	\$5,769,946,642
Addition	-	-	-	575,000	103,077,163	7,121,040	3,450,000	3,690,851	143,750,983	261,665,037
Disposal	-	-	-	-	(40,670,686)	(23,497,701)	-	(1,832,272)	-	(66,000,659)
Reclassification	-	-	-	-	-	167,080,348	-	191,238	(112,732,659)	54,538,927
Balance as of December 31, 2021	\$355,822,101	\$8,888,249	\$364,710,350	\$61,616,804	\$947,755,416	\$3,982,334,683	\$326,780,392	\$186,668,498	\$150,283,804	\$6,020,149,947
Balance as of January 1, 2020	\$355,822,101	\$8,888,249	\$364,710,350	\$60,691,804	\$798,499,759	\$3,526,861,377	\$316,842,650	\$165,164,231	\$206,235,369	\$5,439,005,540
Addition	-	-	-	350,000	135,324,756	6,369,849	4,154,350	5,447,213	162,649,065	314,295,233
Disposal	-	-	-	-	(48,475,576)	(23,303,533)	-	(1,279,763)	-	(73,058,872)
Reclassification	-	-	-	-	-	321,703,303	2,333,392	15,287,000	(249,618,954)	89,704,741
Balance as of December 31, 2020	\$355,822,101	\$8,888,249	\$364,710,350	\$61,041,804	\$885,348,939	\$3,831,630,996	\$323,330,392	\$184,618,681	\$119,265,480	\$5,769,946,642

	Land		Total	Buildings	Gas sales equipment	Gas transmission equipment	Gas storage equipment	Transportation, machinery and other equipment	Unfinished construction and equipment pending acceptance	Total
	For self-use	For lease (Note)								
<u>Accumulated depreciation</u>										
Balance as of January 1, 2021	\$-	\$-	\$-	\$36,541,531	\$471,702,845	\$2,544,541,220	\$312,307,531	\$156,838,006	\$-	\$3,521,931,133
Depreciation expense	-	-	-	1,447,551	66,747,911	154,003,498	1,711,846	7,098,981	-	231,009,787
Disposal	-	-	-	-	(40,655,387)	(23,497,701)	-	(1,832,272)	-	(65,985,360)
Reclassification	-	-	-	-	-	-	-	-	-	-
Balance as of December 31, 2021	\$-	\$-	\$-	\$37,989,082	\$497,795,369	\$2,675,047,017	\$314,019,377	\$162,104,715	\$-	\$3,686,955,560
Balance as of January 1, 2020	\$-	\$-	\$-	\$35,132,112	\$466,111,906	\$2,422,699,556	\$310,630,924	\$152,512,567	\$-	\$3,387,087,065
Depreciation expense	-	-	-	1,409,419	54,047,771	145,145,197	1,676,607	5,605,202	-	207,884,196
Disposal	-	-	-	-	(48,456,832)	(23,303,533)	-	(1,279,763)	-	(73,040,128)
Reclassification	-	-	-	-	-	-	-	-	-	-
Balance as of December 31, 2020	\$-	\$-	\$-	\$36,541,531	\$471,702,845	\$2,544,541,220	\$312,307,531	\$156,838,006	\$-	\$3,521,931,133
<u>Carrying amount</u>										
Balance as of December 31, 2021	\$355,822,101	\$8,888,249	\$364,710,350	\$23,627,722	\$449,960,047	\$1,307,287,666	\$12,761,015	\$24,563,783	\$150,283,804	\$2,333,194,387
Balance as of December 31, 2020	\$355,822,101	\$8,888,249	\$364,710,350	\$24,500,273	\$413,646,094	\$1,287,089,776	\$11,022,861	\$27,780,675	\$119,265,480	\$2,248,015,509

Note: As of December 31, 2021 and 2020, the assets for lease were not material to individual real estate and therefore were not reclassified to investment property.

1. The major components of the Consolidated Company's buildings are the main structure, air-conditioning and electrical distribution equipment, and waterproofing works, which are depreciated over their useful lives of 40 to 55 years, 28 years, and 5 to 28 years, respectively.
2. The major components of the Consolidated Company's gas storage equipment are gas storage tanks, gas storage tank monitoring systems, pressurizers, seismometers and deodorizing equipment. Depreciation is provided over 20 years, 5 to 20 years, 5 to 15 years, 5 to 10 years and 5 to 10 years, respectively.

(VIII) Lease transactions - lessee

1. The underlying assets of the Consolidated Company's leases include land and business cars. The lease contracts are usually for periods ranging from 1 to 10 years. The lease agreements are individually negotiated and contain various terms and conditions, with no restrictions except that the leased assets cannot be used as collateral for loans.
2. The carrying amounts of right-of-use assets and the depreciation expense recognized are as follows:

	Land	Transportation equipment	Total
<u>Cost:</u>			
January 1, 2021	\$9,445,075	\$3,421,690	\$12,866,765
Addition	7,585,352	1,456,138	9,041,490
Disposal	(6,976,832)	(2,956,081)	(9,932,913)
December 31, 2021	<u>\$10,053,595</u>	<u>\$1,921,747</u>	<u>\$11,975,342</u>
January 1, 2020	\$8,865,314	\$3,535,861	\$12,401,175
Addition	871,303	465,609	1,336,912
Disposal	(291,542)	(579,780)	(871,322)
December 31, 2020	<u>\$9,445,075</u>	<u>\$3,421,690</u>	<u>\$12,866,765</u>
<u>Accumulated depreciation:</u>			
January 1, 2021	\$5,775,345	\$2,991,886	\$8,767,231
Depreciation expense	3,004,485	1,804,292	4,808,777
Disposal	(6,976,832)	(2,956,081)	(9,932,913)
December 31, 2021	<u>\$1,802,998</u>	<u>\$1,840,097</u>	<u>\$3,643,095</u>
January 1, 2020	\$3,048,926	\$1,785,612	\$4,834,538
Depreciation expense	3,017,961	1,786,054	4,804,015
Disposal	(291,542)	(579,780)	(871,322)
December 31, 2020	<u>\$5,775,345</u>	<u>\$2,991,886</u>	<u>\$8,767,231</u>
<u>Carrying amount:</u>			
December 31, 2021	<u>\$8,250,597</u>	<u>\$81,650</u>	<u>\$8,332,247</u>
December 31, 2020	<u>\$3,669,730</u>	<u>\$429,804</u>	<u>\$4,099,534</u>

3. Information on profit or loss items related to lease contracts is as follows

	2021	2020
Items affecting profit or loss for the period		
Interest expense on lease liabilities	\$84,073	\$105,178
Expense on short-term lease contracts	\$29,386	\$1,881

4. The total lease cash outflow was \$4,791,433 and \$5,007,782 for the years ended December 31, 2021 and 2020.

5. Lease extension option and lease termination option

(1) The Consolidated Company takes into account all facts and circumstances where the exercise of the extension option, or the non-exercise of the termination option, would create an economic incentive in determining the lease period. The lease period will be re-estimated upon the occurrence of a material event that would affect the exercise of the extension option or the non-exercise of the termination option.

(2) The assessment based on the exercise of the extension option increased the right-of-use assets and lease liabilities both by \$257,671 as of December 31, 2021 and 2020.

(IX) Lease transactions - lessor

1. The underlying assets leased by the Consolidated Company include land and buildings. The lease agreements are usually for periods ranging from one to six years and are individually negotiated and contain various terms and conditions.

2. The Company recognized rental income of \$3,844,313 and \$3,865,946 in 2021 and 2020, respectively, based on operating lease agreements, of which no variable lease payments were made.

3. The maturity dates of lease payments under operating leases are analyzed as follows:

	December 31, 2021
1st year	\$3,128,486
2nd year	2,369,533
3rd year	2,057,148
4th year	2,057,148
Total	\$9,612,315

(X) Investment property

	<u>Land</u>	<u>Buildings</u>	<u>Total</u>
<u>Cost:</u>			
January 1, 2021	\$42,901,542	\$12,709,978	\$55,611,520
Addition	-	-	-
Disposal	-	-	-
December 31, 2021	<u>\$42,901,542</u>	<u>\$12,709,978</u>	<u>\$55,611,520</u>
January 1, 2020	\$42,901,542	\$12,709,978	\$55,611,520
Addition	-	-	-
Disposal	-	-	-
December 31, 2020	<u>\$42,901,542</u>	<u>\$12,709,978</u>	<u>\$55,611,520</u>
<u>Accumulated depreciation</u>			
January 1, 2021	\$-	\$7,406,786	\$7,406,786
Depreciation expense	-	225,267	225,267
Disposal	-	-	-
December 31, 2021	<u>\$-</u>	<u>\$7,632,053</u>	<u>\$7,632,053</u>
January 1, 2020	\$-	\$7,181,519	\$7,181,519
Depreciation expense	-	225,267	225,267
Disposal	-	-	-
December 31, 2020	<u>\$-</u>	<u>\$7,406,786</u>	<u>\$7,406,786</u>
<u>Carrying amount</u>			
December 31, 2021	<u>\$42,901,542</u>	<u>\$5,077,925</u>	<u>\$47,979,467</u>
December 31, 2020	<u>\$42,901,542</u>	<u>\$5,303,192</u>	<u>\$48,204,734</u>

1. The breakdown of rental income and direct operating expenses from investment properties is as follows:

	<u>2021</u>	<u>2020</u>
Rental income from investment properties	<u>\$3,214,861</u>	<u>\$3,236,574</u>
Direct operating expenses incurred on investment properties that generated rental income in the current period	<u>\$22,750</u>	<u>\$-</u>
Direct operating expenses incurred on investment properties that did not generate rental income in the current period	<u>\$-</u>	<u>\$-</u>

2. The fair value of investment properties held by the Consolidated Company at the reporting date was measured at cost, and the information level of fair value was Level 3. The fair values of \$156,011 thousand and \$149,776 thousand as of December 31, 2021 and 2020, respectively, were based on market prices in the neighboring areas.
3. The Company's six parcels of land located in Chuang-Ching Section, Xindian City, with Cadastral Number of 5, 6, 6-2, 7, 8 and 9, are not yet available for ownership transfer to the Company because they are agricultural land. The land is currently registered in the name of the Company's responsible person, Chen Ho-Chia, and a mortgage with other rights and interests has been created to the Company as a security measure. The land has a stated cost of \$2,027,191 as of December 31, 2021 and 2020, and is currently leased to a construction company.

(XI) Other non-current assets

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Reserve for gas pipeline replacement	\$319,071,016	\$408,706,722
Pre-payments for equipment	432,000	95,238
Pledge of time deposits	400,834	400,834
Refundable deposits	152,987	599,826
Total	<u>\$320,056,837</u>	<u>\$409,802,620</u>

In accordance with the Natural Gas Enterprise Act and the Regulations on the Provision of Reserves for the Replacement of Gas Pipelines by Public Natural Gas Enterprises, the Consolidated Company should make annual appropriations of the reserve for the retirement of gas pipelines as a public natural gas enterprise on the basis of the previous year's net profit after to a dedicated account for safekeeping. When the balance of the aforementioned dedicated account has reached 50% of the total paid-in capital, the appropriation may be stopped.

(XII) Contract liabilities

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Advanced installation charge	<u>\$540,708,238</u>	<u>\$524,126,943</u>

(XIII) Notes and accounts payable

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Notes payable	\$18,312,328	\$6,635,007
Accounts payable	122,154,634	121,739,605
Total	<u>\$140,466,962</u>	<u>\$128,374,612</u>

(XIV) Other payables

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Refundable meter deposits	\$127,275,300	\$127,592,120
Salaries and award payable	52,511,115	52,152,791
Employee remuneration payables	10,179,360	9,839,542
Director remuneration payables	9,004,927	8,799,782
Taxes and output sales taxes payable	3,909,722	4,478,423
Insurance premiums payable	1,638,308	1,495,940
Pensions payable	1,495,265	1,447,242
Others	8,841,901	12,830,511
Total	<u>\$214,855,898</u>	<u>\$218,636,351</u>

In accordance with the Ministry of Economic Affairs' letter Jing-Shou-Neng-Zi No. 09420084070 dated November 25, 2005, the Consolidated Company implemented the basic fee charging system effective January 1, 2006, under which, a public natural gas enterprise should stop charging gas meter usage fees and immediately process the refund of gas meter deposits, which are listed under other payables.

(XV) Provision for liabilities - current

	<u>Provision for employee benefit liabilities</u>
Balance as of January 1, 2021	\$1,932,452
Provision for liabilities newly increased in the period	8,556,271
Amounts used and offset in the period	<u>(8,659,075)</u>
Balance as of December 31, 2021	<u>\$1,829,648</u>

Provisions for liabilities are recognized in the current period when the relevant employees have acquired rights to employee benefits based on historical experience, management's judgment and other known reasons, and are offset when the employees actually take leave in the following period.

