

Shin Shin Natural Gas Co., LTD.  
Parent Company Only Financial Statements and  
Independent Auditors' Report  
For the Years Ended December 31, 2021 and 2020

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*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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## **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 Parent Company Only Balance Sheets of Shin Shin Natural Gas Co., LTD. as of December 31, 2021 and 2020, and the related Parent Company Only Statements of Comprehensive Income, Parent Company Only Statements of Changes in Equity, Parent Company Only Statements of Cash Flows, and notes to the Parent Company Only Financial Statements (including significant accounting policies) for the years then ended.

In our opinion, the Parent Company Only Financial Statements referred to above present fairly, in all material respects, the financial position of Shin Shin Natural Gas Co., LTD. as of December 31, 2021 and 2020, and its standalone financial performance and cash flows for the years then ended, in conformity with the requirements of Regulations Governing the Preparation of Financial Statements by Securities Issuers and the Regulations on Accounting Handling for Public Natural Gas Enterprises.

### **Basis for opinions**

We 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 Parent Company Only Financial Statements. We are independent of Shin Shin Natural Gas Co., LTD. 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 Parent Company Only Financial Statements of Shin Shin Natural Gas Co., LTD. These matters were addressed in the content of our audit of the Parent Company Only 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 Parent Company Only Financial Statements of Shin Shin Natural Gas Co., LTD. 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 Parent Company Only Financial Statements for the accounting policy on revenue recognition. The sales revenue of Shin Shin Natural Gas Co., Ltd. is mainly from natural gas sales, inner tube installations and other service revenue.

1. Revenue from natural gas sales is recognized based on meter reading data of the meter readers, and is divided into monthly and bi-monthly meter readings. The 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.

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

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

In preparing the Parent Company Only Financial Statements, the management is also responsible for assessing the ability of Shin Shin Natural Gas Co., LTD. as a going concern, 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. 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 Parent Company Only Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Parent Company Only Financial Statements as a whole are free from material 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 Parent Company Only 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 misstatement of the Parent Company Only Financial Statements, whether or not due to fraud or error; design, and perform countermeasures for assessed risks; and obtain evidence that is sufficient 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 events or conditions that may cast significant doubt on Shin Shin Natural Gas Co., LTD. to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Parent Company Only Financial Statements or, if such disclosure is inappropriate, to 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. to cease as a going concern.
5. Evaluate the overall presentation, structure, and content of the standalone statements, including related notes, whether the standalone 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. to express an opinion on the Parent Company Only Financial Statements. We are responsible for the direction, supervision, and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings (including any significant deficiencies in internal control 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 Parent Company Only Financial Statements of Shin Shin Natural Gas Co., LTD. 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.**  
**PARENT COMPANY ONLY BALANCE SHEETS**  
December 31, 2021 and 2020

Unit: In thousands of NTS

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)	\$ 440,985	8	\$ 323,822	6	2130	Contract liabilities - current	6(13)	\$ 538,413	12	\$ 521,658	11
1110	Financial assets measured at fair value through profit or loss - current	4, 6(2)	383,986	7	344,344	7	2150	Notes payable	4, 6(14)	18,312	-	6,635	-
1150	Notes receivable, net	4, 6(4)	78	-	947	-	2160	Notes payable - related parties	4, 6(14), 7	19,664	-	24,576	-
1170	Accounts receivable, net	4, 6(4)	170,709	3	187,518	4	2170	Accounts payable	4, 6(14)	115,371	2	106,071	2
1180	Accounts receivable - related parties, net	4, 6(4), 7	4,116	-	4,733	-	2180	Accounts payable - related parties	4, 6(14), 7	15,149	-	16,193	-
1200	Other receivables	6(5)	849,885	16	853,518	16	2200	Other payables	6(15)	205,832	4	203,968	4
130x	Inventories	4, 6(6)	30,233	1	29,220	1	2220	Other payables - related parties	7	4,607	-	8,405	-
1410	Pre-payments		6,053	-	6,380	-	2230	Current income tax liabilities	4	20,636	-	31,854	1
1470	Other current assets		1,474	-	13	-	2250	Provision for liabilities - current	4, 6(16)	1,830	-	1,932	-
11xx	Total current assets		<u>1,887,519</u>	<u>35</u>	<u>1,750,495</u>	<u>34</u>	2280	Lease liabilities - current	4	2,958	-	809	-
	Non-current assets						2300	Other current liabilities		<u>7,456</u>	<u>-</u>	<u>5,725</u>	<u>-</u>
1535	Financial assets measured at amortized cost - non-current	4, 6(3)	70,000	1	70,000	1	21xx	Total current liabilities		<u>950,228</u>	<u>18</u>	<u>927,826</u>	<u>18</u>
1550	Investments accounted for using the equity method	4, 6(7)	451,547	8	429,092	8		Non-current liabilities					
1600	Property, plant and equipment	4, 6(8)	2,561,073	49	2,483,279	48	2570	Deferred income tax liabilities	4, 6(30)	65,356	1	65,758	1
1755	Right-of-use assets.	4, 6(9)	8,332	-	4,100	-	2580	Lease liabilities - non-current	4	3,539	-	1,355	-
1760	Investment property, net	4, 6(11)	47,980	1	48,205	1	2600	Other non-current liabilities	4, 6(17)	1,201,237	22	1,134,500	22
1840	Deferred income tax assets	4, 6(30)	7,523	-	8,308	-	25xx	Total non-current liabilities		<u>1,270,132</u>	<u>23</u>	<u>1,201,613</u>	<u>23</u>
1900	Other non-current assets	6(12)	319,656	6	409,402	8		Total liabilities					
15xx	Total non-current assets		<u>3,466,111</u>	<u>65</u>	<u>3,452,386</u>	<u>66</u>	2xxx			<u>2,220,360</u>	<u>41</u>	<u>2,129,439</u>	<u>41</u>
								Equity					
							3100	Capital stock	4, 6(19)				
							3110	Capital - common stock		1,805,375	35	1,805,375	35
							3200	Capital surplus	6(20)	72,764	1	68,720	1
							3300	Retained earnings	6(21)				
							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	4, 6(22)	(46,828)	(1)	(46,828)	(1)
							3xxx	Total equity		<u>3,133,270</u>	<u>59</u>	<u>3,073,442</u>	<u>59</u>
1xxx	Total assets		<u>\$ 5,353,630</u>	<u>100</u>	<u>\$ 5,202,881</u>	<u>100</u>		Total liabilities and equity		<u>\$ 5,353,630</u>	<u>100</u>	<u>\$ 5,202,881</u>	<u>100</u>

(Please refer to Notes to the Parent Company Only Financial Statements)

Chairperson

Managerial Officer

Accounting Officer

**Shin Shin Natural Gas Co., LTD.**  
**PARENT COMPANY ONLY 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(23)	\$ 1,775,634	100	\$ 1,963,808	100
5000	Operating costs	6(24)	1,310,897	74	1,452,990	74
5900	Operating gross profit (loss)		464,737	26	510,818	26
5950	Operating gross profit, net		464,737	26	510,818	26
	Operating expenses					
6100	Selling expenses		100,064	6	119,038	6
6200	Administrative expenses		148,622	8	147,289	8
6450	Expected credit impairment loss (gain)		(1,283)	-	(955)	-
6000	Total operating expenses		247,403	14	265,372	14
6900	Operating profit (loss)		217,334	12	245,446	12
	Non-operating income and expenses					
7100	Interest income	6(26)	17,291	1	18,875	1
7010	Other income	6(27)	15,817	1	12,282	1
7020	Other gain and loss	6(28)	32,537	2	(9,455)	-
7050	Financial costs	6(29)	(84)	-	(105)	-
7070	Share of profits and losses of subsidiaries, affiliates and joint ventures accounted for using the equity method	4, 6(7)	108,410	6	115,347	5
7000	Total of non-operating income and expenses		173,971	10	136,944	7
7900	Net profit (net loss) before tax		391,305	22	382,390	19
7950	Income tax expense (or benefit)	4, 6(30)	48,910	3	55,645	3
8200	Net profit (net loss) for the period		342,395	19	326,745	16
	Other comprehensive income					
8310	Items not to be reclassified as profit or loss					
8311	Re-measurement of defined benefit plan	4, 6(18)	2,811	-	1,524	-
8349	Incomes tax related to items not to be reclassified as profit or loss	4, 6(30)	(562)	-	(305)	-
8300	Other comprehensive income (net)		2,249	-	1,219	-
8500	Total comprehensive income for the period		\$ 344,644	19	\$ 327,964	16
	Earnings per share	6(31)				
9750	Basic earnings per share		\$ 1.92		\$ 1.84	
9850	Diluted earnings per share		\$ 1.92		\$ 1.83	

