

Stock Code: 9918



Shin Shin Natural Gas Co., LTD.
2023 Annual General Meeting of
Shareholders

Handbook for the Annual Meeting of Shareholders

June 27, 2023

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1. Agenda of the 2023 Annual General Meeting of Shareholders

Meeting Time: 09:00 a.m., June 27 (Tuesday), 2023

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

Meeting Location: Li-Yan Banquet Hall, 9F, No. 53, Minquan Rd., Yonghe Dist., New Taipei City

Method for Convening: Physical Meeting

- Meeting Start
- Speech by the Chairperson
- Reporting Matters
- Recognition Matters
- Discussion Matters
- Extraordinary Motions
- Meeting Adjourned

2. Reported Matters

1. The Company's annual business report of 2022. Please verify. The business report (see pages 8 to 13 of this Handbook for details) is attached herein.

2. The Audit Committee's report on the annual financial statements of 2022. Please verify.

Audit Committee's Review Report

The Board of Directors prepared the Company's 2022 business report, financial statements, and surplus distribution table, among which the financial statements have been audited by Li-Yen Wang and Chia-Fang Chiang, CPAs at BDO Taiwan, by whom an audit report has been issued. We have reviewed the above business report, financial statements, and surplus distribution table without identifying any inconsistency, so we have issued a report as above in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act. Please proceed to review it.

Ching-Kuo Li, Convener of the Audit
Committee,
Shin Shin Natural Gas Co., Ltd.

March 13, 2023

3. The report on the distribution of employees' wage and directors' remuneration of 2022. Please verify.
 - (1) Pursuant to Article 33 of the Company's Articles of Association, the Company's pre-tax profit in 2022 before deducting employees wage and directors remuneration was NT\$215,900,743, of which 2.2% was allocated (NT\$4,749,816) as employees' wage, and another 2.2% was allocated (NT\$4,749,816) as remuneration for directors, both of which are paid in cash in accordance with regulations.
 - (2) This proposal has been reviewed by the 4th meeting of the 5th term of Remuneration Committee of the Company, and approved by the 10th meeting of the 19th (current) term of the Board of Directors.

4. The report on the Company's 2022 earnings distribution in form of cash dividend, please verify.
 - (1) The Company has proposed the earnings distribution plan pursuant to the Articles of Incorporation (please refer to page 33 of this Handbook for the 2022 Surplus Distribution Table).
 - (2) The Company's after-tax surplus in 2022 was NT\$143,858,839. After adding NT\$12,225,774 of the "Defined benefit plans net after-tax amount of 2022", 10% of such amount was allocated in accordance with the law as the legal reserve, totaling NT\$15,608,461. In addition, according to the surplus status, an amount of NT\$180,537,453 will be allocated from the distributable surplus in 2022 as shareholder dividends. In accordance with the law, according to the number of shares held by shareholders as listed in the shareholder register on the distribution base date, a cash dividend of NT\$1 per share will be distributed (rounded up to NT\$1). The amount of cash dividends less than NT\$1 shall be transferred to the Employee Welfare Committee of the Company.
 - (3) It is proposed to authorize the Board of Directors to decide the ex-dividend date and other relevant matters.

3. Recognition Matters

Proposal 1

Proposed by the Board of Directors

The Company's 2022 business report and financial statements are hereby submitted. Please recognize.

Description:

1. The pre-tax surplus of the Company in 2022 was NT\$206,401,111, the Profit-seeking Enterprise Income Tax was NT\$62,542,272, and the after-tax surplus was NT\$143,858,839. The consolidated pre-tax surplus of the Company and its subsidiaries in 2022 was NT\$213,315,846, the Profit-seeking Enterprise Income Tax was NT\$69,457,007, and the after-tax surplus was NT\$143,858,839. The information has been audited by certified public accountants Li-Yen Wang and Chia-Fang Chiang of BDO Taiwan. The details are presented in the Business Report enclosed on pages 8 to 31 of this Handbook.
2. This proposal has been reviewed by the Audit Committee and approved by the 10th meeting of the current (19th) term of the Board of Directors, and is hereby submitted for recognition in accordance with the law.

Resolution:

2022 Annual Business Report of Shin Shin Natural Gas Co., Ltd.

1. Overview of the business plan:

The Company's operating revenue target for 2022 was over NT\$1,835.72 million, with a pre-tax surplus of over NT\$235 million. Due to adverse factors in the global financial market such as the COVID-19 pandemic, US-China trade war, Russia-Ukraine war, geopolitical tension and inflation, the Company recorded a lower-than-expected non-operating income. However, all employees endeavored to grow the Company's primary businesses in meter installation and gas supply service in such a difficult external environment while fighting against the pandemic. As a result, the Company still attained a 104.63% achievement rate of operating revenue and 87.83% achievement rate of income before tax in this year.