(XVI) Other non-current liabilities

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Long-term deferred revenue	\$1,137,111,647	\$1,062,762,882
Deposits received over one year	62,085,905	61,216,645
Net Defined Benefit Liabilities	2,644,534	11,081,549
Total	<u>\$1,201,842,086</u>	<u>\$1,135,061,076</u>

In view of the provisions of Article 26-1 of the Regulations on Accounting Handling for Public Natural Gas Enterprises, if an operating asset of an enterprise is acquired, replaced, relocated or disposed of at the expense of others, the amount received, after deducting the carrying amount of the damaged or disposed of operating asset, shall be allocated to each operation and recognized as deferred income. In subsequent years, the amount is amortized to income along with the depreciation of the related assets.

(XVII) Pension

1. Defined benefit plan

(1) In accordance with the Labor Standards Act, the Consolidated Company has a defined benefit retirement plan that applies to all regular employees' years of service prior to the implementation of the Labor Standards Act on July 1, 2005, and to employees who elect to continue to be subject to the Labor Standards Act after the implementation of the Labor Standards Act for subsequent years of service. For employees who meet the retirement criteria, pension payments are calculated based on the years of service and the average salary for the six months prior to retirement, with two bases for each year of service up to and including 15 years and one base for each year of service in excess of 15 years, subject to a maximum accumulation limit of 45 bases. A monthly pension fund of 15% of salaries and wages is deposited to a dedicated account in the Bank of Taiwan in the name of the Supervisory Committee of Labor Retirement Reserve Before the end of each year, the balance in the dedicated account of the Labor Retirement Reserve is estimated. If the balance is not sufficient to pay the aforementioned amount of pension benefits to employees eligible for retirement in the following year, a lump-sum appropriation will be made for the difference by the end of March of the following year.

(2) The change in the net defined benefit obligation was as follows:

	Present value of defined benefit obligations	Fair value of plan assets	Net Defined Benefit Liabilities
January 1, 2021	\$206,490,963	\$(195,409,414)	\$11,081,549
Service costs for the period	2,574,249		2,574,249
Net interest on net defined benefit liabilities	499,785	(482,754)	17,031
Re-measurement			
Compensation gain or loss on plan assets	-	(3,100,873)	(3,100,873)
Actuarial gains and losses due to adjustments through experience	1,392,022	-	1,392,022
Actuarial gains and losses due to changes in demographic assumptions	224,643	-	224,643
Actuarial gains and losses due to changes in financial assumptions	(1,327,423)	-	(1,327,423)
Re-measurement sub-total	289,242	(3,100,873)	(2,811,631)
Appropriations from employers	-	(8,216,664)	(8,216,664)
Benefit payments from plan assets	(10,500,363)	10,500,363	-
Benefit payments on the accounting book	-	-	-
December 31, 2021	\$199,353,876	\$(196,709,342)	\$2,644,534

	Present value of defined benefit obligations	Fair value of plan assets	Net Defined Benefit Liabilities
January 1, 2020	\$220,351,587	\$(195,196,012)	\$25,155,575
Service costs for the period	2,781,742	-	2,781,742
Net interest on net defined benefit liabilities	1,347,773	(1,214,799)	132,974
Re-measurement			
Compensation gain or loss on plan assets	-	(6,673,157)	(6,673,157)
Actuarial gains and losses due to adjustments through experience	(331,718)	-	(331,718)
Actuarial gains and losses due to changes in demographic assumptions	87	-	87
Actuarial gains and losses due to changes in financial assumptions	5,481,378	-	5,481,378
Re-measurement sub-total	<u>5,149,747</u>	<u>(6,673,157)</u>	<u>(1,523,410)</u>
Appropriations from employers	-	(9,312,032)	(9,312,032)
Benefit payments from plan assets	(16,986,586)	16,986,586	-
Benefit payments on the accounting book	(6,153,300)	-	(6,153,300)
December 31, 2020	<u>\$206,490,963</u>	<u>\$(195,409,414)</u>	<u>\$11,081,549</u>

(3) The assets of the Consolidated Company's defined benefit pension plan are entrusted to be administered by the Bank of Taiwan in accordance with Article 6 of the Regulations for Revenues, Expenditures, Safeguarding and Utilization of the Labor Retirement Fund, within the proportion and amount of the entrusted items set forth in the annual investment and utilization plan of the fund. The minimum annual earnings to be distributed from the fund shall not be less than the earnings calculated based on the two-year time deposit rate of the local bank. If there is any deficiency, the national treasury shall make up the deficiency after approval by the competent authority. The Company has no right to participate in the operation and management of the fund. The fair value of the assets of the labor pension fund and the allocation of fund assets as of December 31, 2021 and 2020, respectively, are shown in the annual reports on the use of the labor pension fund published by the government.

(4) The actuarial assumptions related to the pension fund are summarized as follows:

① Demographic assumptions

a. Mortality rate

The assumptions of future mortality rates for the years ended December 31, 2021 and 2020 were based on the sixth and fifth empirical life tables of the preset Taiwan life insurance industry, respectively.

b. Turnover rate

The rate is based on the Company's past experience and experience database.

c. Retirement rate

Based on the Company's experience database, the Company's past experience and the survey report on the employment trend in Taiwan published by the Directorate-General of Budget, Accounting and Statistics as the main basis for the calculation, the retirement rate used is as follows:

Assumptions: (a) Z is the earliest retirement age of individual employees
 (b) Retirement is assumed to occur after three years for those who have not retired at age 65 or older.

	2021	2020
Z	15%	15%
Z+1 ~ 64	3%	3%
65	100%	100%

② Financial assumptions

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
a. Discount rate	0.65%	0.25%
b. Expected rate of increase in future salary	2.00%	2.00%

③ Sensitivity analysis of significant actuarial assumptions

The sensitivity analysis of reasonably possible changes in each of the major actuarial assumptions affecting the defined benefit obligation as of December 31, 2021 and 2020 are as follows:

	<u>December 31, 2021</u>		<u>December 31, 2020</u>	
	Increase (decrease) in defined benefit obligation	Percentage of +increase/-decrease in defined benefit obligation	Increase (decrease) in defined benefit obligation	Percentage of +increase/-decrease in defined benefit obligation
(1) Discount rate				
Increase by 0.25%	(3,154,003)	-1.58%	(3,454,248)	-1.67%
Decrease by 0.25%	3,239,203	1.62%	3,551,883	1.72%
(2) Expected rate of increase in future salary				
Increase by 0.25%	2,703,569	1.36%	3,481,453	1.69%
Decrease by 0.25%	(2,649,179)	-1.33%	(3,404,016)	-1.65%

The sensitivity analysis above has been prepared based on reasonably possible changes in each actuarial assumption, with all other assumptions held constant.

(5) Effect of projected benefit obligation on future cash flows :

- A. The weighted-average duration of the benefit obligation was determined to be six years at December 31, 2021 and 2020.
- B. The estimated appropriation for the pension plan for the year after December 31, 2021 is \$8,277 thousand.
- C. The estimated maturity of the Company's undiscounted defined benefit obligation is analyzed as follows:

	<u>Within one year</u>	<u>More than one year but less than two years</u>	<u>More than one year but less than two years</u>	<u>More than two years but less than five years</u>	<u>Total</u>
December 31, 2021	\$8,489,987	\$14,762,806	\$80,185,625	\$104,041,961	\$207,480,379

2. Defined contribution plan

- (1) Effective July 1, 2005, the Consolidated Company has a defined contribution pension plan under the Labor Pension Act, which is applicable to the Consolidated Company's domestic employees. The Consolidated Company makes monthly contributions of not less than 6% of salary to the employees' personal accounts at the Bureau of Labor Insurance for the employees who choose to be subject to the labor pension scheme under the Labor Pension Act. The employees' pensions are paid in the form of monthly pensions or lump-sum pensions depending on the amount of the employees' individual pension accounts and accumulated earnings.
- (2) In accordance with the defined contribution pension plan, the Consolidated Company recognized pension costs of \$6,147 thousand and \$6,623 thousand for the years ended December 31, 2021 and 2020, respectively, which were contributed to the Bureau of Labor Insurance.

(XVIII) Capital stock

The Company's total authorized capital is \$1,858,000,000 divided into 185,800 thousand shares. As of December 31, 2021, the paid-in capital was \$1,805,374,530 divided into 180,537 thousand shares with par value of \$10 each, all of which are common shares. All of the prices of the issued shares of the Company have been received.

(IX) Capital surplus

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Capital surplus - treasury stock transactions	\$72,760,103	\$68,715,523
Capital surplus - investments accounted for using the equity method	4,282	4,282
Total	<u>\$72,764,385</u>	<u>\$68,719,805</u>

1. Under the Securities and Exchange Act and the Company Act, capital surplus may not be used except to make up losses of the Company, except that capital surplus from the issuance of stock in excess of par value and capital surplus from gifts may be capitalized up to a certain percentage of the paid-in capital each year. In accordance with the Company Act, if the Company has no losses, the above-mentioned capital surplus from the issuance of stock in excess of par value and capital surplus from gifts may also be paid in cash in proportion to the original shares held by the shareholders.
2. The above capital surplus - treasury stock transactions are cash dividends received by the subsidiaries from the Company, which are not within the scope of "capital surplus from the issuance of stock in excess of par value" as stipulated in the Ministry of Economic Affairs' letter Jing-Shang-Zi No. 09102050200, and cannot be capitalized.
3. Capital surplus from investments accounted for using the equity method may not be used for any purpose.

(XX) Retained earnings

1. Legal reserve

In accordance with the Company Act, the Company shall set aside 10% of the net profit after tax for the period plus the items other than net profit after tax for the period included in the current year's undistributed earnings as legal reserve until it equals the amount of paid-in capital. The legal reserve is only used to make up losses

according to law, but when the Company has no losses, the excess of the legal reserve over 25% of the paid-in capital may be issued as new shares or cash by resolution of the shareholders' meeting.

2. Special reserve

When the Company distributes earnings, the Company is required by law to set aside a special reserve for the debit balance of other equity items as of the end of the reporting period for the current year. Upon reversal of the debit balance of other equity items, the reversal amount may be included in available-for-distribution earnings.

The special reserve provided upon initial adoption of IFRSs may be reversed to available-for-distribution earnings in proportion to the special reserve provided if it is subsequently realized through use, disposal or reclassification.

3. Dividends policy

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 taking into account the Company's business capital adequacy in response to the change in economy and market environment.

The net profit for the period shall be distributed in the following order:

- ① Make up for losses
- ② Provide 10% as legal reserve.
- ③ After the deductions for items 1 and 2, the remaining balance, if any, shall be distributed as follows, together with the accumulated undistributed earnings at the beginning of the period and the adjustment to the undistributed earnings for the year:
- ④ Appropriate special reserve with the appropriation percentage 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.
- ⑤ The Board of Directors draws up a plan for the distribution of the remaining amount and present it to the shareholders' meeting for resolution.

4. Distribution of earnings

On March 18, 2022, the Board of Directors proposed the distribution of earnings for the year of 2021 and on August 31, 2021, the shareholders' meeting approved the distribution of earnings for the year of 2020 as follows:

	2021		2020	
	Amount	Dividends per share (NT\$)	Amount	Dividends per share (NT\$)
Legal reserve	\$34,464,459		\$32,796,416	
Cash dividends	306,913,670	\$1.70	288,859,925	\$1.60
Total	<u>\$341,380,150</u>		<u>\$321,658,361</u>	

(XXII) Treasury stock

1. Information on the cost of treasury stock to be recognized for the Company's shares held by EVFA INTERNATIONAL CO., LTD., a subsidiary of the Company, is shown as follows:

Item	2021					
	Balance at the beginning of the period		Purchased or (sold) during the period	Balance at the end of the period		
	Number of shares	Cost		Number of shares	Cost	Market price
Financial assets measured at fair value through other comprehensive income	2,527,863	\$46,828,269	None	2,527,863	\$46,828,269	\$108,192,536

Item	2020					
	Balance at the beginning of the period		Purchased or (sold) during the period	Balance at the end of the period		
	Number of shares	Cost		Number of shares	Cost	Market price
Financial assets measured at fair value through other comprehensive income	2,527,863	\$46,828,269	None	2,527,863	\$46,828,269	\$97,322,726

2. The Company's shares held by its subsidiaries are treated as treasury stock and have the same rights as those of the general shareholders except that they are not allowed to participate in the Company's capital increase in cash, but have no voting rights.
3. The cost of treasury stock held by a subsidiary is exempt from special reserve. However, for the difference between the market price of the parent company's stock held by the subsidiary at the end of the period and the book value, the same amount of special reserve should be set aside in proportion to the shareholding percentage and should not be distributed. If there is any subsequent increase in the valuation, the amount of the special reserve may be reversed in proportion to the shareholding.