(Please refer to Notes to the Parent Company Only Financial Statements)

Chairperson

Managerial Officer

Accounting Officer

**Shin Shin Natural Gas Co., LTD.**  
**PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY**  
January 1 to December 31, 2021 and 2020

Unit: In thousands of NT\$

	Retained earnings		Undistributed earnings (Or losses to be made up for)		Treasury stock	Total equity
	Capital - common stock	Capital surplus	Legal reserve	Special reserve		
Balance as of January 1, 2020	\$ 1,805,375	\$ 65,307	\$ 655,631	\$ 142,872	\$ (46,828)	\$ 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)
Net profit for the period from January 1 to December 31, 2020	-	-	-	-	326,745	326,745
Other comprehensive income for the period from January 1 to December 31, 2020	-	-	-	-	1,219	1,219
Total comprehensive income for the period	-	-	-	-	327,964	327,964
Capital surplus adjusted for dividends paid to subsidiaries	-	3,413	-	-	-	3,413
Balance as of December 31, 2020	\$ 1,805,375	\$ 68,720	\$ 683,563	\$ 142,872	\$ (46,828)	\$ 3,073,442
Balance as of January 1, 2021	\$ 1,805,375	\$ 68,720	\$ 683,563	\$ 142,872	\$ (46,828)	\$ 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)
Net profit for the period from January 1 to December 31, 2021	-	-	-	-	342,395	342,395
Other comprehensive income for the period from January 1 to December 31, 2021	-	-	-	-	2,249	2,249
Total comprehensive income for the period	-	-	-	-	344,644	344,644
Capital surplus adjusted for dividends paid to subsidiaries	-	4,044	-	-	-	4,044
Balance as of December 31, 2021	\$ 1,805,375	\$ 72,764	\$ 716,359	\$ 142,872	\$ (46,828)	\$ 3,133,270

(Please refer to Notes to the Parent Company Only Financial Statements)

Chairperson

Managerial Officer

Accounting Officer

**Shin Shin Natural Gas Co., LTD.**  
**PARENT COMPANY ONLY 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	\$ 391,305	\$ 382,390
Adjustment items		
Income and expense items		
Depreciation expenses	269,972	245,720
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	(11,870)	606
Interest expense	84	105
Interest income	(17,291)	(18,875)
Dividend income	(8,757)	(5,220)
Share of losses (profits) of subsidiaries, affiliates and joint ventures accounted for using the equity method	(108,410)	(115,347)
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
Changes in assets/liabilities related to operating activities		
Decrease (increase) in financial assets mandatorily measured at fair value through profit or loss	(27,772)	112,488
Decrease (increase) in notes receivable	870	4,060
Decrease (increase) in accounts receivable	18,093	39,672
Decrease (increase) in accounts receivable - related parties	617	(563)
Decrease (increase) in other receivables	4,205	59,219
Decrease (increase) in inventories	(55,922)	(62,452)
Decrease (increase) in pre-paid expenses	(8)	(49)
Decrease (increase) in pre-payments	359	922
Decrease (increase) in other current assets	(1,462)	2,304
Increase (decrease) in contract liabilities	16,755	(139,190)
Increase (decrease) in notes payable	11,677	(1,120)
Increase (decrease) in notes payable - related parties	(4,912)	(19,435)
Increase (decrease) in accounts payable	9,300	(42,970)
Increase (decrease) in accounts payable - related parties	(1,043)	9,448
Increase (decrease) in other payables	1,863	4,683
Increase (decrease) in other payables - related parties	(3,798)	(3,069)
Increase (decrease) in provision for liabilities	(103)	330
Increase (decrease) in long-term deferred revenue	74,348	236,546
Decrease (increase) in other current liabilities	1,359	(360)
Decrease (increase) in net defined benefit liabilities	(5,625)	(12,551)
Cash inflows (outflows) from operations	552,124	676,580
Interest received	16,834	17,975
Dividends received	98,641	5,212
Interest paid	(84)	(105)
Income tax refunded (paid)	(60,308)	(35,961)
Net cash inflows (outflows) from operating activities	607,207	663,701
Cash flows from investing activities		
Disposal of financial assets measured at amortized cost	-	20,000
Acquisition of property, plant and equipment	(288,208)	(389,507)
Disposal of property, plant and equipment	1,004	1,365
Increase in refundable deposits	(9)	-
Decrease in refundable deposits	455	71
Increase in other financial assets	89,636	(2,647)
Increase in pre-payments for equipment	(552)	(182)
Net cash inflows (outflows) from investing activities	(197,674)	(370,900)
Cash flows from financing activities		
Increase in deposits received	8,261	8,220
Decrease in deposits received	(7,064)	(9,167)
Repayment of lease principal	(4,707)	(4,902)
Distribution of cash dividends	(288,860)	(243,726)
Net cash inflows (outflows) from financing activities	(292,370)	(249,575)
Increase (decrease) in cash and cash equivalents for the period	117,163	43,226
Cash and cash equivalents at the beginning of the period	323,822	280,596
Cash and cash equivalents at the end of the period	\$ 440,985	\$ 323,822

(Please refer to Notes to the Parent Company Only Financial Statements)

Chairperson

Managerial Officer

Accounting Officer

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

I. Company History

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.

II. Date and Procedure for Approval of Financial Statements

The Parent Company Only 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 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	International Accounting Standards Board (IASB) Effective date of issuance
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 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.

(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 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 Parent Company Only Financial Statements are described below and have been applied consistently throughout the reporting periods unless otherwise stated.

(I) Statement of Compliance

The Parent Company Only Financial Statements were prepared in accordance with the Regulations Governing the Preparation of Financial Statements by Securities Issuers and the Regulations on Accounting Handling for Public Natural Gas Enterprises.

(II) Basis of Preparation

1. The Parent Company Only 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 net defined benefit obligation.
2. The Company uses the equity method to account for its investment in subsidiaries in the preparation of its Parent Company Only Financial Statements. In order to make the current profit or loss, other comprehensive income and equity in the Parent Company Only Financial Statements the same as the current profit or loss, other comprehensive income and equity attributable to the shareholders of the Company in the consolidated financial statements, certain accounting differences between the standalone basis and the consolidated basis are adjusted for "investments accounted for using the equity method", "share of profit or loss of subsidiaries, affiliates and joint ventures accounted for using the equity method", "share of other comprehensive income of subsidiaries, affiliates and joint ventures accounted for using the equity method" and related equity items.
3. The preparation of financial statements in conformity with the Regulations Governing the Preparation of Financial Reports requires the use of certain significant accounting estimates and the application of management judgment in the process of applying the 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) Foreign currencies

1. The Parent Company Only Financial Statements are presented in the currency of the primary economic environment in which the Company operates (functional currency). In preparing the Parent Company Only Financial Statements, the results of operations and financial position of the Company are translated into NTD, which is the functional currency of the Company and the presentation currency of the statements.
2. For the purpose of preparing the Parent Company Only Financial Statements, transactions in currencies other than the functional currency of the Company (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.

(IV) 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.

(V) 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.

(VI) 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.

(VII) 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.

(VIII) 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.

(IX) 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.

(X) 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.

(XI) 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.

(XII) 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.

(XIII) Investments accounted for using the equity method

Investment in subsidiaries

1. Subsidiaries are all entities (including special purpose entities) in which the Company has the power to direct the financial and operating policies, and in which the Company generally owns, directly or indirectly, more than 50% of the voting shares. The Company's investments in subsidiaries are accounted for using the equity method in the Parent Company Only Financial Statements.
2. Unrealized gains or losses on transactions between the Company and its subsidiaries have been eliminated. The accounting policies of the subsidiaries have been adjusted as necessary to conform to the policies adopted by the Company.
3. The Company recognizes its share of the gain or loss of a subsidiary in the current period and its share of other comprehensive income or loss after the acquisition. If the share of loss recognized in a subsidiary equals or exceeds the interest in that subsidiary, the loss continues to be recognized in proportion to the Company's shareholding.
4. Changes in ownership of subsidiaries that do not result in a loss of control (transactions with non-controlling interests) 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.
5. When control over a subsidiary is lost, the remaining investment in the former subsidiary is remeasured at fair value, and the difference between the fair value and the carrying amount is recognized in profit or loss for the current period. All amounts previously recognized in other comprehensive income or loss related to the subsidiary are accounted for on the same basis as if the Company had directly disposed of the related assets or liabilities, i.e., if a gain or loss previously recognized in other comprehensive income or loss would be reclassified to profit or loss upon disposal of the related assets or liabilities, the gain or loss is reclassified from equity to profit or loss when control over the subsidiary is lost.
6. When there is a change in equity in a subsidiary that is not profit or loss and other comprehensive income or loss and does not affect the percentage of ownership in the subsidiary, the Company recognizes the change in ownership (or the change in equity attributable to the Company's share in the subsidiary) as "capital surplus" in proportion to the percentage of ownership.