2. Effectiveness of the implementation of the operation plan:

1. Operation plan:

(1) Promotion goals:

In 2022, the target for installation quantity was 4,300 households. In addition to handling the annual extension, the Company also strived for more households, who lived within our natural gas supply network, and completed the installation for 4,897 households, reaching an achievement rate of 113.88%, with an increase of 239 households compared with the previous year (2021).

(2) Operating revenue:

In 2022, the target for annual operating revenue was NT\$1.83572 billion, and the actual revenue was NT\$1.9208 billion, reaching an achievement rate of 104.63%, with a decrease of NT\$145.16 million compared to the previous year (2021). The consolidated operating revenue of the parent and subsidiary companies was NT\$1.94631 billion.

(3) Pre-tax surplus:

In 2022, the goal for pre-tax surplus was NT\$235 million, and the actual surplus was NT\$206.4 million, reading an achievement rate of 87.83%, with a decrease of NT\$184.9 million compared to the previous year (2021). The consolidated pre-tax surplus of parent and subsidiary companies was NT\$213.31 million.

(4) Volume of gas purchased:

The volume of gas purchased in 2022 was 113,511,770 cubic meters, an increase of 2,843,602 cubic meters compared to the 110,668,168 cubic meters in the previous year (2021), or an increase of 2.57%.

(5) Volume of gas sold:

The actual volume of gas sold in 2022 was 114,195,156 cubic meters, an increase of 2,056,082 cubic meters compared to the 112,139,074 cubic meters in the previous year (2021), or an increase of 1.83%. The above statistics are shown in Exhibit 1.

(6) Gas bill payment collection service:

By the end of 2022, there were 52 post offices and financial institutions serving as agents for collecting gas bills for the Company from 161,865 households cumulatively, accounting for 44.40% of the total users. Five convenience store chains were commissioned to collect gas bills for the Company from 878,653 households cumulatively. In addition, 5 online and 8 electronic payment collection companies were commissioned to collect payments from a total of 216,872 households, and 15 banks have signed agreements with the Company for regular automatic credit card payments for gas bills.

(7) Meter replacement:

The 2022 annual target for meter replacement was replacing the meters of 33,500 households, and the actual replaced meters covered 41,561 households (microcomputer meters for 32,993 households and mechanical meters for 8,568 households), reaching a meter replacement rate of 124.06%.

(8) Households who lived within our natural gas supply network and did not select our service:

In 2022, striving households, who lived within our natural gas supply network and did not select our service, for a total of 957 households, accounting for 19.54% of the 4,897 households promoted throughout the year.

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

The 2022 annual pipeline extension plan consisting of 24 projects was approved by the 2nd meeting of the 19th term of the Board of Directors, with a budget of NT\$61.14 million and an estimated installation of 3,238 households. A total of 28 projects were completed throughout the year, an increase of 4 projects compared with the planned projects. The total

construction cost was NT\$62,700,812, an increase of NT\$1,560,812 over the original budget. A total of 3,940 households have paid installation fees throughout the year, reaching an achievement rate of 121.68%.

Among them, there were 9 projects in Yonghe and Zhonghe District, with a project budget of NT\$21.92 million; 1,147 households were expected to be installed, and 1,405 households have paid installation fees, reaching an achievement rate of 122.49%. 13 projects were actually completed, with a total cost of NT\$22,557,942. In addition, there were 15 projects in the Xindian, Wenshan and Shengkeng areas, with a project budget of NT\$39.22 million; 2,091 households were expected to be installed, and 2,535 households have paid installation fees, reaching an achievement rate of 121.23%. 15 projects were actually completed, with a total cost of NT\$40,142,870. Please refer to Exhibit 2 for details.

(10) Regular inspection of pipelines of users:

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

In 2022, 179,099 households were scheduled to be inspected, and actual inspections were completed for 151,260 households, reaching a regular inspection rate of 84.46% in line with the regulations of the competent authority. However, for users who have not yet been inspected, the supplementary inspection operation will continue to be performed.