(XXII) Operating revenue

	2021	2020
Revenue from customer contracts - gas sales revenue	\$1,488,668,217	\$1,613,406,612
Revenue from customer contracts - installation design revenue	195,044,937	201,722,838
Revenue from customer contracts - other operating revenue	82,081,334	149,602,142
Others - other operating revenue	28,373,459	21,637,591
Total	<u>\$1,794,167,947</u>	<u>\$1,986,369,183</u>

1. Breakdown of revenue from customer contracts

The Consolidated Company's revenue is derived from the transfer of merchandises at a certain point in time and from the revenue recognized for gradual transfer over the useful lives of the related assets in accordance with the Regulations on Accounting Handling for Public Natural Gas Enterprises issued by the Ministry of Economic Affairs as amended by Order Neng-Zi No. 10204600900, and the revenue can be sub-divided into the following major product lines.

Gas sales:

	<u>2021</u>	<u>2020</u>
Revenue from external customer contracts	<u>\$1,488,668,217</u>	<u>\$1,613,406,612</u>
Revenue recognition point		
Revenue recognized at a point in time	<u>\$1,488,668,217</u>	<u>\$1,613,406,612</u>

Installation:

	<u>2021</u>	<u>2020</u>
Revenue from external customer contracts	<u>\$195,044,937</u>	<u>\$201,722,838</u>
Revenue recognition point		
Revenue recognized at a point in time	\$98,201,444	\$117,965,592
Revenue recognized gradually over time	<u>96,843,493</u>	<u>83,757,246</u>
Total	<u>\$195,044,937</u>	<u>\$201,722,838</u>

Others:

	<u>2021</u>	<u>2020</u>
Revenue from external customer contracts	<u>\$82,081,334</u>	<u>\$149,602,142</u>
Revenue recognition point		
Revenue recognized at a point in time	\$79,961,810	\$147,482,618
Revenue recognized gradually over time	<u>2,119,524</u>	<u>2,119,524</u>
Total	<u>\$82,081,334</u>	<u>\$149,602,142</u>

2. Contract liabilities

The Consolidated Company recognized contract liabilities related to revenue from customer contracts as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Contract liabilities		
Installation design contract	<u>\$540,708,238</u>	<u>\$524,126,943</u>

Revenue recognized in the period for contract liabilities from the beginning of the period

	<u>2021</u>	<u>2020</u>
Revenue recognized in the period for the balance of contract liabilities at the beginning of the period		
Installation design contract	<u>\$98,272,033</u>	<u>\$133,540,114</u>

(XXIII) Operating costs

	<u>2021</u>	<u>2020</u>
Gas sales costs	\$1,118,651,639	\$1,217,980,011
Installation design costs	141,505,615	152,771,082
Other operating costs	<u>38,415,179</u>	<u>74,415,732</u>
Total	<u>\$1,298,572,433</u>	<u>\$1,445,166,825</u>

(XXIV) Additional information on the nature of expenses

1. Employee benefit expense, depreciation expense and amortization expense are summarized as follows:

Function Nature	2021			2020		
	Recorded as operating costs	Recorded as operating expenses	Total	Recorded as operating costs	Recorded as operating expenses	Total
Employee benefit expenses						
Salary expenses	\$126,003,452	\$119,464,255	\$245,467,707	\$129,023,780	\$115,544,831	\$244,568,611
Labor and health insurance expenses	11,761,595	6,015,171	17,776,766	10,956,758	5,572,700	16,529,458
Pension expenses	5,932,273	3,393,043	9,325,316	6,052,223	3,485,310	9,537,533
Other employee benefit expenses	-	9,373,305	9,373,305	-	9,862,178	9,862,178
Depreciation expenses	222,463,254	13,580,577	236,043,831	200,869,575	12,043,903	212,913,478
Selling expenses	-	62,213	62,213	-	58,775	58,775

2. Information on profit sharing remuneration for employees and for directors based on annual profitability:

- (1) According to the Articles of Incorporation, the Company shall appropriate 2.2% as profit sharing remuneration for employees and no more than 2.2% as profit sharing remuneration for directors of the remainder of the profit for the year, if any, after deducting the accumulated losses from the profit for the current year.
- (2) The profit sharing remunerations for employees and for directors and supervisors for the years of 2021 and 2020 are based on the net profits before tax for the years, before deducting the profit sharing remunerations for employees and for directors and supervisors, and are estimated in accordance with the percentages specified in the Articles of Incorporation. The number of shares is calculated based on the “closing price on the day before the Board of Directors’ resolution” if the employees’ profit sharing remuneration is distributed with shares.
- (3) For the years ended December 31, 2021 and 2020, the amount of profit sharing remuneration for employees was estimated at NT\$9,004,927 and NT\$8,799,782, respectively, and the amount of profit sharing remuneration for directors and supervisors was estimated at NT\$9,004,927 and NT\$8,799,782, respectively, and was recognized as operating costs and expenses. If the actual distribution amount differs from the estimated amount in subsequent resolutions, the difference is treated as a change in accounting estimate.
- (4) Information on the actual distribution of profit sharing remuneration for employees and for directors and supervisors for the years ended December 31, 2021, 2020 and 2019 is as follows

	2021	2020	2019
	<u>March 18, 2022 Approved by the Board of Directors</u>	<u>March 18, 2021 Approved by the Board of Directors</u>	<u>March 20, 2020 Approved by the Board of Directors</u>
Profit sharing remuneration for directors and supervisors	\$9,004,927	\$8,799,782	\$6,973,757
Profit sharing remuneration for employees	\$9,004,927	\$8,799,782	\$6,973,757

The distribution of profit sharing remuneration for employees and for directors and supervisors approved by the Board of Directors are the same as those estimated in the financial statements for 2021, 2020 and 2019.

(5) For information on the distribution of earnings approved by the Board of Directors and the shareholders' meeting and the profit sharing remuneration for employees and for directors and supervisors, please refer to the Market Observation Post System of the Taiwan Stock Exchange.

3. Depreciation expense by function is summarized as follows:

	2021	2020
Operating costs	\$222,463,254	\$200,869,575
Selling expenses	6,362,138	6,718,476
Administrative expenses	7,218,439	5,325,427
Total	<u>\$236,043,831</u>	<u>\$212,913,478</u>

4. Amortization expense by function is summarized as follows:

	2021	2020
Administrative expenses	<u>\$62,213</u>	<u>\$58,775</u>

(XXV) Interest income

	2021	2020
Interest income from bank deposits	\$11,494,738	\$14,995,003
Interest income from financial assets measured at amortized cost	2,494,273	2,956,523
Other interest income	6,072,500	4,329,363
Total	<u>\$20,061,511</u>	<u>\$22,280,889</u>

(XXVI) Other income

	2021	2020
Rental income	\$3,844,313	\$3,865,946
Dividend income	18,058,146	12,658,190
Other income	4,093,458	2,981,175
Total	<u>\$25,995,917</u>	<u>\$19,505,311</u>

(XXVII) Other gain and loss

	2021	2020
Gain (loss) on disposal of property, plant and equipment	\$988,395	\$1,346,851
Net gain (loss) on financial assets measured at fair value through profit or loss	105,164,287	44,816,925
Net exchange gain (loss)	(2,492,851)	(501,363)
Other losses	(12,172,421)	(2,027,627)
Total	<u>\$91,487,410</u>	<u>\$43,634,786</u>

(XXIII) Financial costs

	<u>2021</u>	<u>2020</u>
Interest expense		
Lease liabilities	<u>\$84,073</u>	<u>\$105,178</u>

(XXIX) Income taxes

1. Composition of income tax expense

	<u>2021</u>	<u>2020</u>
Current income tax expense (or benefit)	\$56,889,263	\$75,375,868
Additional income tax levied on undistributed earnings	3,858	377,271
Difference between basic tax and regular income tax	2,159,344	-
Underestimation (overestimation) of income tax expense for prior years	(929)	(1,424)
Total current income tax	<u>59,051,536</u>	<u>75,751,715</u>
Deferred income tax expense		
Origination and reversal of temporary differences	<u>(2,539,407)</u>	<u>(9,935,336)</u>
Total deferred income tax	<u>(2,539,407)</u>	<u>(9,935,336)</u>
Income tax expense	<u>\$56,512,129</u>	<u>\$65,816,379</u>

2. Income tax benefit (expense) related to other comprehensive income

	<u>2021</u>	<u>2020</u>
Re-measurement of defined benefit plan	<u>\$(562,326)</u>	<u>\$(304,682)</u>

3. A reconciliation of income tax expense to the amount of accounting profit multiplied by the Company's applicable income tax rate is as follows:

	<u>2021</u>	<u>2020</u>
Net profit before tax from continuing operations	<u>\$398,907,417</u>	<u>\$392,561,813</u>
Applicable tax rate	<u>20%</u>	<u>20%</u>
Tax at applicable tax rate on income	\$79,781,483	\$78,512,362
Additional income tax levied on undistributed earnings	3,858	377,271
Difference between basic tax and regular income tax	2,159,344	-
Underestimation (overestimation) of income tax expense for prior years	(929)	(1,424)
Repealed levy on loss (gain) from securities transactions	(13,476,605)	(5,216,030)
Loss (gain) on valuation of financial assets	(5,452,452)	(4,048,837)
Dividend income not included in income	(4,344,935)	(3,132,564)
Others	<u>(2,157,635)</u>	<u>(674,399)</u>
Total income tax expense recognized in profit or loss	<u>\$56,512,129</u>	<u>\$65,816,379</u>

4. The amount of deferred income tax assets (liabilities) recognized in assets, liabilities and profit or loss was as follows:

2021

	January 1	Recognized in profit or loss	Recognized in other comprehensive income	December 31
Temporary differences				
Timing difference between book and tax recognition of repair and maintenance expenses	\$5,836,468	\$45,843	\$-	\$5,882,311
Unrealized gain or loss	28,430,795	2,493,564	(562,326)	30,362,033
Land revaluation increment	<u>(65,257,095)</u>	<u>-</u>	<u>-</u>	<u>(65,257,095)</u>
Deferred income tax (expense)/benefit		<u>\$2,539,407</u>	<u>\$(562,326)</u>	
Net deferred income tax assets/(liabilities)	<u>\$(30,989,832)</u>			<u>\$(29,012,751)</u>
The information expressed in the balance sheet is as follows:				
Deferred income tax assets	<u>\$34,890,896</u>			<u>\$36,377,604</u>
Deferred income tax liabilities	<u>\$(65,880,728)</u>			<u>\$(65,390,355)</u>

2020

	January 1	Recognized in profit or loss	Recognized in other comprehensive income	December 31
Temporary differences				
Timing difference between book and tax recognition of repair and maintenance expenses	\$5,030,031	\$806,437	\$-	\$5,836,468
Unrealized gain or loss	19,606,578	9,128,899	(304,682)	28,430,795
Land revaluation increment	<u>(65,257,095)</u>	<u>-</u>	<u>-</u>	<u>(65,257,095)</u>
Deferred income tax (expense)/benefit		<u>\$9,935,336</u>	<u>\$(304,682)</u>	
Net deferred income tax assets/(liabilities)	<u>\$(40,620,486)</u>			<u>\$(30,989,832)</u>
The information expressed in the balance sheet is as follows:				
Deferred income tax assets	<u>\$24,636,609</u>			<u>\$34,890,896</u>
Deferred income tax liabilities	<u>\$(65,257,095)</u>			<u>\$(65,880,728)</u>

5. The income tax returns of the Company and the subsidiary, EVFA INTERNATIONAL CO., LTD. have been assessed by the tax authorities through 2019.

(XXX) Earnings per share

1. Information on earnings per share

	<u>2021</u>	<u>2020</u>
Basic earnings per share:		
Net profit attributable to shareholders of the parent company for the period	\$342,395,288	\$326,745,434
Weighted average number of shares outstanding	178,009,590	178,009,590
Basic earnings per share (NT\$):		
Net profit attributable to shareholders of the parent company for the period	\$1.92	\$1.84
Diluted earnings per share:		
Net profit attributable to shareholders of the parent company for the period	\$342,395,288	\$326,745,434
Weighted average number of shares outstanding for the purpose of calculating diluted earnings per share	178,219,985	178,238,156
Diluted earnings per share (NT\$)		
Net profit attributable to shareholders of the parent company for the period	\$1.92	\$1.83

2. The weighted-average number of shares outstanding is calculated as follows:

	<u>2021</u>	<u>2020</u>
Number of shares at the beginning of the period	180,537,453	180,537,453
Less: Shares of the parent company held by subsidiaries	(2,527,863)	(2,527,863)
Total	178,009,590	178,009,590

3. The above weighted average number of shares outstanding for the purpose of calculating diluted earnings per share is calculated as follows:

	<u>2021</u>	<u>2020</u>
Number of shares at the beginning of the period	180,537,453	180,537,453
Add: Employee profit sharing remuneration that can be issued in stock	210,395	228,566
Sub-total	180,747,848	180,766,019
Less: Shares of the parent company held by subsidiaries	(2,527,863)	(2,527,863)
Total	178,219,985	178,238,156

4. Pro forma information assuming that shares of the parent company held by subsidiaries are not treated as treasury stock.