(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 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
Miscellaneous 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 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 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 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 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 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

Dividends 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 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 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.

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

The 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 Parent Company Only 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 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 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 Company's control occur.

(II) Significant accounting estimates and assumptions

The accounting estimates made by the 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 Company must use judgment and estimates to determine the residual value and useful life of the 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 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 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 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 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 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 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	\$485,216	\$287,266
Bank deposits	278,763,300	233,534,989
Time deposits	30,000,000	-
Cash equivalents - bills	131,736,507	90,000,000
Total	<u>\$440,985,023</u>	<u>\$323,822,255</u>

1. The credit quality of the Company's corresponding financial institutions is good, and the 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	\$191,474,847	\$129,660,731
Beneficiary certificates	35,000,000	75,000,000
Beneficiary securities	38,934,492	10,000,000
Bonds	79,440,036	102,416,645
Bills	11,331,980	11,331,980
Sub-total	<u>356,181,355</u>	<u>328,409,356</u>
Adjustment to the valuation of financial assets mandatorily measured at fair value through profit or loss	27,805,021	15,934,576
Total	<u><u>\$383,986,376</u></u>	<u><u>\$344,343,932</u></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 \$34,499,918 and \$(11,109,261) 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	<u>\$70,000,000</u>	<u>\$70,000,000</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>\$1,750,000</u>	<u>\$2,249,167</u>

2. Without considering the collaterals held or other credit enhancements, the Company held financial assets measured at amortized cost with the largest credit risk exposure of \$70,000,000 at both December 31, 2021 and 2020.
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	\$947,414
Accounts receivable (including related parties)	181,700,022	200,589,642
Less: Allowance for losses	(6,875,109)	(8,338,008)
Net amount	<u><u>\$174,902,413</u></u>	<u><u>\$193,199,048</u></u>

1. The account aging analysis is as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Not overdue	\$174,041,664	\$192,287,781
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	<u>(6,875,109)</u>	<u>(8,338,008)</u>
Total	<u>\$174,902,413</u>	<u>\$193,199,048</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 Company's notes receivable with the highest credit risk exposure were \$77,500 and \$947,414 as of December 31, 2021 and 2020, respectively; the Company's accounts receivable with the highest credit risk exposure were \$174,824,913 and \$192,251,634 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	\$6,993,510	\$6,537,259
Time deposits with original maturities of more than three months	842,767,827	846,971,933
Dividends receivable	123,750	7,500
Others	-	1,372
Total	<u>\$849,885,087</u>	<u>\$853,518,064</u>

The credit quality of the Company's corresponding financial institutions is good, and the 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	9,925,795	9,513,067
Natural gas inventory	1,226,119	1,190,952
Total	<u>\$30,232,698</u>	<u>\$29,219,550</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	\$1,310,897,287	\$1,452,990,345

(VII) Investments accounted for using the equity method

1. Information on significant equity-method investees is as follows:

<u>Investee name</u>	<u>Principal place of business</u>	<u>Principal business activities</u>	<u>Remarks</u>
EVFA INTERNATIONAL CO., LTD.	Taiwan	Manufacture and sale of gas equipment and import/export dealership and planning and supervision of gas equipment and construction	Subsidiary

December 31, 2021

<u>Investee name</u>	<u>Amount</u>	<u>Shareholdings percentage</u>	<u>Dividends received</u>
<u>Subsidiary</u> EVFA INTERNATIONAL CO., LTD.	\$451,547,197	100.00%	\$90,000,000

December 31, 2020

<u>Investee name</u>	<u>Amount</u>	<u>Shareholdings percentage</u>	<u>Dividends received</u>
<u>Subsidiary</u> EVFA INTERNATIONAL CO., LTD.	\$429,092,292	100.00%	\$-

2. Share of profits and losses of subsidiaries, affiliates and joint ventures under the equity method and the share of other comprehensive income were as follows:

<u>Investee name</u>	<u>2021</u>	<u>2020</u>
Share of profits and losses of subsidiaries, affiliates and joint ventures under the equity method: EVFA INTERNATIONAL CO., LTD.	\$108,410,325	\$115,347,322
Share of other comprehensive income of subsidiaries, affiliates and joint ventures under the equity method: EVFA INTERNATIONAL CO., LTD.	\$-	\$-

3. Please refer to Note 6(22), "Treasury stock", for details of the shares of the Company held by subsidiaries.

(VIII) Property, plant and equipment

	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>Cost:</u>										
Balance as of January 1, 2021	\$344,300,220	\$8,888,249	\$353,188,469	\$55,409,167	\$1,253,112,637	\$3,906,643,831	\$323,330,392	\$182,431,980	\$127,955,031	\$6,202,071,507
Addition	-	-	-	575,000	124,995,301	7,121,040	3,450,000	3,378,480	148,688,221	288,208,042
Disposal	-	-	-	-	(40,670,686)	(23,497,701)	-	(1,698,242)	-	(65,866,629)
Reclassification	-	-	-	-	-	175,769,899	-	191,238	(121,422,210)	54,538,927
Balance as of December 31, 2021	\$344,300,220	\$8,888,249	\$353,188,469	\$55,984,167	\$1,337,437,252	\$4,066,037,069	\$326,780,392	\$184,303,456	\$155,221,042	\$6,478,951,847
Balance as of January 1, 2020	\$344,300,220	\$8,888,249	\$353,188,469	\$55,059,167	\$1,099,646,469	\$3,590,452,671	\$316,842,650	\$163,071,954	\$217,656,910	\$5,795,918,290
Addition	-	-	-	350,000	201,941,744	6,369,849	4,154,350	5,352,789	171,338,616	389,507,348
Disposal	-	-	-	-	(48,475,576)	(23,303,533)	-	(1,279,763)	-	(73,058,872)
Reclassification	-	-	-	-	-	333,124,844	2,333,392	15,287,000	(261,040,495)	89,704,741
Balance as of December 31, 2020	\$344,300,220	\$8,888,249	\$353,188,469	\$55,409,167	\$1,253,112,637	\$3,906,643,831	\$323,330,392	\$182,431,980	\$127,955,031	\$6,202,071,507

	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	\$-	\$-	\$-	\$35,551,659	\$643,100,858	\$2,573,015,387	\$312,307,531	\$154,816,977	\$-	\$3,718,792,412
Depreciation expense	-	-	-	1,301,703	94,469,074	160,442,143	1,711,846	7,013,125	-	264,937,891
Disposal	-	-	-	-	(40,655,387)	(23,497,701)	-	(1,698,242)	-	(65,851,330)
Reclassification	-	-	-	-	-	-	-	-	-	-
Balance as of December 31, 2021	\$-	\$-	\$-	\$36,853,362	\$696,914,545	\$2,709,959,829	\$314,019,377	\$160,131,860	\$-	\$3,917,878,973
Balance as of January 1, 2020	\$-	\$-	\$-	\$34,288,088	\$610,264,439	\$2,445,403,505	\$310,630,924	\$150,555,038	\$-	\$3,551,141,994
Depreciation expense	-	-	-	1,263,571	81,293,251	150,915,415	1,676,607	5,541,702	-	240,690,546
Disposal	-	-	-	-	(48,456,832)	(23,303,533)	-	(1,279,763)	-	(73,040,128)
Reclassification	-	-	-	-	-	-	-	-	-	-
Balance as of December 31, 2020	\$-	\$-	\$-	\$35,551,659	\$643,100,858	\$2,573,015,387	\$312,307,531	\$154,816,977	\$-	\$3,718,792,412
<u>Carrying amount</u>										
Balance as of December 31, 2021	\$344,300,220	\$8,888,249	\$353,188,469	\$19,130,805	\$640,522,707	\$1,356,077,240	\$12,761,015	\$24,171,596	\$155,221,042	\$2,561,072,874
Balance as of December 31, 2020	\$344,300,220	\$8,888,249	\$353,188,469	\$19,857,508	\$610,011,779	\$1,333,628,444	\$11,022,861	\$27,615,003	\$127,955,031	\$2,483,279,095

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 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 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.