2. **Improvement of fixed assets:** A total of 9,000 meters of pipeline was scheduled for renewal in 2022, and the actual length of pipeline renewed was 11,347 meters. In order to reinforce the

earthquake resistance of the pipeline network, the Company has since 2017 gradually been replacing cast iron pipes with the PE pipes; a total of 3,025 meters has been replaced in this year. In addition, a total of 8,002.81 meters of pipe was renewed to accommodate public sewage system construction and MRT construction, with the total maintenance expense amounting to NT\$150,650,582, which used to ensure the safety of gas supply facilities.

Chairperson: 

Manager: 

Accounting Head 

Shin Shin Natural Gas Co., Ltd.

Statistics of the 2022 Annual Operating Results

Items	As of the end of 2021	2022	Annual Results	Remarks
Households that Applied	398,978	4,935	403,913	
Households that Paid Installation Fees	388,854	4,897	393,751	
Households Supplied	360,760	4,640	365,400	
Household Charged	359,717	4,882	364,599	
Volume of Gas Sold	112,139,074 cubic meters	114,195,156 cubic meters		
Operating Revenue		NT\$1,920,803,413		

Exhibit 2

Shin Shin Natural Gas Co., Ltd.

Statistics of the 2022 Annual Pipeline Extension Project

Area	Annual Plan		Actual Implementation		Estimated number of installations	Number of households that paid installation fees	Achievement Rate (%)
	Extension Project	Project Budget (NTD)	Extension Project	Project Settlement (NTD)			
Zhonghe Yonghe	9	21,920,000	13	22,557,942	1,147	1,405	122.49
Xindian Wenshan Shengkeng	15	39,220,000	15	40,142,870	2,091	2,535	121.23
Total	24	61,140,000	28	62,700,812	3,238	3,940	121.68
Remarks							

Independent Auditor's Report

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

Audit opinions:

We have audited the accompanying parent company only balance sheets of Shin Shin Natural Gas Co., LTD. as of December 31, 2022 and 2021, 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, 2022 and 2021, and its parent company only 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 2022 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 2022 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 Auditing Standards will always detect a material misstatement when it exists in a consolidated financial statement. Misstatements can arise from fraud or error. Misstatements are considered material, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

When auditing 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 parent company only statements, including related notes, whether the parent company only 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, 2022. 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: Li-Yen Wang

CPA: Chia-Fang Chiang

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

Jin-Guan-Zheng-Shen-Zi No. 1080339009

March 13, 2023

Shin Shin Natural Gas Co., LTD.
Parent Company Only Balance Sheets
December 31, 2022 and 2021

Unit: In thousands of NTD

Code	Assets	Note	December 31, 2022		December 31, 2021		Code	Liabilities and equity	Note	December 31, 2022		December 31, 2021	
			Amount	%	Amount	%				Amount	%	Amount	%
Current assets													
1100	Cash and cash equivalents	4, 6(1)	\$ 322,282	6	\$ 440,985	8	2130	Contract liabilities - current	6(13)	\$ 567,579	12	\$ 538,413	12
1110	Financial assets measured at fair value through profit or loss - current	4, 6(2)	375,820	7	383,986	7	2150	Notes payable	4, 6(14)	26,327	-	18,312	-
1150	Notes receivable, net	4, 6(4)	23,520	-	78	-	2160	Notes payable - related parties	4, 6(14), 7	22,237	-	19,664	-
1170	Accounts receivable, net	4, 6(4)	189,570	4	170,709	3	2170	Accounts payable	4, 6(14)	112,730	2	115,371	2
1180	Accounts receivable - related parties, net	4, 6(4), 7	4,484	-	4,116	-	2180	Accounts payable - related parties	4, 6(14), 7	22,825	-	15,149	-
1200	Other receivables	6(5)	776,115	15	849,885	16	2200	Other payables	6(15)	198,981	4	205,832	4
130x	Inventories	4, 6(6)	37,235	1	30,233	1	2220	Other payables - related parties	VII	4,940	-	4,607	-
1410	Pre-payments		7,176	-	6,053	-	2230	Current income tax liabilities	IV	38,000	1	20,636	-
1470	Other current assets		2,717	-	1,474	-	2250	Provision for liabilities - current	4, 6(16)	1,908	-	1,830	-
11xx	Total current assets		1,738,919	33	1,887,519	35	2280	Lease liabilities - current	IV	4,451	-	2,958	-
Non-current assets													
1535	Financial assets measured at amortized cost - non-current	4, 6(3)	70,000	1	70,000	1	2300	Other current liabilities		7,957	-	7,456	-
1550	Investments accounted for using the equity method	4, 6(7)	401,721	8	451,547	8	21xx	Total current liabilities		1,007,935	19	950,228	18
1600	Property, plant and equipment	4, 6(8)	2,688,230	50	2,561,073	49	2570	Non-current liabilities					
1755	Right-of-use assets.	4, 6(9)	11,106	-	8,332	-	2580	Deferred income tax liabilities	4, 6(30)	65,278	1	65,356	1
1760	Investment property, net	4, 6(11)	47,754	1	47,980	1	2600	Lease liabilities - non-current	IV	5,070	-	3,539	-
1840	Deferred income tax assets	4, 6(30)	5,694	-	7,523	-	25xx	Other non-current liabilities	4, 6(17)	1,281,486	24	1,201,237	22
1900	Other non-current assets	4, 6(12)	383,085	7	319,656	6		Total non-current liabilities		1,351,834	25	1,270,132	23
15xx	Total non-current assets		3,607,590	67	3,466,111	65	2xxx	Total liabilities		2,359,769	44	2,220,360	41
Equity													
							3100	Capital stock	4, 6(19)				
							3110	Capital - common stock		1,805,375	34	1,805,375	35
							3200	Capital surplus	6(20)	77,062	1	72,764	1
							3300	Retained earnings	6(21)				
							3310	Legal reserve		750,824	14	716,359	13
							3320	Special reserve		142,872	3	142,872	3
							3350	Undistributed earnings (or losses to be made up for)		257,435	5	442,728	8
							3500	Treasury stock	4, 6(22)	(46,828)	(1)	(46,828)	(1)
							3xxx	Total equity		2,986,740	56	3,133,270	59
1xxx	Total assets		\$ 5,346,509	100	\$ 5,353,630	100		Total liabilities and equity		\$ 5,346,509	100	\$ 5,353,630	100