	2021	2020
Net profit attributable to shareholders of the parent company for the period	\$346,439,868	\$330,158,049
Weighted average number of shares outstanding	180,537,453	180,537,453
Basic earnings per share (NT\$):		
Net profit attributable to shareholders of the parent company for the period	\$1.92	\$1.83

(XXXI) Supplementary information on cash flows

Change in liabilities from financing activities was as follows:

	Guarantee deposit received	Lease liabilities
January 1, 2021	\$64,677,545	\$2,163,376
Change in cash flows from financing activities	1,233,460	(4,707,360)
Non-cash change	-	9,041,490
December 31, 2021	\$65,911,005	\$6,497,506
	Guarantee deposit received	Lease liabilities
January 1, 2020	\$65,041,665	\$5,729,068
Change in cash flows from financing activities	(364,120)	(4,902,604)
Non-cash change	-	1,336,912
December 31, 2020	\$64,677,545	\$2,163,376

VII. Related Party Transactions

(I) Names and relationships of related parties

Name of the related party	Relationship with the Consolidated Company
THE GREAT TAIPEI GAS CORPORATION	Other related parties
Shin Kong Wu Ho-Su Memorial Hospital	Other related parties
Mr. Chen Gen-Chu Foundation for Education and Culture	Other related parties

(II) Significant transactions with related parties

1. Pre-payments for equipment (listed as other non-current assets)

Type of related party	December 31, 2021	December 31, 2020
Other related parties:		
THE GREAT TAIPEI GAS CORPORATION	\$240,000	\$-

The pre-payment for the above-mentioned equipment is the amount for the purchase of the periodic inspection management system.

2. Property, plant and equipment acquired (other equipment).

2021: None.

2020:

Type of related party	Acquisition price
Other related parties: THE GREAT TAIPEI GAS CORPORATION	\$15,600,000

The purchase price of property, plant and equipment (other equipment) from Great Taipei Gas Corporation in 2020 includes NT\$15,200,000 pre-paid for equipment paid in 2019, and the transaction price is based on the agreement and terms between the parties.

3. Administrative expenses - other expenses

Type of related party	2021	2020
Other related parties: THE GREAT TAIPEI GAS CORPORATION	\$1,575,070	\$1,950,000

4. Administrative expenses - donation

Type of related party	2021	2020
Other related parties: Shin Kong Wu Ho-Su Memorial Hospital	\$500,000	\$-
Mr. Chen Gen-Chu Foundation for Education and Culture	550,000	-
Total	\$1,050,000	\$-

5. Deposits received (listed as other non-current liabilities)

Type of related party	December 31, 2021	December 31, 2020
Other related parties: THE GREAT TAIPEI GAS CORPORATION	\$210,000	\$165,000

(III) Information on remuneration for key management

	2021	2020
Salaries and other short-term employee benefits	\$50,941,523	\$52,519,076
Post-employment benefits	308,518	277,558
Total	\$51,250,041	\$52,796,634

VIII. Pledged Assets

The assets of the Consolidated Company which have been used for guarantees are shown below:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>	<u>Purpose</u>
Pledge of time deposits (listed as other non-current assets)	\$400,834	\$400,834	Construction bid bonds

Pledged assets are stated at carrying amount.

IX. Significant Contingent Liabilities and Unrecognized Contract Commitments

As of December 31, 2021, the total contract amount due to pre-payments for equipment purchases was NT\$1,440 thousand and the amount paid was NT\$432 thousand (listed as pre-payments for equipment under other non-current assets).

X. Significant Disaster Loss: None.

XI. Significant Subsequent Events: None.

XII. Others

(I) Capital Management

The primary objective of the Consolidated Company's capital management is to confirm the maintenance of sound credit ratings and good capital ratios to support corporate operations and maximize shareholders' equity.

(II) Financial instruments

1. Type of financial instruments

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Financial assets		
Financial assets measured at fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss	\$791,381,644	\$651,957,197
Financial assets measured at amortized cost		
Cash and cash equivalents	558,032,858	513,396,704
Financial assets measured at amortized cost	78,380,350	79,449,550
Notes receivable	77,500	999,008
Accounts receivable	170,786,779	187,520,090
Other receivables	947,534,899	970,629,961
Other financial assets	319,624,837	409,707,382
Total	<u>\$2,865,818,867</u>	<u>\$2,813,659,892</u>

Financial liabilities

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Financial liabilities measured at amortized cost		
Notes payable	\$18,312,328	\$6,635,007
Accounts payable	122,154,634	121,739,605
Other payables	214,855,898	218,636,351
Lease liabilities	6,497,506	2,163,376
Other financial liabilities	65,911,005	64,677,545
Total	<u>\$427,731,371</u>	<u>\$413,851,884</u>

2. Information on fair value of financial instruments

(1) Financial instruments not measured at fair value

- ① The carrying amounts of these financial instruments approximate their fair values: cash and cash equivalents, notes receivable, accounts receivable, other receivables, other financial assets, notes payable, accounts payable, other payables and other financial liabilities.
- ② The fair value of lease liabilities was obtained by discounting the amount of lease contracts at the Consolidated Company's incremental borrowing rate.

(2) Financial instruments not measured at fair value but still require disclosure of fair value

	<u>December 31, 2021</u>			
	Carrying amount	Fair value		
		Level 1	Level 2	Level 3
Financial assets:				
Financial assets measured at amortized cost				
Domestic financial bonds	\$70,000,000	\$-	\$70,000,000	\$-
Overseas bonds	8,380,350	-	8,380,350	-
Total	<u>\$78,380,350</u>	<u>\$-</u>	<u>\$78,380,350</u>	<u>\$-</u>
	<u>December 31, 2020</u>			
	Carrying amount	Fair value		
		Level 1	Level 2	Level 3
Financial assets:				
Financial assets measured at amortized cost				
Domestic financial bonds	\$70,000,000	\$-	\$70,000,000	\$-
Overseas bonds	9,449,550	-	9,449,550	-
Total	<u>\$79,449,550</u>	<u>\$-</u>	<u>\$79,449,550</u>	<u>\$-</u>

(3) Valuation techniques of fair value

The methods and assumptions used to estimate the fair value of the Consolidated Company's financial instruments not measured at fair value are as follows.

- A. If there is a quoted market price in an active market, the fair value is based on the market price; if there is no market price available, the fair value is estimated using valuation techniques or using quotes of trading partners.

B. If quoted prices of completed transactions or market makers are available, the most recent transaction prices and quoted prices are used as the basis for assessing fair value. If market value is not available, the valuation method is used to estimate the fair value. The fair value is estimated using the discounted cash flow value of the estimates and assumptions used in the valuation method.

(4) Financial instruments measured at fair value

Please refer to Note 12(3) for the fair value information of financial instruments measured at fair value.

3. Financial risk management policy

(1) The Consolidated Company's daily operations are subject to a number of financial risks, including market risk (including exchange rate risk, price risk and interest rate risk), credit risk and liquidity risk. The Consolidated Company adopts the strictest standards of control over the financial risks of its investments in financial instruments. Any financial investments and operations are thoroughly evaluated for possible risks, and the less risky ones are always selected and sought to minimize potential adverse effects on the Consolidated Company's financial position and financial performance.

(2) Risk management is performed by the Consolidated Company's Finance Department in accordance with policies approved by the Board of Directors. The Finance Department is responsible for identifying, evaluating and hedging financial risks by working closely with the various operating units within the Group. The Board of Directors has written principles for overall risk management and also provides written policies for specific areas and issues, such as exchange rate risk, interest rate risk, credit risk, use of derivative and non-derivative financial instruments, and investment of surplus liquidity.

4. Nature and extent of significant financial risks

(1) Market risk

Exchange rate risk

A. The Consolidated Company engages in business involving certain non-functional currencies and is therefore subject to exchange rate fluctuations. Information on foreign currency assets and liabilities subject to significant exchange rate fluctuations is as follows:

	December 31, 2021			Unit: In thousands of NT\$		
	Foreign currency	Exchange rate	Carrying amount (NTD)	Sensitivity analysis		
				Change magnitude	Effect on profit or loss (Before tax)	Effect on equity
(Foreign currency: functional currency)						
<u>Financial assets</u>						
<u>Monetary item</u>						
RMB: NTD	\$30,243	4.34	\$131,203	1%	\$1,312	\$-
USD: NTD	1,386	27.81	38,548	2%	771	-
EUR: NTD	58	32.50	1,885	6%	113	-
ZAR: NTD	\$459	1.83	\$839	10%	\$84	\$-
JPY: NTD	22,617	0.26	5,930	7%	415	-
<u>Financial assets</u>						

December 31, 2021			Unit: In thousands of NT\$			
Foreign currency	Exchange rate	Carrying amount (NTD)	Sensitivity analysis			
			Change magnitude	Effect on profit or loss (Before tax)	Effect on equity	
(Foreign currency: functional currency)						
<u>measured at fair value through profit or loss</u>						
USD: NTD	1,764	27.63	48,734	2%	975	-
RMB: NTD	6,973	4.32	30,118	1%	301	-
EUR: NTD	120	31.12	3,734	6%	224	-
ZAR: NTD	948	1.69	1,605	10%	161	-
<u>Financial assets measured at amortized cost</u>						
ZAR: NTD	4,950	1.69	8,380	10%	838	-

December 31, 2020			Unit: In thousands of NT\$			
Foreign currency	Exchange rate	Carrying amount (NTD)	Sensitivity analysis			
			Change magnitude	Effect on profit or loss (Before tax)	Effect on equity	
(Foreign currency: functional currency)						
<u>Financial assets</u>						
<u>Monetary item</u>						
RMB: NTD	\$29,635	4.37	\$129,429	3%	\$3,883	\$-
USD: NTD	820	28.57	23,426	4%	937	-
EUR: NTD	46	34.59	1,591	5%	80	-
ZAR: NTD	847	1.92	1,626	18%	293	-
JPY: NTD	15,232	0.27	4,143	4%	166	-
<u>Financial assets measured at fair value through profit or loss</u>						
USD: NTD	2,231	28.42	63,397	4%	2,536	-
RMB: NTD	10,701	4.35	46,572	3%	1,397	-
EUR: NTD	120	34.82	4,178	5%	209	-
<u>Financial assets measured at amortized cost</u>						
ZAR: NTD	4,950	1.91	9,450	18%	1,701	-

B. The unrealized exchange gains or losses on monetary items that were significantly affected by exchange rate fluctuations are described below:

December 31, 2021				Unit: In thousands of NT\$	
Foreign currency	Exchange rate	Carrying amount	Unrealized exchange gains (losses)		
<u>Financial assets</u>					
<u>Monetary item</u>					
RMB: NTD		\$30,110	4.32	\$130,044	\$613
ZAR: NTD		4,950	1.69	8,380	(2,262)

	December 31, 2020 Unit: In thousands of NT\$			
	Foreign currency	Exchange rate	Carrying amount	Unrealized exchange gains (losses)
<u>Financial assets</u>				
<u>Monetary item</u>				
USD: NTD	\$646	28.43	\$18,350	\$(391)
RMB: NTD	29,499	4.35	128,370	2,313
ZAR: NTD	5,393	1.92	10,361	(1,102)

Price risk

- A. The Consolidated Company's financial instruments exposed to price risk are those listed as financial assets measured at fair value through profit or loss. To manage the price risk of financial instrument investments, the Consolidated Company diversifies its investment portfolio in accordance with the limits set by the Consolidated Company.
- B. The Consolidated Company invests mainly in equity instruments, open-end funds and bonds issued by domestic and foreign companies, and the prices of these financial instruments are subject to uncertainties in the future value of the underlying investments. If the prices of these financial instruments had increased or decreased by 1%, with all other factors held constant, the net profit after tax for the years ended December 31, 2021 and 2020 would have increased or decreased by \$7,914 thousand and \$6,520 thousand, respectively, from the gain or loss on financial instruments measured at fair value through profit or loss.