(IX) Lease transactions - lessee

1. The underlying assets of the 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

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

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 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.

(X) Lease transactions - lessor

1. The underlying assets leased by the 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 \$4,061,342 and \$4,082,981 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:

	<u>December 31, 2021</u>
1st year	\$3,378,378
2nd year	2,860,849
3rd year	2,548,464
4th year	2,500,864
5th year	34,286
Total	<u>\$11,322,841</u>

(XI) 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>

	Land	Buildings	Total
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>

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

	2021	2020
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>

- The fair value of investment properties held by the 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.
- 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.

(XII) 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
Refundable deposits	152,987	599,826
Total	<u>\$319,656,003</u>	<u>\$409,401,786</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 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.

(XIII) Contract liabilities

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Advanced installation charge	\$538,413,259	\$521,658,490

(XIV) Notes and accounts payable

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Notes payable (including related parties)	\$37,975,921	\$31,210,626
Accounts payable (including related parties)	130,520,152	122,263,803
Total	<u>\$168,496,073</u>	<u>\$153,474,429</u>

(XV) Other payables

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Refundable meter deposits	\$127,275,300	\$127,592,120
Employee remuneration payables	9,004,927	8,799,782
Director remuneration payables	9,004,927	8,799,782
Taxes and output sales taxes payable	3,237,745	4,024,408
Salaries and award payable	46,804,609	46,828,248
Pensions payable	1,153,366	1,124,214
Insurance premiums payable	1,095,000	1,025,000
Others	8,255,725	5,774,540
Total	<u>\$205,831,599</u>	<u>\$203,968,094</u>

In accordance with the Ministry of Economic Affairs' letter Jing-Shou-Neng-Zi No. 09420084070 dated November 25, 2005, the 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.

(XVI) Provision for liabilities - current

	Provision for employee benefit liabilities
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	(8,659,075)
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.

(XVII) Other non-current liabilities

	December 31, 2021	December 31, 2020
Long-term deferred revenue	\$1,137,111,647	\$1,062,762,882
Deposits received over one year	61,480,305	60,655,045
Net Defined Benefit Liabilities	2,644,534	11,081,549
Total	<u>\$1,201,236,486</u>	<u>\$1,134,499,476</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.

(XVIII) Pension

1. Defined benefit plan

- (1) In accordance with the Labor Standards Act, the 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 Company estimates the balance in the dedicated account of the Labor Retirement Reserve. If the balance is not sufficient to pay the aforementioned amount of pension benefits to employees eligible for retirement in the following year, the Company will make a lump-sum appropriation for the difference by the end of

March of the following year.

(2) The change in the Company's 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	<u>289,242</u>	<u>(3,100,873)</u>	<u>(2,811,631)</u>
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	<u>\$199,353,876</u>	<u>\$(196,709,342)</u>	<u>\$2,644,534</u>
	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 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.

	<u>2021</u>	<u>2020</u>
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	<u>0.65%</u>	<u>0.25%</u>
b. Expected rate of increase in future salary	<u>2.00%</u>	<u>2.00%</u>

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:

	December 31, 2021		December 31, 2020	
	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:

	Within one year	More than one year but less than two years	More than one year but less than two years	More than two years but less than five years	Total
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 Company has a defined contribution pension plan under the Labor Pension Act, which is applicable to the Company's domestic employees. The 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 Company recognized pension costs of \$5,297 thousand and \$5,253 thousand for the years ended December 31, 2021 and 2020, respectively, which were contributed to the Bureau of Labor Insurance.

(XIX) 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.

(XX) 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.

(XXI) 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	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

- 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.
- 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.

(XXIII) 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	176,511,472	180,488,451
Revenue from customer contracts - other operating revenue	82,081,334	148,275,941
Others - other operating revenue	28,373,459	21,637,591
Total	<u>\$1,775,634,482</u>	<u>\$1,963,808,595</u>

1. Breakdown of revenue from customer contracts

The 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:

	2021	2020
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:		
	2021	2020
Revenue from external customer contracts	<u>\$176,511,472</u>	<u>\$180,488,451</u>
Revenue recognition point		
Revenue recognized at a point in time	\$79,667,979	\$96,731,205
Revenue recognized gradually over time	96,843,493	83,757,246
Total	<u>\$176,511,472</u>	<u>\$180,488,451</u>
Others:		
	2021	2020
Revenue from external customer contracts	<u>\$82,081,334</u>	<u>\$148,275,941</u>
Revenue recognition point		
Revenue recognized at a point in time	\$79,961,810	\$146,156,417
Revenue recognized gradually over time	2,119,524	2,119,524
Total	<u>\$82,081,334</u>	<u>\$148,275,941</u>

## 2. Contract liabilities

The 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>\$538,413,259</u>	<u>\$521,658,490</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>\$96,799,790</u>	<u>\$131,523,695</u>

## (XXIV) Operating costs

	<u>2021</u>	<u>2020</u>
Gas sales costs	\$1,118,651,639	\$1,217,980,011
Installation design costs	127,508,492	130,089,242
Other operating costs	64,737,156	104,921,092
Total	<u>\$1,310,897,287</u>	<u>\$1,452,990,345</u>

(XXV) 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	\$111,645,625	\$72,040,443	\$183,686,068	\$112,881,532	\$75,267,789	\$188,149,321
Labor and health insurance expenses	9,980,416	4,938,280	14,918,696	9,323,193	4,638,531	13,961,724
Pension expenses	5,082,169	2,805,646	7,887,815	5,242,166	2,925,492	8,167,658
Remuneration for directors	-	30,841,594	30,841,594	-	25,327,503	25,327,503
Other employee benefit expenses	-	9,041,305	9,041,305	-	9,583,778	9,583,778
Depreciation expenses	256,623,062	13,348,873	269,971,935	233,885,273	11,834,555	245,719,828

- (1) The average number of employees (including directors) for the years ended December 31, 2021 and 2020 were 200 and 203, respectively, of which 22 and 21 were directors who were not also employees.
  - (2) The average employee benefit expenses were NT\$1,210,865 and NT\$1,208,036 for the years ended December 31, 2021 and 2020, respectively.
  - (3) The average employee salary expense was NT\$1,031,944 and NT\$1,033,787 for 2021 and 2020, respectively, representing a 0.2% decrease in the average employee salary expense for both years.
  - (4) Supervisors' remuneration was NT\$1,900,000 and NT\$6,638,612 for 2021 and 2020, respectively.
  - (5) The Company established an Audit Committee in FY110 and replaced supervisors with the Audit Committee composed of all independent directors.
  - (6) The Company's salary and remuneration policy (including directors, managerial officers and employees):
    - ① In addition to the basic salaries and year-end bonuses for managerial officers and employees, the Company also pays awards to employees based on their performance appraisals to encourage morale and retain outstanding employees; annual salary adjustments are based on the salary scale of managerial officers and employees.
    - ② In accordance with Article 27 of the Company's Articles of Incorporation, the director's remuneration is to be determined by the Board of Directors in accordance with the general standard of the industry. In addition, in accordance with Article 33 of the Company's Articles of Incorporation, 2.2% of the annual profit shall be appropriated as employee profit sharing remuneration and not more than 2.2% of the annual profit shall be appropriated as director profit sharing remuneration.
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
	Approved by the Board of Directors on March 18, 2022	Approved by the Board of Directors on March 18, 2021	Approved by the Board of Directors on March 20, 2020
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 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	\$256,623,062	\$233,885,273
Selling expenses	6,362,138	6,718,476
Administrative expenses	6,986,735	5,116,079
Total	\$269,971,935	\$245,719,828

(XXVI) Interest income

	<u>2021</u>	<u>2020</u>
Interest income from bank deposits	\$10,274,662	\$13,250,117
Interest income from financial assets measured at amortized cost	1,750,000	2,249,167
Other interest income	5,265,893	3,375,660
Total	<u>\$17,290,555</u>	<u>\$18,874,944</u>

(XXVII) Other income

	<u>2021</u>	<u>2020</u>
Rental income	\$4,061,342	\$4,082,981
Dividend income	8,757,376	5,220,092
Other income	2,998,458	2,979,266
Total	<u>\$15,817,176</u>	<u>\$12,282,339</u>