(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, 2022 and 2021

Unit: In thousands of NTD

Code	Item	Note	2022		2021	
			Amount	%	Amount	%
4000	Operating revenue	4, 6(23)	\$ 1,920,803	100	\$ 1,775,634	100
5000	Operating costs	6(24)	1,379,068	72	1,310,897	74
5900	Operating gross profit (loss)		541,735	28	464,737	26
	Operating expenses					
6100	Selling expenses		112,192	6	100,064	6
6200	Administrative expenses		145,949	7	148,622	8
6450	Expected credit impairment loss (gain)		(223)	-	(1,283)	-
6000	Total operating expenses		257,918	13	247,403	14
6900	Operating profit (loss)		283,817	15	217,334	12
	Non-operating income and expenses					
7100	Interest income	6(26)	19,955	1	17,291	1
7010	Other income	6(27)	13,932	1	15,817	1
7020	Other gain and loss	6(28)	(56,914)	(3)	32,537	2
7050	Financial costs	6(29)	(266)	-	(84)	-
7070	Share of profits and losses of subsidiaries, affiliates and joint ventures accounted for using the equity method	4, 6(7)	(54,123)	(3)	108,410	6
7000	Total of non-operating income and expenses		(77,416)	(4)	173,971	10
7900	Net profit (net loss) before tax		206,401	11	391,305	22
7950	Income tax expense (or benefit)	4, 6(30)	62,542	3	48,910	3
8200	Net profit (net loss) for the period		143,859	8	342,395	19
	Other comprehensive income					
8311	Re-measurement of defined benefit plan	4, 6(18)	15,282	1	2,811	-
8349	Incomes tax related to items not to be reclassified as profit or loss	4, 6(30)	(3,056)	-	(562)	-
8300	Other comprehensive income (net)		12,226	1	2,249	-
8500	Total comprehensive income for the period		\$ 156,085	9	\$ 344,644	19
	Earnings per share	6(31)				
9750	Basic earnings per share		\$ 0.81		\$ 1.92	
9850	Diluted earnings per share		\$ 0.81		\$ 1.92	

(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, 2022 and 2021

Unit: In thousands of NTD

			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, 2021	\$ 1,805,375	\$ 68,720	\$ 683,563	\$ 142,872	\$ 419,740	\$ (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	\$ 442,728	\$ (46,828)	\$ 3,133,270
Balance as of January 1, 2022	\$ 1,805,375	\$ 72,764	\$ 716,359	\$ 142,872	\$ 442,728	\$ (46,828)	\$ 3,133,270
Appropriation and distribution of earnings:							
Provision of legal reserve	-	-	34,465	-	(34,465)	-	-
Cash dividends on common stock	-	-	-	-	(306,913)	-	(306,913)
Net profit for the period from January 1 to December 31, 2022	-	-	-	-	143,859	-	143,859
Other comprehensive income for the period from January 1 to December 31, 2022	-	-	-	-	12,226	-	12,226
Total comprehensive income for the period	-	-	-	-	156,085	-	156,085
Capital surplus adjusted for dividends paid to subsidiaries	-	4,298	-	-	-	-	4,298
Balance as of December 31, 2022	\$ 1,805,375	\$ 77,062	\$ 750,824	\$ 142,872	\$ 257,435	\$ (46,828)	\$ 2,986,740