Cash flow and fair value interest rate risk

Interest rate risk mainly arises from bank loans. As of December 31, 2021 and 2020, the Consolidated Company had not drawn from the loan facilities and therefore had no significant interest rate risks.

(2) Credit risk

- A. The Consolidated Company's credit risk is the risk of financial loss resulting from the failure of customers or counterparties to financial instruments to meet their contractual obligations, primarily from the failure of counterparties to settle receivables on collection terms and from contractual cash flows from investments in debt instruments classified as measured at amortized cost.
- B. The Consolidated Company establishes the management of credit risk from a group perspective. Only correspondent banks and financial institutions with independent credit ratings of at least "BBB" are accepted as trading counterparties
- C. The Consolidated Company is a privately-held public natural gas enterprise, and its main customers are general customers and commercial customers. In order to effectively control the risk of default due to abnormal customer credit, the Consolidated Company uses the first-use, first-pay method for natural gas bills and the first-pay method for other installation projects in order to protect the Consolidated Company's interests. For natural gas bills, the Company has assessed and controlled bad debts, and regularly evaluates and reviews them, and has set up a project to manage overdue debts.
- D. The Consolidated Company uses the reserve matrix method to estimate the expected credit losses for customer accounts receivable.
- E. The Consolidated Company incorporates the loss rate established by the Chung-Hua

Institution for Economic Research's Gas Supply Industry Trend Report for future forward-looking considerations to estimate the allowance for losses on receivables based on historical and current information for a specific period, and the allowance matrix method as of December 31, 2021 and 2020 is as follows:

December 31, 2021

	Not overdue	Overdue 1~30 days	Overdue 31~60 days	Overdue 61~90 days	Overdue 90 days or more	Total
Expected loss rate	0.24%	32.46%	42.06%	81.80%	100.00%	
Total carrying amount	\$170,003,530	\$1,096,076	\$766,333	\$465,721	\$5,407,728	\$177,739,388
Allowance for losses	\$408,300	\$355,816	\$322,324	\$380,941	\$5,407,728	\$6,875,109

December 31, 2020

	Not overdue	Overdue 1~30 days	Overdue 31~60 days	Overdue 61~90 days	Overdue 90 days or more	Total
Expected loss rate	0.24%	34.50%	44.93%	81.69%	100.00%	
Total carrying amount	\$187,607,831	\$1,127,896	\$904,228	\$666,343	\$6,550,808	\$196,857,106
Allowance for losses	\$447,544	\$389,068	\$406,285	\$544,303	\$6,550,808	\$8,338,008

F. The changes in the allowance for losses on receivables were as follows:

	2021	2020
January 1	\$8,338,008	\$9,358,945
Provision for (reversal of) impairment loss	(1,282,977)	(954,868)
Recovery in the current period of the written-off accounts from the previous period	55,897	83,495
Write-off in the current period of the uncollectable accounts in the current period	(235,819)	(149,564)
December 31	\$6,875,109	\$8,338,008

G. The credit risk rating information of the Consolidated Company's investments listed as debt instruments measured at amortized cost is as follows:

December 31, 2021

	Based on 12 months	Base on the duration		Total
		Those with significantly increased credit risk	Those with impaired credit	
Financial assets measured at amortized cost				
Group 1	\$70,000,000	\$-	\$-	\$70,000,000
Group 2	8,380,350	-	-	8,380,350
Total	\$78,380,350	\$-	\$-	\$78,380,350

Group 1: Credit ratings of "twBBB" and "twA-2".

Group 2: Credit ratings of "A1" and "A"

December 31, 2020

	Based on 12 months	Base on the duration		Total
		Those with significantly increased credit risk	Those with impaired credit	
Financial assets measured at amortized cost				
Group 1	\$70,000,000	\$-	\$-	\$70,000,000
Group 2	9,449,550	-	-	9,449,550
Total	\$79,449,550	\$-	\$-	\$79,449,550

Group 1: Credit ratings of "twBBB" and "twA-2".

Group 2: Credit ratings of "A1" and "A"

H. The Consolidated Company assesses the expected credit losses for the next 12 months or the expected credit losses for the duration of the debt instruments by referring to the default rate and default loss rate provided by external credit rating agencies. The Consolidated Company's current credit risk rating mechanism is as follows:

Credit rating	Definition	Expected credit loss recognition basis	Expected credit loss rate
Normal	Credit ratings on trading date and valuation date. (1) Both are investment grade (2) Both are BBB or higher	12-month expected credit loss	0~0.7%
Abnormal	Credit ratings on trading date and valuation date. (1) Downgraded from investment grade to non-investment grade (2) Downgraded from BBB to B	Expected credit loss (without credit impairment) over the duration	-
Breach of contract	Credit rating downgraded to CCC or below at the valuation date	Expected credit loss (with credit impairment) over the duration	-
Write-off	There is evidence that the debtor is in significant financial difficulty and the Company has no reasonable expectation of recovery.	Direct write-off	-

There is no significant increase in the credit risk of the Consolidated Company's investments in debt instruments, and the amount of the allowance for losses based on the 12-month expected credit loss model is not material.

(3) Liquidity risk:

The Consolidated Company manages and maintains sufficient cash and cash equivalents to support its operations and mitigate the impact of cash flow fluctuations.

(III) Information on fair value

1. Please refer to Note 12(2)2 for the fair value information of financial instruments not measured at fair value. The fair value of investment properties measured at cost is described in Note 6(10).

2. The valuation techniques used to measure financial instruments. The definitions of each level are as follows:

Level 1 input value: refers to the quotation of the same asset or liability in an active market as of the evaluation (before adjustment). An active market is one in which all of the following conditions are met: the commodities traded in the market are homogeneous; willing buyers and sellers are readily available in the market and price information is accessible to the public.

Level 2 input value: refers to the direct (the price) or indirect (inference of price) observable input value of asset or liability further to the quotation of Level 1.

Level 3 input value: the unobservable input value of asset or liability.

3. Fair value information - Information related to financial instruments measured at fair value on a recurring basis is as follows:

December 31, 2021	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through profit or loss				
Shares of TWSE/TPEX listed companies	\$573,092,115	\$-	\$-	\$573,092,115
Fund beneficiary certificates	69,050,295	-	-	69,050,295
Beneficiary securities	45,073,000	-	-	45,073,000
Bond	95,734,734	-	-	95,734,734
Bill	8,431,500	-	-	8,431,500
Total	<u>\$791,381,644</u>	<u>\$-</u>	<u>\$-</u>	<u>\$791,381,644</u>
December 31, 2020	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through profit or loss				
Shares of TWSE/TPEX listed companies	\$414,802,654	\$-	\$-	\$414,802,654
Fund beneficiary certificates	96,629,016	-	-	96,629,016
Beneficiary securities	13,110,000	-	-	13,110,000
Bond	118,404,027	-	-	118,404,027
Bill	9,011,500	-	-	9,011,500
Total	<u>\$651,957,197</u>	<u>\$-</u>	<u>\$-</u>	<u>\$651,957,197</u>

4. The methods and assumptions used to measure fair value are described below:

The Consolidated Company uses quoted market prices as fair value inputs (i.e., Level 1), listed stocks and beneficiary certificates are valued at the closing prices announced by the stock exchanges and over-the-counter, open-end funds are valued at net worth, and international bonds and notes are valued at the most recently traded prices.

5. The fair value of Level 1 has not shifted in any way in the years 2021 and 2020.

XIII. Additional Disclosure

(I) Information on Significant Transactions

1. Please refer to Schedule 1 for details of business relationships and significant transactions between the parent company and its subsidiaries for the year ended December 31, 2021.

2. Information on Significant Transactions

No.	Item	Schedule
1	Lending of funds to others	None
2	Endorsement and guarantee for others	None
3	Marketable securities held at the end of the period (excluding investments in subsidiaries, affiliates and joint ventures)	Schedule 2
4	The cumulative amount of marketable securities purchased or sold reached NT\$300 million or 20% of the paid-in capital.	None
5	The amount of real estate acquired reached NT\$300 million or 20% of the paid-in capital	None
6	The amount of real estate disposed of reached NT\$300 million or 20% of the paid-in capital	None
7	The amount of purchase or sale of goods from or to related parties reached NT\$300 million or 20% of the paid-in capital	None
8	The amount of receivables from related parties reached NT\$300 million or 20% of the paid-in capital	None
9	Engagement in derivative transactions	None

(II) Information on Investees

No.	Item	Schedule
1	Lending of funds to others	None
2	Endorsement and guarantee for others	None
3	Marketable securities held at the end of the period (excluding investments in subsidiaries, affiliates and joint ventures)	Schedule 3
4	The cumulative amount of marketable securities purchased or sold reached NT\$300 million or 20% of the paid-in capital.	None
5	The amount of real estate acquired reached NT\$300 million or 20% of the paid-in capital	None
6	The amount of real estate disposed of reached NT\$300 million or 20% of the paid-in capital	None
7	The transaction amount of purchase or sale of goods from or to related parties reached NT\$300 million or 20% of the paid-in capital	Schedule 4
8	The amount of receivables from related parties reached NT\$300 million or 20% of the paid-in capital	None
9	Engagement in derivative transactions	None
10	Names and locations of investees and other relevant information (excluding investees in Mainland China)	Schedule 5

(III) Information on Investments in Mainland China: None.

(IV) Information on Major Shareholders: Schedule 6

XIV. Segment information

(I) For management purposes, the Consolidated Company divided its operating units according to different products and services, and divided them into the following three reportable segments:

Gas Sales Segment: This segment is mainly responsible for the supply of natural gas to customers through pipelines.

Installation Segment: This segment is mainly responsible for the installation of natural gas transmission pipelines and gas safety equipment.

Other Segment: Not included in the above businesses.

(II) Information on the operating segments for FY110 and FY109 is as follows:

	2021				
	Gas sales segment	Installation segment	Other segment	Adjustment and elimination	Total
Revenue					
Revenue from external customers	\$1,488,668,217	\$195,044,937	\$110,454,793	\$-	\$1,794,167,947
Intersegment revenue	-	249,950,058	-	(249,950,058)	-
Interest income	-	2,770,956	17,290,555	-	20,061,511
Total revenue	<u>\$1,488,668,217</u>	<u>\$447,765,951</u>	<u>\$127,745,348</u>	<u>\$(249,950,058)</u>	<u>\$1,814,229,458</u>
Interest expense	<u>\$65,448</u>	<u>\$42,561</u>	<u>\$18,449</u>	<u>\$(42,385)</u>	<u>\$84,073</u>
Depreciation and amortization	<u>\$178,743,382</u>	<u>\$84,806,323</u>	<u>\$6,986,735</u>	<u>\$(34,430,396)</u>	<u>\$236,106,044</u>
Share of profits and losses of affiliates and joint ventures under the equity method:	<u>\$-</u>	<u>\$-</u>	<u>\$108,410,325</u>	<u>\$(108,410,325)</u>	<u>\$-</u>
Segment profit or loss	<u>\$278,356,668</u>	<u>\$155,681,908</u>	<u>\$68,350,375</u>	<u>\$(103,481,534)</u>	<u>\$398,907,417</u>
Segment total assets	<u>\$2,400,534,479</u>	<u>\$1,318,214,339</u>	<u>\$2,440,772,629</u>	<u>\$(824,861,326)</u>	<u>\$5,334,660,121</u>
Segment total liabilities	<u>\$715,172,542</u>	<u>\$1,293,973,612</u>	<u>\$238,298,743</u>	<u>\$(46,055,528)</u>	<u>\$2,201,389,369</u>
	2020				
	Gas sales segment	Installation segment	Other segment	Adjustment and elimination	Total
Revenue					
Revenue from external customers	\$1,613,406,612	\$203,049,039	\$169,913,532	\$-	\$1,986,369,183
Intersegment revenue	-	358,871,431	-	(358,871,431)	-
Interest income	-	3,405,945	18,874,944	-	22,280,889
Total revenue	<u>\$1,613,406,612</u>	<u>\$565,326,415</u>	<u>\$188,788,476</u>	<u>\$(358,871,431)</u>	<u>\$2,008,650,072</u>
Interest expense	<u>\$82,890</u>	<u>\$10,148</u>	<u>\$22,028</u>	<u>\$(9,888)</u>	<u>\$105,178</u>
Depreciation and amortization	<u>\$159,715,307</u>	<u>\$81,434,902</u>	<u>\$5,116,079</u>	<u>\$(33,294,035)</u>	<u>\$212,972,253</u>
Share of profits and losses of affiliates and joint ventures under the equity method:	<u>\$-</u>	<u>\$-</u>	<u>\$115,347,322</u>	<u>\$(115,347,322)</u>	<u>\$-</u>
Segment profit or loss	<u>\$284,106,483</u>	<u>\$217,651,104</u>	<u>\$50,504,824</u>	<u>\$(159,700,598)</u>	<u>\$392,561,813</u>
Segment total assets	<u>\$2,392,846,962</u>	<u>\$1,329,840,686</u>	<u>\$2,290,251,979</u>	<u>\$(812,441,166)</u>	<u>\$5,200,498,461</u>
Segment total liabilities	<u>\$657,274,285</u>	<u>\$1,267,696,130</u>	<u>\$257,995,971</u>	<u>\$(55,909,429)</u>	<u>\$2,127,056,957</u>

- ① Intersegment revenue is eliminated upon consolidation.
- ② The amounts reported by the Consolidated Company are consistent with the reports used by the operating decision maker. The accounting policies of the Consolidated Company's segments are the same as the summary of significant accounting policies described in Note 4. The Consolidated Company's segment profit or loss is measured at net profit before tax and is used as the basis for evaluating performance.