(XXVIII) Other gain and loss

	<u>2021</u>	<u>2020</u>
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	34,499,918	(11,109,261)
Net exchange gain (loss)	(1,180,389)	313,799
Other losses	(1,771,287)	(6,300)
Total	<u>\$32,536,637</u>	<u>\$(9,454,911)</u>

(XXIX) Financial costs

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

(XXX) Income tax

1. Composition of income tax expense

	<u>2021</u>	<u>2020</u>
Current income tax expense (or benefit)	\$49,089,854	\$54,389,188
Underestimation (overestimation) of income tax expense for prior years	112	(14,135)
Total current income tax	<u>49,089,966</u>	<u>54,375,053</u>
Deferred income tax expense		
Origination and reversal of temporary differences	(180,245)	1,270,058
Total deferred income tax	<u>(180,245)</u>	<u>1,270,058</u>
Income tax expense	<u>\$48,909,721</u>	<u>\$55,645,111</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:

	2021	2020
Net profit before tax from continuing operations	\$391,305,009	\$382,390,545
Applicable tax rate	20%	20%
Tax at applicable tax rate on income	\$78,261,001	\$76,478,109
Underestimation (overestimation) of income tax expense for prior years	112	(14,135)
Repealed levy on loss (gain) from securities transactions	(4,578,092)	2,294,469
Loss (gain) on valuation of financial assets	(2,569,984)	(33,597)
Domestic investment income recognized using the equity method	(21,682,065)	(23,069,464)
Dividend income not included in income	(1,685,961)	(1,036,018)
Others	1,164,710	1,025,747
Total income tax expense recognized in profit or loss	\$48,909,721	\$55,645,111

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

2021				
	January 1, 2021	Recognized in profit or loss	Recognized in other comprehensive income	December 31, 2021
Temporary differences				
Difference in timing between book and tax recognition of repair and maintenance expenses	\$5,836,468	\$45,843	\$-	\$5,882,311
Unrealized gain or loss	1,969,949	134,402	(562,326)	1,542,025
Land revaluation increment	(65,257,095)	-	-	(65,257,095)
Deferred income tax (expense)/benefit		\$180,245	\$(562,326)	
Net deferred income tax assets/(liabilities)	\$(57,450,678)			\$(57,832,759)
The information expressed in the balance sheet is as follows:				
Deferred income tax assets	\$8,307,752			\$7,523,138
Deferred income tax liabilities	\$(65,758,430)			\$(65,355,897)

2020				
	January 1, 2020	Recognized in profit or loss	Recognized in other comprehensive income	December 31, 2020
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	4,351,126	(2,076,495)	(304,682)	1,969,949
Land revaluation increment	(65,257,095)	-	-	(65,257,095)
Deferred income tax (expense)/benefit		\$(1,270,058)	\$(304,682)	
Net deferred income tax assets/(liabilities)	\$(55,875,938)			\$(57,450,678)
The information expressed in the balance sheet is as follows:				
Deferred income tax assets	\$9,381,157			\$8,307,752
Deferred income tax liabilities	\$(65,257,095)			\$(65,758,430)

5. The Company's income tax returns have been assessed by the tax authorities through 2019.

(XXXI) Earnings per share

1. Information on earnings per share

	<u>2021</u>	<u>2020</u>
Basic earnings per share:		
Net profit for the period from continuing operations	\$342,395,288	\$326,745,434
Weighted average number of shares outstanding	178,009,590	178,009,590
Basic earnings per share (NT\$):	<u>\$1.92</u>	<u>\$1.84</u>
Diluted earnings per share:		
Net profit for the period from continuing operations	\$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\$)	<u>\$1.92</u>	<u>\$1.83</u>

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: Parent company's shares held by subsidiaries	(2,527,863)	(2,527,863)
Total	<u>178,009,590</u>	<u>178,009,590</u>

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	<u>178,219,985</u>	<u>178,238,156</u>

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

	<u>2021</u>	<u>2020</u>
Net profit for the period from continuing operations	\$346,439,868	\$330,158,049
Weighted average number of shares outstanding	<u>180,537,453</u>	<u>180,537,453</u>
Basic earnings per share (NT\$)	<u>\$1.92</u>	<u>\$1.83</u>

(XXXII) Supplementary information on cash flows

Change in liabilities from financing activities was as follows:

	<u>Guarantee deposit received</u>	<u>Lease liabilities</u>
January 1, 2021	\$62,916,945	\$2,163,376
Change in cash flows from financing activities	1,196,960	(4,707,360)
Non-cash change	-	9,041,490
December 31, 2021	<u>\$64,113,905</u>	<u>\$6,497,506</u>
	<u>Guarantee deposit received</u>	<u>Lease liabilities</u>
January 1, 2020	\$63,863,565	\$5,729,068
Change in cash flows from financing activities	(946,620)	(4,902,604)
Non-cash change	-	1,336,912
December 31, 2020	<u>\$62,916,945</u>	<u>\$2,163,376</u>

VII. Related Party Transactions

(I) Names and relationships of related parties

<u>Name of the related party</u>	<u>Relationship with the Company</u>
EVFA INTERNATIONAL CO., LTD.	Subsidiary
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. Operating transactions

(1) Installation revenue

<u>Type of related party</u>	<u>2021</u>	<u>2020</u>
Subsidiary:		
EVFA INTERNATIONAL CO., LTD.	<u>\$4,240,711</u>	<u>\$4,862,494</u>

The sales to related parties were made at contracted sales prices and terms.

(2) Purchases

<u>Type of related party</u>	<u>2021</u>	<u>2020</u>
Subsidiary:		
EVFA INTERNATIONAL CO., LTD.	<u>\$57,061,295</u>	<u>\$68,685,225</u>

The Company's purchases from related parties were made on normal purchase terms and conditions (market prices). The payment term is approximately one month.

(3) Installation cost

<u>Type of related party</u>	<u>2021</u>	<u>2020</u>
Subsidiary:		
EVFA INTERNATIONAL CO., LTD.	<u>\$6,179,450</u>	<u>\$8,878,487</u>

The above-mentioned installation cost is based on the general market price, and the payment term is approximately one month.

(4) Other operating costs

<u>Type of related party</u>	<u>2021</u>	<u>2020</u>
Subsidiary:		
EVFA INTERNATIONAL CO., LTD.	<u>\$26,321,977</u>	<u>\$30,505,360</u>

The above-mentioned other operating cost is based on the general market price, and the payment term is approximately one month.

(5) Accounts receivable from related parties

<u>Type of related party</u>	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Subsidiary:		
EVFA INTERNATIONAL CO., LTD.	<u>\$4,116,347</u>	<u>\$4,733,351</u>

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

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

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

(7) Notes payable to related parties

<u>Type of related party</u>	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Subsidiary:		
EVFA INTERNATIONAL CO., LTD.	<u>\$19,663,593</u>	<u>\$24,575,619</u>

(8) Accounts payable to related parties

<u>Type of related party</u>	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Subsidiary:		
EVFA INTERNATIONAL CO., LTD.	<u>\$15,149,327</u>	<u>\$16,192,482</u>

2. Property transactions

(1) Property, plant and equipment acquired (gas sales equipment).

<u>Type of related party</u>	<u>Acquisition price</u>	
	<u>2021</u>	<u>2020</u>
Subsidiary:		
EVFA INTERNATIONAL CO., LTD.	<u>\$121,581,663</u>	<u>\$199,590,054</u>

The price of the property, plant and equipment (gas sales equipment) acquired above was based on the general market price.

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

2021: None.

2020:

<u>Type of related party</u>	<u>Acquisition price</u>
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 previously paid in 2019, and the transaction price is based on the agreed price and terms between the parties.