(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, 2022 and 2021

Unit: In thousands of NTD

	2022	2021
Cash flows from operating activities		
Net profit before tax from continuing operations	\$ 206,401	\$ 391,305
Adjustment items		
Income and expense items		
Depreciation expenses	281,263	269,972
Expected credit impairment gain	(223)	(1,283)
Net loss (gain) on financial assets and liabilities measured at fair value through profit or loss	46,739	(11,870)
Interest expense	266	84
Interest income	(19,955)	(17,291)
Dividend income	(7,711)	(8,757)
Share of losses (profits) of subsidiaries, affiliates and joint ventures accounted for using the equity method	54,123	(108,410)
Gain on disposal and scrapping of property, plant and equipment	(939)	(988)
Transfer of property, plant and equipment to expense	1,740	561
Changes in assets/liabilities related to operating activities		
Increase in financial assets mandatorily measured at fair value through profit or loss	(38,572)	(27,772)
Decrease (increase) in notes receivable	(23,443)	870
Decrease (increase) in accounts receivable	(18,638)	18,093
Decrease (increase) in accounts receivable - related parties	(367)	617
Decrease in other receivables	76,367	4,205
Increase in inventories	(73,448)	(55,922)
Increase in prepaid expenses	(7)	(8)
Decrease (increase) in pre-payments	(1,116)	359
Increase in other current assets	(1,243)	(1,462)
Increase in net defined benefit assets	(2,913)	-
Increase in contract liabilities	29,166	16,755
Increase in notes payable	8,015	11,677
Increase (decrease) in notes payable - related parties	2,573	(4,912)
Increase (decrease) in accounts payable	(2,641)	9,300
Increase (decrease) in accounts payable - related parties	7,675	(1,043)
Increase (decrease) in other payables	(6,851)	1,863
Increase (decrease) in other payables - related parties	333	(3,798)
Increase (decrease) in provision for liabilities	78	(103)
Increase in long-term deferred revenue	81,083	74,348
Increase in other current liabilities	875	1,359
Decrease in net defined benefit liabilities	(2,645)	(5,625)
Cash inflows from operations	595,985	552,124
Interest received	17,234	16,834
Dividends received	7,835	98,641
Interest paid	(266)	(84)
Income tax paid	(46,482)	(60,308)

	<u>2022</u>	<u>2021</u>
Net cash inflows from operating activities	574,306	607,207
Cash flows from investing activities		
Acquisition of property, plant and equipment	(338,892)	(288,208)
Disposal of property, plant and equipment	1,455	1,004
Increase in refundable deposits	-	(9)
Decrease in refundable deposits	19	
		455
Decrease (increase) in other financial assets	(45,038)	89,636
Increase in pre-payments for equipment	(646)	(552)
Net cash outflows from investing activities	<u>(383,102)</u>	<u>(197,674)</u>
Cash flows from financing activities		
Increase in deposits received	8,572	8,261
Decrease in deposits received	(7,134)	(7,064)
Payments of lease liabilities	(4,432)	(4,707)
Distribution of cash dividends	(306,913)	(288,860)
Net cash outflows from financing activities	<u>(309,907)</u>	<u>(292,370)</u>
Increase (decrease) in cash and cash equivalents for the period	(118,703)	117,163
Cash and cash equivalents at the beginning of the period	440,985	323,822
Cash and cash equivalents at the end of the period	<u>\$ 322,282</u>	<u>\$ 440,985</u>

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

Chairperson

Managerial Officer

Accounting Officer

Independent Auditor's Report

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

Audit opinions:

We have audited the accompanying consolidated balance sheets of Shin Shin Natural Gas Co., LTD. and its subsidiaries as of December 31, 2022 and 2021, and the related consolidated statements of comprehensive income, consolidated statements of changes in equity, consolidated statements of cash flows, and notes to the consolidated financial statements (including significant accounting policies) for the years then ended.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Shin Shin Natural Gas Co., Ltd. and its subsidiaries as at December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers", the Regulations on Accounting Handling for Public Natural Gas Enterprises, and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

Basis for opinions

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the 2022 consolidated financial statements of Shin Shin Natural Gas Co., LTD. These matters were addressed in the content of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide separate opinions on those matters.