(II) Region information

The Consolidated Company's operating revenues from external customers are classified according to the country of the customer and the information of non-current assets by location of the assets is presented as follows:

	Operating revenue		Non-current assets	
	2021	2020	December 31, 2021	December 31, 2020
Taiwan	\$1,794,167,947	\$1,986,369,183	\$2,709,589,500	\$2,710,181,172

Non-current assets consist of property, plant and equipment, right-of-use assets, investment property, intangible assets and other non-current assets, excluding financial instruments and deferred income tax assets.

(III) Product information

Type of product	2021	2020
Gas sales	\$1,488,668,217	\$1,613,406,612
Installation:	195,044,937	201,722,838
Others	110,454,793	171,239,733
Total	\$1,794,167,947	\$1,986,369,183

(IV) Information on important customers

The Consolidated Company has no external customers whose purchase accounts for more than 10% of the operating revenue of the Consolidated Company.

Schedule 1: Business relationship and significant transactions between parent and subsidiary

No. (Note 1)	Name of the trader	Trading partner	Relationship with the trader (Note 2)	Circumstance of the transaction			
				Item	Amount (In thousands of NT\$)	Trading term	As a percentage of consolidated total revenue or total assets (Note 3)
0	Shin Shin Natural Gas Co. LTD.	EVFA INTERNATIONAL CO., LTD.	1	Installation revenue	\$4,241	Comparable to ordinary trading terms	0.24%
0	Shin Shin Natural Gas Co. LTD.	EVFA INTERNATIONAL CO., LTD.	1	Purchases	57,061	Comparable to ordinary trading terms	3.18%
0	Shin Shin Natural Gas Co. LTD.	EVFA INTERNATIONAL CO., LTD.	1	Installation cost	6,179	Comparable to ordinary trading terms	0.34%
0	Shin Shin Natural Gas Co. LTD.	EVFA INTERNATIONAL CO., LTD.	1	Other operating costs	26,322	Comparable to ordinary trading terms	1.47%
0	Shin Shin Natural Gas Co. LTD.	EVFA INTERNATIONAL CO., LTD.	1	Accounts receivable	4,116	Comparable to ordinary trading terms	0.08%
0	Shin Shin Natural Gas Co. LTD.	EVFA INTERNATIONAL CO., LTD.	1	Notes payable	19,664	Comparable to ordinary trading terms	0.37%
0	Shin Shin Natural Gas Co. LTD.	EVFA INTERNATIONAL CO., LTD.	1	Accounts payable	15,149	Comparable to ordinary trading terms	0.28%
0	Shin Shin Natural Gas Co. LTD.	EVFA INTERNATIONAL CO., LTD.	1	Other payables	4,607	Comparable to ordinary trading terms	0.09%
0	Shin Shin Natural Gas Co. LTD.	EVFA INTERNATIONAL CO., LTD.	1	Other non-current liabilities (deposits received)	657	—	0.01%
0	Shin Shin Natural Gas Co. LTD.	EVFA INTERNATIONAL CO., LTD.	1	Lease income	491	Collected on a monthly basis	0.03%
0	Shin Shin Natural Gas Co. LTD.	EVFA INTERNATIONAL CO., LTD.	1	Professional service expenses	24,301	Comparable to ordinary trading terms	1.35%
0	Shin Shin Natural Gas Co. LTD.	EVFA INTERNATIONAL CO., LTD.	1	Repair and maintenance expense	10,264	—	0.57%
0	Shin Shin Natural Gas Co. LTD.	EVFA INTERNATIONAL CO., LTD.	1	Gas sales equipment	121,582	Comparable to ordinary trading terms	2.28%

Note 1: Information on business transactions between the parent company and the subsidiary should be indicated in the column for number, respectively, and the numbers should be completed as follows:

1. Fill in "0" for parent company.
2. Subsidiaries are numbered sequentially from Arabic numeral 1 according to the company type.

Note 2: The relationship with the trader is classified into three types as follows:

1. Parent company to subsidiary.
2. Subsidiary to parent company
3. Subsidiary to subsidiary

Note 3: The percentage of transaction amount to consolidated total revenues or total assets is calculated as the ending balance to consolidated total assets in the case of assets and liabilities, or as the amount to consolidated total revenues in the case of profit or loss.

Schedule 2: Marketable securities held at the end of the period (excluding investments in subsidiaries, affiliates and joint ventures)

Unit: In NT\$

Company held	Type and name of marketable securities	Relationship with issuer of marketable securities	GL account in the financial statements	End of the period				Remarks
				Number of shares/units	Carrying amount	Shareholdings percentage	Fair value	
Shin Shin Natural Gas Co. LTD.	Phison / Stock	-	Financial assets measured at fair value through profit or loss - current	11,000	\$5,632,000	-	\$5,632,000	
Shin Shin Natural Gas Co. LTD.	THE GREAT TAIPEI GAS / Stock	The chairperson of this company is a director of the Company	Financial assets measured at fair value through profit or loss - current	481,000	15,969,200	-	15,969,200	
Shin Shin Natural Gas Co. LTD.	Taiwan Shin Kong Security / Stock	-	Financial assets measured at fair value through profit or loss - current	55,500	2,183,925	-	2,183,925	
Shin Shin Natural Gas Co. LTD.	SHIN HAI GAS / Stock	The chairperson of this company is a director of the Company	Financial assets measured at fair value through profit or loss - current	38,927	1,919,101	-	1,919,101	
Shin Shin Natural Gas Co. LTD.	USI / Stock	-	Financial assets measured at fair value through profit or loss - current	50,000	1,577,500	-	1,577,500	
Shin Shin Natural Gas Co. LTD.	TA YA ELECTRIC WIRE & CABLE / Stock	-	Financial assets measured at fair value through profit or loss - current	61,150	1,525,693	-	1,525,693	
Shin Shin Natural Gas Co. LTD.	Chunghwa Chemical Synthesis & Biotech / Stock	-	Financial assets measured at fair value through profit or loss - current	48,000	3,115,200	-	3,115,200	
Shin Shin Natural Gas Co. LTD.	China Steel / Stock	-	Financial assets measured at fair value through profit or loss - current	20,000	707,000	-	707,000	
Shin Shin Natural Gas Co. LTD.	TA CHEN STAINLESS PIPE / Stock	-	Financial assets measured at fair value through profit or loss - current	10,000	462,500	-	462,500	
Shin Shin Natural Gas Co. LTD.	FROCH ENTERPRISE / Stock	-	Financial assets measured at fair value through profit or loss - current	30,000	889,500	-	889,500	
Shin Shin Natural Gas Co. LTD.	Tang Eng Iron Works / Stock	-	Financial assets measured at fair value through profit or loss - current	20,000	715,000	-	715,000	

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Unit: In NT\$

Company held	Type and name of marketable securities	Relationship with issuer of marketable securities	GL account in the financial statements	End of the period			Fair value	Remarks
				Number of shares/units	Carrying amount	Shareholdings percentage		
Shin Shin Natural Gas Co. LTD.	KING SLIDE WORKS / Stock	-	Financial assets measured at fair value through profit or loss - current	3,000	\$1,551,000	-	\$1,551,000	
Shin Shin Natural Gas Co. LTD.	Cub Elecparts / Stock	-	Financial assets measured at fair value through profit or loss - current	9,000	1,696,500	-	1,696,500	
Shin Shin Natural Gas Co. LTD.	United Microelectronics Corporation / Stock	-	Financial assets measured at fair value through profit or loss - current	86,000	5,590,000	-	5,590,000	
Shin Shin Natural Gas Co. LTD.	HON HAI PRECISION / Stock	-	Financial assets measured at fair value through profit or loss - current	10,000	1,040,000	-	1,040,000	
Shin Shin Natural Gas Co. LTD.	TSMC / Stock	-	Financial assets measured at fair value through profit or loss - current	5,000	3,075,000	-	3,075,000	
Shin Shin Natural Gas Co. LTD.	KURA SUSHI ASIA / Stock	-	Financial assets measured at fair value through profit or loss - current	7,000	525,700	-	525,700	
Shin Shin Natural Gas Co. LTD.	Union Bank of Taiwan Preferred Shares A / Stock	-	Financial assets measured at fair value through profit or loss - current	1,000,000	53,000,000	-	53,000,000	
Shin Shin Natural Gas Co. LTD.	Cathy Preferred Shares / Stock	-	Financial assets measured at fair value through profit or loss - current	50,000	3,145,000	-	3,145,000	
Shin Shin Natural Gas Co. LTD.	China Development Financial Holding Corporation / Stock	-	Financial assets measured at fair value through profit or loss - current	70,000	1,225,000	-	1,225,000	
Shin Shin Natural Gas Co. LTD.	Shin Kong Financial Holding / Stock	-	Financial assets measured at fair value through profit or loss - current	200,483	2,215,337	-	2,215,337	
Shin Shin Natural Gas Co. LTD.	Shin Kong Financial Holding Preferred Shares A / Stock	-	Financial assets measured at fair value through profit or loss - current	460,460	19,615,596	-	19,615,596	

Continued from the previous page

Unit: In NT\$

Company held	Type and name of marketable securities	Relationship with issuer of marketable securities	GL account in the financial statements	End of the period				Remarks
				Number of shares/units	Carrying amount	Shareholdings percentage	Fair value	
Shin Shin Natural Gas Co. LTD.	Shin Kong Financial Holding Preferred Shares B / Stock	-	Financial assets measured at fair value through profit or loss - current	5,112	\$219,049	-	\$219,049	
Shin Shin Natural Gas Co. LTD.	WT Microelectronics / Stock	-	Financial assets measured at fair value through profit or loss - current	20,000	1,470,000	-	1,470,000	
Shin Shin Natural Gas Co. LTD.	LASTER TECH / Stock	-	Financial assets measured at fair value through profit or loss - current	41,000	1,806,050	-	1,806,050	
Shin Shin Natural Gas Co. LTD.	Global Unichip / Stock	-	Financial assets measured at fair value through profit or loss - current	9,000	5,274,000	-	5,274,000	
Shin Shin Natural Gas Co. LTD.	FORMOSA SUMCO TECHNOLOGY / Stock	-	Financial assets measured at fair value through profit or loss - current	6,000	1,740,000	-	1,740,000	
Shin Shin Natural Gas Co. LTD.	MATERIALS ANALYSIS TECHNOLOGY / Stock	-	Financial assets measured at fair value through profit or loss - current	20,000	3,140,000	-	3,140,000	
Shin Shin Natural Gas Co. LTD.	BizLink-KY / Stock	-	Financial assets measured at fair value through profit or loss - current	10,000	2,610,000	-	2,610,000	
Shin Shin Natural Gas Co. LTD.	WPG / Stock	-	Financial assets measured at fair value through profit or loss - current	20,000	1,052,000	-	1,052,000	
Shin Shin Natural Gas Co. LTD.	WPG Preferred Shares A / Stock	-	Financial assets measured at fair value through profit or loss - current	700,000	34,685,000	-	34,685,000	