3. Other transactions

(1) Rental income

<u>Type of related party</u>	<u>2021</u>	<u>2020</u>
Subsidiary:		
EVFA INTERNATIONAL CO., LTD.	\$491,316	\$491,316

(2) Selling expenses - repair and maintenance expenses

<u>Type of related party</u>	<u>2021</u>	<u>2020</u>
Subsidiary:		
EVFA INTERNATIONAL CO., LTD.	\$10,264,182	\$12,777,347

(3) Selling expenses - service expenses

<u>Type of related party</u>	<u>2021</u>	<u>2020</u>
Subsidiary:		
EVFA INTERNATIONAL CO., LTD.	\$24,300,780	\$34,898,665

(4) Administrative expenses - other expenses

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

(5) Administrative expenses - donation

<u>Type of related party</u>	<u>2021</u>	<u>2020</u>
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	\$-

(6) Other payables - related parties

<u>Type of related party</u>	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Subsidiary:		
EVFA INTERNATIONAL CO., LTD.	<u>\$4,607,371</u>	<u>\$8,405,457</u>

(7) Deposits received (listed as other non-current liabilities)

<u>Type of related party</u>	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Subsidiary:		
EVFA INTERNATIONAL CO., LTD.	\$657,400	\$657,400
Other related parties:		
THE GREAT TAIPEI GAS CORPORATION	210,000	165,000
Total	<u>\$867,400</u>	<u>\$822,400</u>

(III) Information on remuneration for key management

	<u>2021</u>	<u>2020</u>
Salaries and other short-term employee benefits	\$48,163,523	\$48,256,077
Post-employment benefits	308,518	277,558
Total	<u>\$48,472,041</u>	<u>\$48,533,635</u>

VIII. Pledged Assets: None.

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 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	\$383,986,376	\$344,343,932
Financial assets measured at amortized cost		
Cash and cash equivalents	440,985,023	323,822,255
Financial assets measured at amortized cost	70,000,000	70,000,000
Notes receivable	77,500	947,414
Accounts receivable (including related parties)	174,824,913	192,251,634
Other receivables	849,885,087	853,518,064
Other financial assets	319,224,003	409,306,548
Total	<u>\$2,238,982,902</u>	<u>\$2,194,189,847</u>

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Financial liabilities		
Financial liabilities measured at amortized cost		
Notes payable (including related parties)	\$37,975,921	\$31,210,626
Accounts payable (including related parties)	130,520,152	122,263,803
Other payables (including related parties)	210,438,970	212,373,551
Lease liabilities	6,497,506	2,163,376
Other financial liabilities	64,113,905	62,916,945
Total	<u>\$449,546,454</u>	<u>\$430,928,301</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 Company's incremental borrowing rate.

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

	December 31, 2021			
	Carrying amount	Fair value		
Level 1		Level 2	Level 3	
Financial assets:				
Financial assets measured at amortized cost				
Domestic financial bonds	<u>\$70,000,000</u>	<u>\$-</u>	<u>\$70,000,000</u>	<u>\$-</u>

  

	December 31, 2020			
	Carrying amount	Fair value		
Level 1		Level 2	Level 3	
Financial assets:				
Financial assets measured at amortized cost				
Domestic financial bonds	<u>\$70,000,000</u>	<u>\$-</u>	<u>\$70,000,000</u>	<u>\$-</u>

(3) Valuation techniques of fair value

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

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 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 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 Company's financial position and financial performance.
- (2) Risk management is performed by the 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 Company. 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 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\$		
		Carrying amount (NTD)	Sensitivity analysis			
Foreign currency	Exchange rate		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	\$21,449	4.32	\$92,641	1%	\$926	\$-
USD: NTD	1,326	27.87	36,952	2%	739	-
EUR: NTD	58	32.50	1,885	6%	113	-
<u>Financial assets measured at fair value through profit or loss</u>						
USD: NTD	787	27.63	21,747	2%	435	-
RMB: NTD	6,973	4.32	30,118	1%	301	-
EUR: NTD	120	31.12	3,734	6%	224	-

		December 31, 2020		Unit: In thousands of NT\$		
		Carrying amount (NTD)	Sensitivity analysis			
Foreign currency	Exchange rate		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	\$24,095	4.35	\$104,860	3%	\$3,146	\$-
USD: NTD	437	28.60	12,500	4%	500	-
EUR: NTD	46	34.59	1,591	5%	80	-
<u>Financial assets measured at fair value through profit or loss</u>						
USD: NTD	1,602	28.42	45,522	4%	1,821	-
RMB: NTD	6,860	4.35	29,855	3%	896	-
EUR: NTD	120	34.82	4,178	5%	209	-

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		\$21,326	4.32	\$92,108	\$441

	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	\$292	28.43	\$8,297	\$(292)
RMB: NTD	24,018	4.35	104,525	1,793

Price risk

- A. The 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 Company diversifies its investment portfolio in accordance with the limits set by the Company.
- B. The 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 \$3,840 thousand and \$3,443 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 Company had not drawn from the loan facilities and therefore had no significant interest rate risks.

(2) Credit risk

- A. The 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 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 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 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 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 Company uses the reserve matrix method to estimate the expected credit losses for customer accounts receivable.

E. The 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 accounts receivable 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	0.23%	32.46%	42.06%	81.80%	100.00%	
Total carrying amount	\$174,041,664	\$1,096,076	\$766,333	\$465,721	\$5,407,728	\$181,777,522
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	0.23%	34.50%	44.93%	81.69%	100.00%	
Total carrying amount	\$192,287,781	\$1,127,896	\$904,228	\$666,343	\$6,550,808	\$201,537,056
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 accounts receivable 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 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 1: Credit ratings of "twBBB" and "twA-2".

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

- H. The 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 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 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 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(11).
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	\$206,908,298	\$-	\$-	\$206,908,298
Beneficiary certificates	46,400,000	-	-	46,400,000
Beneficiary securities	45,073,000	-	-	45,073,000
Bonds	77,173,578	-	-	77,173,578
Bills	8,431,500	-	-	8,431,500
Total	<u>\$383,986,376</u>	<u>\$-</u>	<u>\$-</u>	<u>\$383,986,376</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	\$141,781,322	\$-	\$-	\$141,781,322
Beneficiary certificates	79,912,446	-	-	79,912,446
Beneficiary securities	13,110,000	-	-	13,110,000
Bonds	100,528,664	-	-	100,528,664
Bills	9,011,500	-	-	9,011,500
Total	<u>\$344,343,932</u>	<u>\$-</u>	<u>\$-</u>	<u>\$344,343,932</u>

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

The Company uses quoted market prices as fair value inputs (i.e., Level 1), listed stocks and beneficiary securities 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

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 1
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 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 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 3
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 4

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

(IV) Information on Major Shareholders: Schedule 5

XIV. Segment information

In accordance with the "Regulations Governing the Preparation of Financial Statements by Securities Issuers", the Company is exempt from disclosing operating segment information.

Schedule 1: 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	

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.	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	

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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.	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	

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.	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 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	
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.	Hannstar Display / 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	

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	
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	

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	
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	

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	
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	

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	
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	

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

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 4: Names and locations of investees and other relevant information

Unit: In NT\$

Investee name	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 5: Information on Major Shareholders

Name of Major Shareholder	Shares	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.

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## Schedule 1

## Schedule of cash and cash equivalents

December 31, 2021

Item	Summary	Amount	Remarks
Cash on hand		\$250,216	
Petty cash/revolving funds		235,000	
Bank deposits - NTD		253,381,790	
Bank deposits - foreign currency	Mainly USD860,676.63 Exchange rate 27.85 RMB122,354.5 Exchange rate 4.356 EUR27,891.2 Exchange rate 31.40	25,381,510	
Time deposits	Time deposits with maturity within three months	30,000,000	
Cash equivalents	Short-term bills with maturities within three months	131,736,507	
Total		\$440,985,023	

Schedule 2

Schedule of financial assets measured at fair value through profit or loss - current  
December 31, 2021

Name of financial instrument	Summary	Number of shares or board lots	Face value	Total amount	Interest rate	Acquisition cost	Fair value		Changes in fair value attributable to changes in credit risk	Remarks
							Unit price	Total amount		
Financial assets mandatorily measured at fair value through profit or loss										
<b>Stock:</b>										
Phison		11,000				\$5,312,615	512.00	\$5,632,000		
THE GREAT TAIPEI GAS		481,000				10,179,713	33.20	15,969,200		
Taiwan Shin Kong Security		55,500				1,263,110	39.35	2,183,925		
SHIN HAI GAS		38,927				576,367	49.30	1,919,101		
USI		50,000				1,677,386	31.55	1,577,500		
TA YA ELECTRIC WIRE & CABLE		61,150				1,524,643	24.95	1,525,693		
Chunghwa Chemical Synthesis & Biotech		48,000				3,380,142	64.90	3,115,200		
China Steel		20,000				798,135	35.35	707,000		
TA CHEN STAINLESS PIPE		10,000				494,703	46.25	462,500		
FROCH ENTERPRISE		30,000				865,231	29.65	889,500		
Tang Eng Iron Works		20,000				741,054	35.75	715,000		
KING SLIDE WORKS		3,000				1,192,474	517.00	1,551,000		
Cub Elecparts		9,000				1,683,671	188.50	1,696,500		
United Microelectronics Corporation		86,000				4,829,815	65.00	5,590,000		
HON HAI PRECISION		10,000				1,271,809	104.00	1,040,000		
TSMC		5,000				3,077,378	615.00	3,075,000		
KURA SUSHI ASIA		7,000				555,318	75.10	525,700		
UBOTPSA		1,000,000				50,000,000	53.00	53,000,000		
Cathy Preferred Shares		50,000				3,103,916	62.90	3,145,000		