Key audit matters of the 2022 consolidated financial statements of Shin Shin Natural Gas Co., LTD. and its subsidiaries were as follows:

Key audit matter - Reasonableness and appropriateness of sales revenue recognition

Description of the matter

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

3. 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.
4. 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:

4. Evaluate and test the effectiveness of internal control procedures relevant to the recognition of revenue from gas sales and installations.
5. 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.
6. Evaluate the appropriateness of the timing of recognition by performing a cut-off test on the advanced installation revenue at the end of the period.

Other matters

We have also audited the standalone financial statements of Shin Shin Natural Gas Co., LTD. as of and for the year ended December 31, 2022 and 2021 on which we have issued an unqualified opinion.

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

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

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

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

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

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

When auditing in accordance with the Generally Accepted Auditing Standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also performed the following works:

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings (including any significant deficiencies in internal control that we identify during our audit).

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

Based on our communications with the governing units, we have determined the key audit matters that are relevant to our audit of the consolidated financial statements of Shin Shin Natural Gas Co., LTD. and its subsidiaries for the year ended December 31, 2022. 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: Li-Yen Wang

CPA: Chia-Fang Chiang

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

March 13, 2023

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

Consolidated Balance Sheets

December 31, 2022 and 2021

Unit: In thousands of NTD

Code	Assets	Note	December 31, 2022		December 31, 2021		Code	Liabilities and equity	Note	December 31, 2022		December 31, 2021	
			Amount	%	Amount	%				Amount	%	Amount	%
	Current assets												
1100	Cash and cash equivalents	4, 6(1)	\$ 590,318	11	\$ 558,033	10	2130	Contract liabilities - current	6(12)	\$ 570,067	12	\$ 540,708	11
1110	Financial assets measured at fair value through profit or loss- current	4, 6(2)	584,659	11	773,039	14	2150	Notes payable	4, 6(13)	26,327	-	18,312	-
1150	Notes receivable, net	4, 6(4)	23,520	-	78	-	2170	Accounts payable	4, 6(13)	121,666	2	122,155	2
1170	Accounts receivable, net	4, 6(4)	189,875	4	170,787	3	2200	Other payables	6(14)	207,988	4	214,856	4
1200	Other receivables	6(5)	859,589	16	947,535	19	2230	Current income tax liabilities	IV	46,690	1	20,636	-
1220	Current tax assets		606	-	605	-	2250	Provision for liabilities - current	4, 6(15)	1,908	-	1,830	-
130x	Inventories	4, 6(6)	45,177	1	34,365	1	2280	Lease liabilities - current	IV	4,451	-	2,958	-
1410	Pre-payments		10,564	-	6,069	-	2300	Other current liabilities		9,654	-	9,163	-
1470	Other current assets		2,701	-	1,459	-	21xx	Total current liabilities		988,751	19	930,618	17
11xx	Total current assets		2,307,009	43	2,491,970	47							
	Non-current assets												
1510	Financial assets measured at fair value through profit or loss – non-current	4, 6(2)	19,237	-	18,343	-	2570	Deferred income tax liabilities	4, 6(30)	65,278	1	65,390	1
1535	Financial assets measured at amortized cost- non-current	4, 6(3)	70,000	1	78,380	1	2580	Lease liabilities - non-current	IV	5,070	-	3,539	-
1600	Property, plant and equipment	4, 6(7)	2,448,977	47	2,333,194	44	2600	Other non-current liabilities	4, 6(16)	1,282,092	24	1,201,843	23
1755	Right-of-use assets.	4, 6(8)	11,106	-	8,332	-		Total non-current liabilities		1,352,440	25	1,270,772	24
1760	Investment property, net	4, 6(10)	47,754	1	47,979	1		Total liabilities		2,341,191	44	2,201,390	41
1780	Intangible assets		29	-	27	-		Equity					
1840	Deferred income tax assets	4, 6(30)	40,333	1	36,378	1		Equity attributable to shareholders of the parent company					
1900	Other non-current assets	4, 6(11)	383,486	7	320,057	6	3110	Capital - common stock	4, 6(18)	1,805,375	34	1,805,375	35
15xx	Total non-current assets		3,020,922	57	2,842,690	53	3200	Capital surplus	6(19)	77,062	1	72,764	1
							3300	Retained earnings	6(20)				
							3310	Legal reserve		750,824	14	716,359	13
							3320	Special reserve		142,872	3	142,872	3
							3350	Undistributed earnings (or losses to be made up for)		257,435	5	442,728	8
							3500	Treasury stock	4, 6(21)	(46,828)	(1)	(46,828)	(1)
							31xx	Total equity attributable to shareholders of the parent company		2,986,740	56	3,133,270	59
							3xxx	Total equity		2,986,740	56	3,133,270	59
1xxx	Total assets		\$ 5,327,931	100	\$ 5,334,660	100		Total liabilities and equity		\$ 5,327,931	100	\$ 5,334,660	100