Continued from the previous page

Unit: In NT\$

Company held	Type and name of marketable securities	Relationship with issuer of marketable securities	GL account in the financial statements	End of the period				Remarks
				Number of shares/units	Carrying amount	Shareholdings percentage	Fair value	
Shin Shin Natural Gas Co. LTD.	CoreMax / Stock	-	Financial assets measured at fair value through profit or loss - current	15,488	\$2,292,224	-	\$2,292,224	
Shin Shin Natural Gas Co. LTD.	CHIA CHANG / Stock	-	Financial assets measured at fair value through profit or loss - current	20,000	1,006,000	-	1,006,000	
Shin Shin Natural Gas Co. LTD.	Innodisk / Stock	-	Financial assets measured at fair value through profit or loss - current	10,000	2,040,000	-	2,040,000	
Shin Shin Natural Gas Co. LTD.	First Hi-tec Enterprise / Stock	-	Financial assets measured at fair value through profit or loss - current	8,000	490,400	-	490,400	
Shin Shin Natural Gas Co. LTD.	Sino-American Silicon Products / Stock	-	Financial assets measured at fair value through profit or loss - current	24,000	5,664,000	-	5,664,000	
Shin Shin Natural Gas Co. LTD.	SAN LIEN TECHNOLOGY / Stock	-	Financial assets measured at fair value through profit or loss - current	23,500	1,026,950	-	1,026,950	
Shin Shin Natural Gas Co. LTD.	Hannstar Display / Stock	-	Financial assets measured at fair value through profit or loss - current	60,000	1,086,000	-	1,086,000	
Shin Shin Natural Gas Co. LTD.	GLOBAL BRANDS MANUFACTURE LIMITED / Stock	-	Financial assets measured at fair value through profit or loss - current	30,000	1,158,000	-	1,158,000	
Shin Shin Natural Gas Co. LTD.	HU LANE ASSOCIATE / Stock	-	Financial assets measured at fair value through profit or loss - current	8,000	1,120,000	-	1,120,000	

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Unit: In NT\$

Company held	Type and name of marketable securities	Relationship with issuer of marketable securities	GL account in the financial statements	End of the period				Remarks
				Number of shares/units	Carrying amount	Shareholdings percentage	Fair value	
Shin Shin Natural Gas Co. LTD.	Globalwafers / Stock	-	Financial assets measured at fair value through profit or loss - current	5,000	\$4,440,000	-	\$4,440,000	
Shin Shin Natural Gas Co. LTD.	FITTECH / Stock	-	Financial assets measured at fair value through profit or loss - current	15,000	3,285,000	-	3,285,000	
Shin Shin Natural Gas Co. LTD.	Powerchip Semiconductor Manufacturing Corporation / Stock	-	Financial assets measured at fair value through profit or loss - current	10,869	773,873	-	773,873	
Shin Shin Natural Gas Co. LTD.	ALLIED CIRCUIT CO.,LTD. / Stock	-	Financial assets measured at fair value through profit or loss - current	19,000	3,154,000	-	3,154,000	
Shin Shin Natural Gas Co. LTD.	Shin Kong Global Home Economy Securities Investment Trust / Beneficiary Certificates	-	Financial assets measured at fair value through profit or loss - current	2,000,000	25,860,000	-	25,860,000	
Shin Shin Natural Gas Co. LTD.	Yuanta Taiwan High Dividend Quality Leader Fund (Type A Non-Dividend) / Beneficiary Certificates	-	Financial assets measured at fair value through profit or loss - current	500,000	7,920,000	-	7,920,000	
Shin Shin Natural Gas Co. LTD.	Fuh Hwa Taiwan Good Yield Fund / Beneficiary Certificates	-	Financial assets measured at fair value through profit or loss - current	1,000,000	12,620,000	-	12,620,000	
Shin Shin Natural Gas Co. LTD.	Yuanta Future Key Technology ETF Fund / Beneficiary Securities	-	Financial assets measured at fair value through profit or loss - current	250,000	8,397,500	-	8,397,500	
Shin Shin Natural Gas Co. LTD.	Fubon FTSE Vietnam ETF Securities Investment Trust / Beneficiary Securities	-	Financial assets measured at fair value through profit or loss - current	1,000,000	17,640,000	-	17,640,000	

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Unit: In NT\$

Company held	Type and name of marketable securities	Relationship with issuer of marketable securities	GL account in the financial statements	End of the period				Remarks
				Number of shares/units	Carrying amount	Shareholdings percentage	Fair value	
Shin Shin Natural Gas Co. LTD.	CTBC Key Semiconductor Stock / Beneficial Securities	-	Financial assets measured at fair value through profit or loss - current	100,000	\$1,770,000	-	\$1,770,000	
Shin Shin Natural Gas Co. LTD.	Fubon Future Vehicle ETF Securities Investment Trust / Beneficiary Securities	-	Financial assets measured at fair value through profit or loss - current	450,000	8,158,500	-	8,158,500	
Shin Shin Natural Gas Co. LTD.	Fubon Genetic Immunity Biotechnology ETF Fund (00897) / Beneficiary Securities	-	Financial assets measured at fair value through profit or loss - current	700,000	9,107,000	-	9,107,000	
Shin Shin Natural Gas Co. LTD.	P06 Taichung Bank 2 / Bond	-	Financial assets measured at fair value through profit or loss - current	300,000	30,006,000	-	30,006,000	
Shin Shin Natural Gas Co. LTD.	Fubon China RMB Bond (FUBBAN 4.08 01/19/25) / Bond	-	Financial assets measured at fair value through profit or loss - current	2,000,000	8,551,620	-	8,551,620	
Shin Shin Natural Gas Co. LTD.	National Bank of Dubai, UAE RMB Senior Unsecured Bonds (EBIUH 4.62 05/15/2026) / Bond	-	Financial assets measured at fair value through profit or loss - current	2,000,000	8,813,844	-	8,813,844	
Shin Shin Natural Gas Co. LTD.	National Westminster Bank Renminbi Senior Unsecured Bonds (RBS 3 1/2 06/04/23 CORP) / Bond	-	Financial assets measured at fair value through profit or loss - current	2,000,000	8,465,240	-	8,465,240	
Shin Shin Natural Gas Co. LTD.	HSBC Holdings U.S. dollar subordinated bonds(HSBC 6 3/8) / Bond	-	Financial assets measured at fair value through profit or loss - current	200,000	5,912,212	-	5,912,212	
Shin Shin Natural Gas Co. LTD.	Qatar National Bank 3.6 / Bond	-	Financial assets measured at fair value through profit or loss - current	1,000,000	4,287,039	-	4,287,039	

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Unit: In NT\$

Company held	Type and name of marketable securities	Relationship with issuer of marketable securities	GL account in the financial statements	End of the period				Remarks
				Number of shares/units	Carrying amount	Shareholdings percentage	Fair value	
Shin Shin Natural Gas Co. LTD.	M&G PLC USD Subordinated Bonds / Bond	-	Financial assets measured at fair value through profit or loss - current	200,000	\$6,460,944	-	\$6,460,944	
Shin Shin Natural Gas Co. LTD.	Metropolitan U.S. dollar subordinated bonds/ Bond	-	Financial assets measured at fair value through profit or loss - current	100,000	3,402,413	-	3,402,413	
Shin Shin Natural Gas Co. LTD.	Meiya Financial U.S. dollar denominated primary bonds/ Bond	-	Financial assets measured at fair value through profit or loss - current	42,000	1,274,266	-	1,274,266	
Shin Shin Natural Gas Co. LTD.	CCAM/Stable Foreign Currency Arbitrage Bills (USD) / Bill	-	Financial assets measured at fair value through profit or loss - current	17 board lots	4,697,100	-	4,697,100	
Shin Shin Natural Gas Co. LTD.	CCAM/Stable Foreign Currency Arbitrage Bills (EUR) / Bill	-	Financial assets measured at fair value through profit or loss - current	12 board lots	3,734,400	-	3,734,400	
Shin Shin Natural Gas Co. LTD.	Banshin Financial Bonds / Bond	-	Financial assets measured at amortized cost - non-current	6 board lots	70,000,000	-	70,000,000	

Schedule 3: Marketable securities held at the end of the period (excluding investments in subsidiaries, affiliates and joint ventures)

Unit: In NT\$

Company held	Type and name of marketable securities	Relationship with issuer of marketable securities	GL account in the financial statements	End of the period				Remarks
				Number of shares/units	Carrying amount	Shareholdings percentage	Fair value	
EVFA INTERNATIONAL CO., LTD.	TONG HSING ELECTRONIC / Stock	-	Financial assets measured at fair value through profit or loss - current	31,000	\$9,222,500	-	\$9,222,500	
EVFA INTERNATIONAL CO., LTD.	Taiwan Surface Mounting Technology Corp. / Stock	-	Financial assets measured at fair value through profit or loss - current	45,000	5,557,500	-	5,557,500	
EVFA INTERNATIONAL CO., LTD.	TSEC CORPORATION / Stock	-	Financial assets measured at fair value through profit or loss - current	126,000	5,355,000	-	5,355,000	
EVFA INTERNATIONAL CO., LTD.	Globalwafers / Stock	-	Financial assets measured at fair value through profit or loss - current	13,000	11,544,000	-	11,544,000	
EVFA INTERNATIONAL CO., LTD.	PEGAVISION / Stock	-	Financial assets measured at fair value through profit or loss - current	9,000	3,843,000	-	3,843,000	
EVFA INTERNATIONAL CO., LTD.	GLOBAL BRANDS MANUFACTURE LIMITED / Stock	-	Financial assets measured at fair value through profit or loss - current	66,300	2,018,835	-	2,018,835	
EVFA INTERNATIONAL CO., LTD.	ZILLTEK TECHNOLOGY CORP. / Stock	-	Financial assets measured at fair value through profit or loss - current	22,000	8,800,000	-	8,800,000	
EVFA INTERNATIONAL CO., LTD.	Shinybrands / Stock	-	Financial assets measured at fair value through profit or loss - current	20,000	1,704,000	-	1,704,000	
EVFA INTERNATIONAL CO., LTD.	FITTECH / Stock	-	Financial assets measured at fair value through profit or loss - current	29,000	6,351,000	-	6,351,000	
EVFA INTERNATIONAL CO., LTD.	NAN YA PRINTED CIRCUIT BOARD CORPORATION / Stock	-	Financial assets measured at fair value through profit or loss - current	24,000	13,728,000	-	13,728,000	

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Unit: In NT\$

Company held	Type and name of marketable securities	Relationship with issuer of marketable securities	GL account in the financial statements	End of the period				Remarks
				Number of shares/units	Carrying amount	Shareholdings percentage	Fair value	
EVFA INTERNATIONAL CO., LTD.	E Ink Holdings Inc. / Stock	-	Financial assets measured at fair value through profit or loss - current	24,000	\$3,624,000	-	\$3,624,000	
EVFA INTERNATIONAL CO., LTD.	Nien Made Enterprise Co., Ltd. / Stock	-	Financial assets measured at fair value through profit or loss - current	19,000	7,837,500	-	7,837,500	
EVFA INTERNATIONAL CO., LTD.	Xxentria Technology Materials Co.,Ltd. / Stock	-	Financial assets measured at fair value through profit or loss - current	35,000	2,383,500	-	2,383,500	
EVFA INTERNATIONAL CO., LTD.	Merida / Stock	-	Financial assets measured at fair value through profit or loss - current	16,000	5,240,000	-	5,240,000	
EVFA INTERNATIONAL CO., LTD.	FORMOSA PLASTICS. / Stock	-	Financial assets measured at fair value through profit or loss - current	41,000	4,264,000	-	4,264,000	
EVFA INTERNATIONAL CO., LTD.	KING SLIDE WORKS / Stock	-	Financial assets measured at fair value through profit or loss - current	13,000	6,721,000	-	6,721,000	
EVFA INTERNATIONAL CO., LTD.	China Motor Corporation / Stock	-	Financial assets measured at fair value through profit or loss - current	30,000	1,902,000	-	1,902,000	
EVFA INTERNATIONAL CO., LTD.	United Microelectronics Corporation / Stock	-	Financial assets measured at fair value through profit or loss - current	285,000	18,525,000	-	18,525,000	
EVFA INTERNATIONAL CO., LTD.	DELTA ELECTRONICS / Stock	-	Financial assets measured at fair value through profit or loss - current	32,000	8,800,000	-	8,800,000	
EVFA INTERNATIONAL CO., LTD.	TSMC / Stock	-	Financial assets measured at fair value through profit or loss - current	20,000	12,300,000	-	12,300,000	
EVFA INTERNATIONAL CO., LTD.	Opto Tech Corporation / Stock	-	Financial assets measured at fair value through profit or loss - current	60,000	4,266,000	-	4,266,000	