Continued from the previous page

Schedule of financial assets measured at fair value through profit or loss - current  
December 31, 2021

Name of financial instrument	Summary	Number of shares or board lots	Face value	Total amount	Interest rate	Acquisition cost	Fair value		Changes in fair value attributable to changes in credit risk	Remarks
							Unit price	Total amount		
China Development Financial Holding Corporation		70,000				\$879,752	17.50	\$1,225,000		
Shin Kong Financial Holding		200,483				1,939,288	11.05	2,215,337		
Shin Kong Financial Holding Preferred Shares A		460,460				20,324,778	42.60	19,615,596		
Shin Kong Financial Holding Preferred Shares B		5,112				230,040	42.85	219,049		
WT Microelectronics		20,000				1,181,681	73.50	1,470,000		
LASTER TECH		41,000				1,863,681	44.05	1,806,050		
Global Unichip		9,000				3,866,538	586.00	5,274,000		
FORMOSA SUMCO TECHNOLOGY		6,000				1,150,457	290.00	1,740,000		
MATERIALS ANALYSIS TECHNOLOGY		20,000				2,937,666	157.00	3,140,000		
BizLink-KY		10,000				2,654,057	261.00	2,610,000		
WPG		20,000				1,117,590	52.60	1,052,000		
WPG Preferred Shares A		700,000				35,035,162	49.55	34,685,000		
CoreMax		15,488				1,714,585	148.00	2,292,224		
CHIA CHANG		20,000				1,061,510	50.30	1,006,000		
Innodisk		10,000				2,045,813	204.00	2,040,000		
First Hi-tec Enterprise		8,000				547,818	61.30	490,400		
Sino-American Silicon Products		24,000				4,593,329	236.00	5,664,000		
SAN LIEN TECHNOLOGY		23,500				1,071,143	43.70	1,026,950		
Hannstar Display		60,000				1,360,936	18.10	1,086,000		
GLOBAL BRANDS MANUFACTURE LIMITED		30,000				1,128,105	38.60	1,158,000		
HU LANE ASSOCIATE		8,000				1,100,438	140.00	1,120,000		

Continued from the previous page

Schedule of financial assets measured at fair value through profit or loss - current  
December 31, 2021

Name of financial instrument	Summary	Number of shares or board lots	Face value	Total amount	Interest rate	Acquisition cost	Fair value		Changes in fair value attributable to changes in credit risk	Remarks
							Unit price	Total amount		
Globalwafers		5,000				\$4,104,634	888.00	\$4,440,000		
FITTECH		15,000				3,280,305	219.00	3,285,000		
Powerchip Semiconductor Manufacturing Corporation		10,869				838,904	71.20	773,873		
ALLIED CIRCUIT CO.,LTD.		19,000				2,919,157	166.00	3,154,000		
Stock subtotal						\$191,474,847		\$206,908,298		

Continued from the previous page

Schedule of financial assets measured at fair value through profit or loss - current  
December 31, 2021

Name of financial instrument	Summary	Number of shares or board lots	Face value	Total amount	Interest rate	Acquisition cost	Fair value		Changes in fair value attributable to changes in credit risk	Remarks
							Unit price	Total amount		
<b>Beneficiary certificates:</b>										
Shin Kong Global Home Economy Securities Investment Trust	Beneficiary certificates	2,000,000				\$20,000,000	12.93	\$25,860,000		
Yuanta Taiwan High Dividend Quality Leader Fund (Type A Non-Dividend)	Beneficiary certificates	500,000				5,000,000	15.84	7,920,000		
Fuh Hwa Taiwan Good Yield Fund	Beneficiary certificates	1,000,000				10,000,000	12.62	12,620,000		
Beneficiary certificates subtotal						<u>35,000,000</u>		<u>46,400,000</u>		
<b>Beneficiary securities:</b>										
Yuanta Future Key Technology ETF Fund	Beneficiary securities	250,000				5,000,000	33.59	8,397,500		
Fubon FTSE Vietnam ETF Securities Investment Trust	Beneficiary securities	1,000,000				15,149,308	17.64	17,640,000		
CTBC Key Semiconductor Stock	Beneficiary securities	100,000				1,535,184	17.70	1,770,000		
Fubon Future Vehicle ETF Securities Investment Trust	Beneficiary securities	450,000				6,750,000	18.13	8,158,500		
Fubon Genetic Immunity Biotechnology ETF Fund (00897)	Beneficiary securities	700,000				10,500,000	13.01	9,107,000		
Beneficiary certificates subtotal						<u>38,934,492</u>		<u>45,073,000</u>		
<b>Bond:</b>										
P06 TAICHUNG COMMERCIAL BANK 2	Bond	300,000				31,097,655	100.02	30,006,000		
Fubon China RMB Bond (FUBBAN 4.08 01/19/25)	Bond	2,000,000				8,519,040	4.28	8,551,620		
National Bank of Dubai, UAE RMB Senior Unsecured Bonds (EBIUH 4.62 05/15/2026)	Bond	2,000,000				8,511,373	4.41	8,813,844		
National Westminster Bank Renminbi Senior Unsecured Bonds (RBS 3 1/2 06/04/23 CORP)	Bond	2,000,000				8,390,592	4.23	8,465,240		
HSBC Holdings U.S. dollar subordinated bonds(HSBC 6 3/8)	Bond	200,000				6,323,700	29.56	5,912,212		
Qatar National Bank 3.6	Bond	1,000,000				4,276,224	4.29	4,287,039		
M&G PLC USD Subordinated Bonds	Bond	200,000				7,323,440	32.30	6,460,944		
Metropolitan U.S. dollar subordinated bonds	Bond	100,000				3,750,310	34.02	3,402,413		
Meiya Financial U.S. dollar denominated primary bonds	Bond	42,000				1,247,702	30.34	1,274,266		
Bond subtotal						<u>79,440,036</u>		<u>77,173,578</u>		

Continued from the previous page

Schedule of financial assets measured at fair value through profit or loss - current  
December 31, 2021

Name of financial instrument	Summary	Number of shares or board lots	Face value	Total amount	Interest rate	Acquisition cost	Fair value		Changes in fair value attributable to changes in credit risk	Remarks
							Unit price	Total amount		
<b>Bill:</b>										
CCAM Yida USD Stable Foreign Currency Arbitrage Bills	Bills	17 board lots				\$5,566,261	27.63	\$4,697,100		
CCAM Yida USD Stable Foreign Currency Arbitrage Bills	Bill	12 board lots				5,765,719	31.12	3,734,400		
Bill subtotal						<u>11,331,980</u>		<u>8,431,500</u>		
Total						<u>356,181,355</u>		<u>\$383,986,376</u>		
Adjustment to the valuation of financial assets measured at fair value through profit or loss						27,805,021				
Net amount						<u>\$383,986,376</u>				

Schedule 3

Schedule of notes receivable

December 31, 2021

<u>Customer name</u>	<u>Summary</u>	<u>Amount</u>	<u>Remarks</u>
Each user	Deposit	\$77,500	
Allowance for losses		-	
Total		<u>\$77,500</u>	

Schedule 4

Schedule of accounts receivable

December 31, 2021

<u>Customer name</u>	<u>Summary</u>	<u>Amount</u>	<u>Remarks</u>
Each user	Gas charges pending collection	\$59,296,643	
Each user	Estimated gas charges receivable	111,776,621	
Each user	Installation charge	6,510,411	
Sub-total		<u>177,583,675</u>	
Allowance for losses		<u>(6,875,109)</u>	
Total		<u>\$170,708,566</u>	

Schedule 5

Schedule of accounts receivable - related parties, net

December 31, 2021

<u>Customer name</u>	<u>Summary</u>	<u>Amount</u>	<u>Remarks</u>
EVFA INTERNATIONAL CO., LTD.		\$4,116,347	
		<u>\$4,116,347</u>	