(Please refer to Notes to the Standalone Financial Statements)

Chairperson

Managerial Officer

Accounting Officer

Shin Shin Natural Gas Co., LTD. and its subsidiaries
Consolidated Statements of Comprehensive Income
January 1 to December 31, 2022 and 2021

Unit: In thousands of NTD

Code	Item	Note	2022		2021	
			Amount	%	Amount	%
4000	Operating revenue	4, 6(22)	\$ 1,946,310	100	\$ 1,794,167	100
5000	Operating costs	6(23)	1,374,486	71	1,298,572	73
5900	Operating gross profit (loss)		571,824	29	495,595	27
	Operating expenses					
6100	Selling expenses		71,878	4	63,755	4
6200	Administrative expenses		169,907	8	171,676	9
6450	Expected credit impairment loss (gain)		(223)	-	(1,283)	-
6000	Total operating expenses		241,562	12	234,148	13
6900	Operating profit (loss)		330,262	17	261,447	14
	Non-operating income and expenses					
7100	Interest income	6(25)	22,524	1	20,062	1
7010	Other income	6(26)	22,259	1	25,995	1
7020	Other gain and loss	6(27)	(161,388)	(8)	91,487	6
7030	Net profit or loss from derecognition of financial assets measured at amortized cost	6(28)	(75)	-	-	-
7050	Financial costs	6(29)	(266)	-	(84)	-
7000	Total of non-operating income and expenses		(116,946)	(6)	137,460	8
7900	Net profit (net loss) before tax		213,316	11	398,907	22
7950	Income tax expense (or benefit)	4, 6(30)	69,457	4	56,512	3
8200	Net profit (net loss) for the period		143,859	7	342,395	19
	Other comprehensive income					
8311	Re-measurement of defined benefit plan	4, 6(17)	15,282	1	2,811	-
8349	Incomes tax related to items not to be reclassified as profit or loss	4, 6(30)	(3,056)	-	(562)	-
8300	Other comprehensive income (net)		12,226	1	2,249	-
8500	Total comprehensive income for the period		\$ 156,085	8	\$ 344,644	19
8600	Net profit (loss) attributable to:					
8610	Shareholders of the parent company (net profit/loss)		\$ 143,859	7	\$ 342,395	19
8700	Total comprehensive income attributable to:					
8710	Shareholders of the parent company (comprehensive income)		\$ 156,085	8	\$ 344,644	19
	Earnings per share	6(31)				
9750	Basic earnings per share		\$ 0.81		\$ 1.92	
9850	Diluted earnings per share		\$ 0.81		\$ 1.92	

(Please refer to Notes to the Standalone Financial Statements)

Chairperson

Managerial Officer

Accounting Officer

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

Consolidated Statements of Changes in Equity

January 1 to December 31, 2022 and 2021

Unit: In thousands of NTD

	Equity attributable to shareholders of the parent company							Total equity attributable to shareholders of the parent company	Total equity
	Capital - common stock	Capital surplus	Retained earnings			Treasury stock	Undistributed earnings (or losses to be made up for)		
			Legal reserve	Special reserve					
Balance as of January 1, 2021	\$ 1,805,375	\$ 68,720	\$ 683,563	\$ 142,872	\$ 419,740	\$ (46,828)	\$ 3,073,442	\$ 3,073,442	
Appropriation and distribution of earnings:									
Provision of legal reserve	-	-	32,796	-	(32,796)	-	-	-	
Cash dividends on common stock	-	-	-	-	(288,860)	-	(288,860)	(288,860)	
Net profit for the period from January 1 to December 31, 2021	-	-	-	-	342,395	-	342,395	342,395	
Other comprehensive income for the period from January 1 to December 31, 2021	-	-	-	-	2,249	-	2,249	2,249	
Total comprehensive income for the period	-	-	-	-	344,644	-	344,644	344,644	
Capital surplus adjusted for dividends paid to subsidiaries	-	4,044	-	-	-	-	4,044	4,044	
Balance as of December 31, 2021	\$ 1,805,375	\$ 72,764	\$ 716,359	\$ 142,872	\$ 442,728	\$ (46,828)	\$ 3,133,270	\$ 3,133,270	
Balance as of January 1, 2022	\$ 1,805,375	\$ 72,764	\$ 716,359	\$ 142,872	\$ 442,728	\$ (46,828)	\$ 3,133,270	\$ 3,133,270	
Appropriation and distribution of earnings:									
Provision of legal reserve	-	-	34,465	-	(34,465)	-	-	-	
Cash dividends on common stock	-	-	-	-	(306,913)	-	(306,913)	(306,913)	
Net profit for the period from January 1 to December 31, 2022	-	-	-	-	143,859	-	143,859	143,859	
Other comprehensive income for the period from January 1 to December 31, 2022	-	-	-	-	12,226	-	12,226	12,226	
Total comprehensive income for the period	-	-	-	-	156,085	-	156,085	156,085	
Capital surplus adjusted for dividends paid to subsidiaries	-	4,298	-	-	-	-	4,298	4,298	
Balance as of December 31, 2022	\$ 1,805,375	\$ 77,062	\$ 750,824	\$ 142,872	\$ 257,435	\$ (46,828)	\$ 2,986,740	\$ 2,986,740	