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Unit: In NT\$

Company held	Type and name of marketable securities	Relationship with issuer of marketable securities	GL account in the financial statements	End of the period				Remarks
				Number of shares/units	Carrying amount	Shareholdings percentage	Fair value	
EVFA INTERNATIONAL CO., LTD.	SDI Corporation / Stock	-	Financial assets measured at fair value through profit or loss - current	34,000	\$5,967,000	-	\$5,967,000	
EVFA INTERNATIONAL CO., LTD.	GOLD CIRCUIT ELECTRONICS / Stock	-	Financial assets measured at fair value through profit or loss - current	45,000	3,420,000	-	3,420,000	
EVFA INTERNATIONAL CO., LTD.	ELITE MATERIAL CO., LTD. / Stock	-	Financial assets measured at fair value through profit or loss - current	18,000	5,004,000	-	5,004,000	
EVFA INTERNATIONAL CO., LTD.	AU Optronics Corporation / Stock	-	Financial assets measured at fair value through profit or loss - current	455,000	10,419,500	-	10,419,500	
EVFA INTERNATIONAL CO., LTD.	MediaTek / Stock	-	Financial assets measured at fair value through profit or loss - current	8,000	9,520,000	-	9,520,000	
EVFA INTERNATIONAL CO., LTD.	ELAN MICROELECTRONICS CORP / Stock	-	Financial assets measured at fair value through profit or loss - current	15,000	2,550,000	-	2,550,000	
EVFA INTERNATIONAL CO., LTD.	AMPOC FAR-EAST CO., LTD. / Stock	-	Financial assets measured at fair value through profit or loss - current	62,000	2,390,100	-	2,390,100	
EVFA INTERNATIONAL CO., LTD.	EVA Air / Stock	-	Financial assets measured at fair value through profit or loss - current	15,000	2,137,500	-	2,137,500	
EVFA INTERNATIONAL CO., LTD.	Union Bank of Taiwan (Preferred Shares) / Stock	-	Financial assets measured at fair value through profit or loss - current	200,000	10,600,000	-	10,600,000	
EVFA INTERNATIONAL CO., LTD.	Shin Kong Financial Holding / Stock	-	Financial assets measured at fair value through profit or loss - current	17,110	189,066	-	189,066	
EVFA INTERNATIONAL CO., LTD.	Shin Kong Financial Holding Preferred Shares A / Stock	-	Financial assets measured at fair value through profit or loss - current	300,000	12,780,000	-	12,780,000	

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Unit: In NT\$

Company held	Type and name of marketable securities	Relationship with issuer of marketable securities	GL account in the financial statements	End of the period				Remarks
				Number of shares/units	Carrying amount	Shareholdings percentage	Fair value	
EVFA INTERNATIONAL CO., LTD.	Shin Kong Financial Holding Preferred Shares B / Stock	-	Financial assets measured at fair value through profit or loss - current	3,824	\$163,858	-	\$163,858	
EVFA INTERNATIONAL CO., LTD.	Industrial Bank of Taiwan Preferred Shares A / Stock	-	Financial assets measured at fair value through profit or loss - current	206,000	2,080,600	-	2,080,600	
EVFA INTERNATIONAL CO., LTD.	RUENTEX INDUSTRIES LIMITED / Stock	-	Financial assets measured at fair value through profit or loss - current	26,000	2,535,000	-	2,535,000	
EVFA INTERNATIONAL CO., LTD.	NOVATEK MICROELECTRONICS CORP. / Stock	-	Financial assets measured at fair value through profit or loss - current	24,000	12,936,000	-	12,936,000	
EVFA INTERNATIONAL CO., LTD.	Unimicron / Stock	-	Financial assets measured at fair value through profit or loss - current	20,000	4,620,000	-	4,620,000	
EVFA INTERNATIONAL CO., LTD.	Kinsus / Stock	-	Financial assets measured at fair value through profit or loss - current	21,000	4,893,000	-	4,893,000	
EVFA INTERNATIONAL CO., LTD.	International Games System / Stock	-	Financial assets measured at fair value through profit or loss - current	6,000	4,758,000	-	4,758,000	
EVFA INTERNATIONAL CO., LTD.	SHENMAO / Stock	-	Financial assets measured at fair value through profit or loss - current	127,000	10,299,700	-	10,299,700	
EVFA INTERNATIONAL CO., LTD.	TAI-TECH Advanced Electronics / Stock	-	Financial assets measured at fair value through profit or loss - current	17,000	2,218,500	-	2,218,500	
EVFA INTERNATIONAL CO., LTD.	Innolux Corporation / Stock	-	Financial assets measured at fair value through profit or loss - current	322,000	6,311,200	-	6,311,200	
EVFA INTERNATIONAL CO., LTD.	Solteam Incorporation / Stock	-	Financial assets measured at fair value through profit or loss - current	30,000	2,679,000	-	2,679,000	

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Unit: In NT\$

Company held	Type and name of marketable securities	Relationship with issuer of marketable securities	GL account in the financial statements	End of the period				Remarks
				Number of shares/units	Carrying amount	Shareholdings percentage	Fair value	
EVFA INTERNATIONAL CO., LTD.	eMemory Technology / Stock	-	Financial assets measured at fair value through profit or loss - current	5,000	\$10,950,000	-	\$10,950,000	
EVFA INTERNATIONAL CO., LTD.	FORMOSA SUMCO TECHNOLOGY / Stock	-	Financial assets measured at fair value through profit or loss - current	12,000	3,480,000	-	3,480,000	
EVFA INTERNATIONAL CO., LTD.	LOTES CO., LTD / Stock	-	Financial assets measured at fair value through profit or loss - current	8,000	6,088,000	-	6,088,000	
EVFA INTERNATIONAL CO., LTD.	Senao / Stock	-	Financial assets measured at fair value through profit or loss - current	20,000	2,050,000	-	2,050,000	
EVFA INTERNATIONAL CO., LTD.	JENTECH PRECISION INDUSTRIAL CO., LTD / Stock	-	Financial assets measured at fair value through profit or loss - current	10,000	4,080,000	-	4,080,000	
EVFA INTERNATIONAL CO., LTD.	TOPKEY / Stock	-	Financial assets measured at fair value through profit or loss - current	25,000	3,750,000	-	3,750,000	
EVFA INTERNATIONAL CO., LTD.	QUALIPOLY CHEMICAL CORP. / Stock	-	Financial assets measured at fair value through profit or loss - current	73,500	3,245,025	-	3,245,025	
EVFA INTERNATIONAL CO., LTD.	Parade-KY / Stock	-	Financial assets measured at fair value through profit or loss - current	3,000	6,345,000	-	6,345,000	
EVFA INTERNATIONAL CO., LTD.	TONS LIGHTOLOGY INC. / Stock	-	Financial assets measured at fair value through profit or loss - current	61,812	1,977,984	-	1,977,984	
EVFA INTERNATIONAL CO., LTD.	SONG HO / Stock	-	Financial assets measured at fair value through profit or loss - current	60,000	2,283,000	-	2,283,000	
EVFA INTERNATIONAL CO., LTD.	Vanguard / Stock	-	Financial assets measured at fair value through profit or loss - current	30,000	4,740,000	-	4,740,000	

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Unit: In NT\$

Company held	Type and name of marketable securities	Relationship with issuer of marketable securities	GL account in the financial statements	End of the period				Remarks
				Number of shares/units	Carrying amount	Shareholdings percentage	Fair value	
EVFA INTERNATIONAL CO., LTD.	TOPCO SCIENTIFIC Co., Ltd. / Stock	-	Financial assets measured at fair value through profit or loss - current	18,000	\$2,844,000	-	\$2,844,000	
EVFA INTERNATIONAL CO., LTD.	Sino-American Silicon Products / Stock	-	Financial assets measured at fair value through profit or loss - current	47,000	11,092,000	-	11,092,000	
EVFA INTERNATIONAL CO., LTD.	DELTA ELECTRONICS / Stock	-	Financial assets measured at fair value through profit or loss - current	21,000	5,848,500	-	5,848,500	
EVFA INTERNATIONAL CO., LTD.	Chipbond / Stock	-	Financial assets measured at fair value through profit or loss - current	35,000	2,334,500	-	2,334,500	
EVFA INTERNATIONAL CO., LTD.	SONG SHANG / Stock	-	Financial assets measured at fair value through profit or loss - current	130,000	2,873,000	-	2,873,000	
EVFA INTERNATIONAL CO., LTD.	WAFER WORKS CORPORATION / Stock	-	Financial assets measured at fair value through profit or loss - current	106,717	9,124,304	-	9,124,304	
EVFA INTERNATIONAL CO., LTD.	Shin Ruenn / Stock	-	Financial assets measured at fair value through profit or loss - current	85,925	2,277,013	-	2,277,013	
EVFA INTERNATIONAL CO., LTD.	Fuh Hwa Taiwan Good Yield Fund / Beneficiary Certificates	-	Financial assets measured at fair value through profit or loss - current	1,000,000	12,620,000	-	12,620,000	
EVFA INTERNATIONAL CO., LTD.	Global Trend USD Fund / Beneficiary Certificates	-	Financial assets measured at fair value through profit or loss - current	14,152.90	10,030,295	-	10,030,295	
EVFA INTERNATIONAL CO., LTD.	AT&T U.S. dollar corporate bonds/ Bond	-	Financial assets measured at fair value through profit or loss - current	5,000	16,956,531	-	16,956,531	
EVFA INTERNATIONAL CO., LTD.	Qatar National Bank Financial Limited South African currency foreign bonds/ Bond	-	Financial assets measured at fair value through profit or loss - current	50 board lots	1,604,625	-	1,604,625	

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Unit: In NT\$

Company held	Type and name of marketable securities	Relationship with issuer of marketable securities	GL account in the financial statements	End of the period				Remarks
				Number of shares/units	Carrying amount	Shareholdings percentage	Fair value	
EVFA INTERNATIONAL CO., LTD.	Credit Suisse London Branch 6-Year ZAR Fixed Income Bonds / Bond	-	Financial assets measured at amortized cost - non-current	99 board lots	\$8,380,350	-	\$8,380,350	
EVFA INTERNATIONAL CO., LTD.	Industrial Bank of Taiwan / Stock	-	Financial assets measured at fair value through profit or loss - current	2,292,829	18,342,632	-	18,342,632	
EVFA INTERNATIONAL CO., LTD.	Shin Shin Natural Gas / Stock	Parent company of EVFA	Financial assets measured at fair value through other comprehensive income	2,527,863	108,192,536	-	108,192,536	

Schedule 4: The amount of purchase or sale of goods from or to related parties reached NT\$300 million or 20% of the paid-in capital

Unit: In NT\$

Company that purchases or sells goods	Name of trading partner	Relationship with the trader	Circumstance of the transaction				Circumstance under which the terms of the transaction differ from those of ordinary transactions and the reasons therefor.		Notes and accounts receivable (payable)		Remarks
			Sale (purchase)	Amount	As a percentage of total sales (purchases)	Credit granting period	Unit price	Credit granting period	Balance	As a percentage of notes and accounts receivable (payable)	
EVFA INTERNATIONAL CO., LTD.	Shin Shin Natural Gas Co. LTD.	Parent company	Sale	\$167,784,295	62.49%	Approximately one month	Same as ordinary transactions	1 month	\$39,420,291	99.82%	

Schedule 5: Names and locations of investees and other relevant information

Unit: In NT\$

Name of investor company	Investee name	Location	Principal business activities	Original investment amount		Holding at the end of the period			Profit (loss) income of the investee company for the period	Investment income (loss) recognized in the period (Note 1)	Remarks
				End of the period	End of last year	Number of shares	Percentage	Carrying amount			
Shin Shin Natural Gas Co. LTD.	EVFA INTERNATIONAL CO., LTD.	New Taipei City	(1) Manufacture and sale of gas equipment and import/export dealership (2) Planning, design, supervision and maintenance of gas equipment construction (3) Planning and installation of emergency automatic gas shut-off system equipment (4) Entrusted to transcribe user's gas meter usage (5) Import and export sales of gas meters	\$80,008,000	\$80,008,000	49,500,000	100.00%	\$451,547,197	\$101,404,251	\$108,410,325	

Note 1: The effect of unrealized profit or loss on intercompany transactions has been taken into account in the investment income (loss) recognized in the period.

Schedule 6: Information on Major Shareholders

Name of Major Shareholder	Number of shares held	Shareholdings percentage
Veterans Affairs Commission, Executive Yuan	46,556,713	25.78%
Thousand Islands Investment Co., Ltd.	11,655,712	6.45%
THE GREAT TAIPEI GAS CORPORATION	10,534,066	5.83%

1. The information on major shareholders in this schedule is calculated by Taiwan Depository & Clearing Corporation on the last business day of each quarter from the information of shareholders holding 5% or more of the Company's common shares and preferred shares that have been delivered through book-entry system without physical securities (including treasury shares). The number of shares recorded in the Company's financial statements and the actual number of shares delivered through book-entry system without physical securities may differ depending on the basis of computation.
2. In the case of a shareholder who entrusts his or her shares to the trust, the above information is disclosed on the individual account opened by the principal with the trustee. For the insider equity reporting of a shareholder who holds more than 10% of the shares in accordance with the Securities and Exchange Act, the shareholding of the shareholder includes his or her own shares plus the shares entrusted to the trust with the right to decide the use of the trust property, etc. Please refer to the Market Observation Post System for information on insider equity reporting.