## Schedule 6

Schedule of inventories  
December 31, 2021

Item	Summary	Amount		Remarks
		Cost	Net realizable value	
Materials		\$19,080,784	\$19,080,784	
Installation contractors' materials		9,925,795	9,925,795	
Natural gas inventory		1,226,119	1,226,119	
Allowance for decline in value of inventories and slow-moving inventories		-	-	
Total		<u>\$30,232,698</u>	<u>\$30,232,698</u>	

## Schedule 7

Schedule of pre-payments  
December 31, 2021

Item	Summary	Amount	Remarks
Pre-paid insurance		\$191,984	
Other pre-paid expenses		289,307	
Pre-paid sales tax		5,571,476	
Total		<u>\$6,052,767</u>	

## Schedule 8

Schedule of other current assets  
December 31, 2021

Item	Summary	Amount	Remarks
Temporary payments		<u>\$1,474,556</u>	

Schedule 9

Schedule of changes in financial assets measured at amortized cost - non-current  
January 1 to December 31, 2021

Account	Balance at the beginning of the period		Increase in the period		Decrease in the period		Balance at the end of the period		Provision of guarantee or pledge	Remarks
	Number of board lots	Book value	Number of board lots	Amount	Number of board lots	Amount	Number of board lots	Book value		
Bank Of Panshin subordinated financial bonds	6 board lots	\$70,000,000	-	\$-	-	\$	6 board lots	\$70,000,000	None	

Schedule 10

Schedule of changes in investments accounted for using the equity method  
January 1 to December 31, 2021

Account	Balance at the beginning of the period		Increase in the period		Decrease in the period		Balance at the end of the period			Market value or equity net worth		Provision of guarantee or pledge	Remarks
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Number of shares	Shareholdings percentage	Amount	Unit price	Total price		
EVFA INTERNATIONAL CO., LTD.	45,000,000	\$429,092,292	4,500,000	\$112,454,905	-	\$90,000,000	49,500,000	100.00	\$451,547,197	\$15.73	\$778,805,798	None	

## Schedule 11

Customer name	Schedule of notes payable December 31, 2021		Remarks
	Summary	Amount	
Jing Fung Enterprise Engineering Ltd.		\$7,635,575	
SWAN SPORTS INDUSTRIAL CO., LTD.		3,356,955	
CHAO YOU PIPE & FITTING LTD.		2,424,862	
TRIPARTITE HUMAN RESOURCE CO., LTD.		1,788,515	
TAK CHU ENGINEERING COMPANY LIMITED.		959,720	
Others		2,146,701	None of the balance of the customers exceeded 5% of the GL account
Total		<u>\$18,312,328</u>	

## Schedule 12

Customer name	Schedule of notes payable - related parties December 31, 2021		Remarks
	Summary	Amount	
EVFA INTERNATIONAL CO., LTD.		\$19,663,593	

## Schedule 13

Customer name	Schedule of accounts payable December 31, 2021		Remarks
	Summary	Amount	
CPC Corporation, Taiwan		\$96,029,323	
TAK CHU ENGINEERING COMPANY LIMITED.		11,774,294	
Others		7,567,208	None of the balance of the customers exceeded 5% of the GL account
Total		<u>\$115,370,825</u>	

## Schedule 14

Schedule of accounts payable - related parties  
December 31, 2021

Customer name	Summary	Amount	Remarks
EVFA INTERNATIONAL CO., LTD.		\$15,149,327	

## Schedule 15

Schedule of other payables - related parties  
December 31, 2021

Customer name	Summary	Amount	Remarks
EVFA INTERNATIONAL CO., LTD.	Meter change wages, meter reading wages and delivery wages	\$4,607,371	

## Schedule 16

Schedule of lease liabilities  
December 31, 2021

Item	Summary	Lease period	Discount rate	Balance at the end of the period
Land	For business use	1 ~ 8 years	2.22%~2.32%	\$6,415,030
Transportation equipment	For business use	1 ~ 1.5 years	2.2%~2.32%	82,476
				6,497,506
Less: Listed as current portion				(2,958,046)
Lease liabilities - non-current				\$3,539,460

## Schedule 17

Schedule of other current liabilities  
December 31, 2021

Item	Summary	Amount	Remarks
Temporary receipts	Temporary receipts of gas repetition charge, etc.	\$3,897,631	
Receipts under custody	Withholding of income tax on salaries and labor and health insurance premiums, etc.	861,149	
Deposits received due within one year	Bid bond	2,633,600	
Rental received in advance		63,451	
Total		\$7,455,831	

## Schedule 18

Schedule of other non-current liabilities  
December 31, 2021

Item	Summary	Amount	Remarks
Long-term deferred revenue	Deferred revenue from outer tubes and main branch tubes	\$1,137,111,647	
Gas supply deposit	Each user	50,624,746	
Other deposits	Construction bid bonds, etc.	10,855,559	
Net Defined Benefit Liabilities		2,644,534	
Total		\$1,201,236,486	

## Schedule 19

Schedule of operating revenue  
January 1 to December 31, 2021

Item	Quantity	Amount	Remarks
Gas sales revenue	113,553 thousand degrees	\$1,488,668,217	
Installation design revenue	4.9 thousand households	176,511,472	
Other operating revenue		110,454,793	
Total		\$1,775,634,482	

## Schedule 20

Schedule of operating costs  
January 1 to December 31, 2021

Item	Summary	Amount	Remarks
Gas sales costs	Refer to Schedule 21	\$1,118,651,639	
Installation design costs	Refer to Schedule 22	127,508,492	
Other operating costs	Refer to Schedule 23	64,737,156	
Total		\$1,310,897,287	

## Schedule 21

Schedule of operating costs - gas sales costs  
January 1 to December 31, 2021

Item	Amount		Remarks
	Sub-total	Total	
Inventory of natural gas at the beginning of the period	\$1,190,952		
Natural gas purchased in the period	833,925,772		
Less: Inventory of natural gas at the end of the period	(1,226,119)		
Natural gas costs		\$833,890,605	
Gas sales costs		486,540	
Depreciation of gas transmission pipelines		81,394,879	
Depreciation of gas meters		89,491,527	
Depreciation of gas storage tanks		1,711,846	
Salaries of gas supply employees		99,522,491	
Insurance premiums for gas supply employees		8,553,289	
Road usage fees, scaffolding wages, etc.		3,600,462	
Total		<u><u>\$1,118,651,639</u></u>	

Schedule 22

Schedule of operating costs - installation design costs  
January 1 to December 31, 2021

Item	Amount		Remarks
	Sub-total	Total	
Cost of materials for the Meter Affairs Section		\$375,665	
Installation contractors' wages		16,257,410	
Installation contractors' materials usage		13,485,119	
Salaries of installation operators		17,205,303	
Insurance premiums for installation operators		1,427,127	
Depreciation of outer tubes		84,024,810	
Scaffolding wages, air pollution and road repair fees, etc.		1,301,270	
Less: transfer of gas transmission equipment		(6,568,212)	
Total		<u>\$127,508,492</u>	

Schedule 23

Schedule of operating costs - other operating costs  
 January 1 to December 31, 2021

Item	Amount		Remarks
	Sub-total	Total	
Replacement of safety switches		\$31,877,667	
Replacement of three-layer hoses of the gas furnace		304,416	
Replacement of steel wire tube of the water heater		4,565,706	
Replacement and installation of alarm, gas detector and shut-off valve		27,989,367	
Total		<u>\$64,737,156</u>	

## Schedule 21

Schedule of selling expenses  
January 1 to December 31, 2021

Item	Summary	Amount	Remarks
Postage expenses		\$6,653,279	
Repair and maintenance expense		35,076,903	
Depreciation expense		6,362,138	
Professional service fees		26,356,988	
Others		25,614,871	None of the balance of the items exceeded 5% of the GL account
Total		<u>\$100,064,179</u>	

## Schedule 22

Schedule of administrative expenses  
January 1 to December 31, 2021

Item	Summary	Amount	Remarks
Payroll expenses		\$103,193,820	
Others		45,427,784	None of the balance of the items exceeded 5% of the GL account
Total		<u>\$148,621,604</u>	

## Schedule 23

Schedule of expected credit impairment loss (gain)  
January 1 to December 31, 2021

Item	Summary	Amount	Remarks
Expected credit impairment loss (gain)		<u>\$(1,282,977)</u>	