(Please refer to Notes to the Standalone Financial Statements)

Chairperson

Managerial Officer

Accounting Officer

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

Consolidated Statements of Cash Flows

January 1 to December 31, 2022 and 2021

Unit: In thousands of NTD

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities		
Net profit before tax from continuing operations	\$ 213,316	\$ 398,907
Adjustment items		
Income and expense items		
Depreciation expenses	243,914	236,044
Amortization expense	66	62
Expected credit impairment gain	(223)	(1,283)
Net loss (gain) on financial assets and liabilities measured at fair value through profit or loss	94,985	(28,736)
Interest expense	266	84
Net loss from derecognition financial assets measured at amortized cost	75	-
Interest income	(22,524)	(20,062)
Dividend income	(16,255)	(18,058)
Gain on disposal and scrapping of property, plant and equipment	(939)	(988)
Transfer of property, plant and equipment to expense	1,740	561
Unrealized foreign currency exchange losses (gains)	(198)	1,069
Changes in assets/liabilities related to operating activities		
Decrease (increase) in financial assets mandatorily measured at fair value through profit or loss	92,501	(110,688)
Decrease (increase) in notes receivable	(23,443)	922
Decrease (increase) in accounts receivable	(18,866)	18,016
Decrease in other receivables	89,898	23,737
Increase in inventories	(77,257)	(44,205)
Decrease (increase) in pre-paid expenses	(64)	2
Decrease (increase) in pre-payments	(1,631)	359
Increase in other current assets	(1,241)	(1,460)
Increase in net defined benefit assets	(2,913)	-
Increase in contract liabilities	29,358	16,581
Increase in notes payable	8,015	11,677
Increase (decrease) in accounts payable	(489)	415
Decrease in other payables	(6,868)	(3,780)
Increase (decrease) in provision for liabilities	78	(103)
Increase in long-term deferred revenue	81,083	74,349
Increase in other current liabilities	864	1,405
Decrease in net defined benefit liabilities	(2,645)	(5,625)
Cash inflows from operations	680,603	549,202
Interest received	20,423	19,543
Dividends received	16,404	17,934
Interest paid	(266)	(84)
Income tax paid	(50,526)	(82,508)

	<u>2022</u>	<u>2021</u>
Net cash inflows from operating activities	666,638	504,087
Cash flows from investing activities		
Disposal of financial assets measured at amortized cost	8,503	-
Increase in pre-payment for investment	(2,800)	-
Acquisition of property, plant and equipment	(290,168)	(261,665)
Disposal of property, plant and equipment	1,455	1,004
Increase in refundable deposits	-	(8)
Decrease in refundable deposits	19	455
Acquisition of intangible assets	(69)	(30)
Decrease (increase) in other financial assets	(45,038)	89,635
Increase in pre-payments for equipment	(646)	(552)
Net cash outflows from investing activities	<u>(328,744)</u>	<u>(171,161)</u>
Cash flows from financing activities		
Increase in deposits received	8,572	8,345
Decrease in deposits received	(7,134)	(7,111)
Payments of lease liabilities	(4,432)	(4,707)
Distribution of cash dividends	(302,615)	(284,816)
Net cash outflows from financing activities	<u>(305,609)</u>	<u>(288,289)</u>
Increase in cash and cash equivalents for the period	32,285	44,637
Cash and cash equivalents at the beginning of the period	558,033	513,396
Cash and cash equivalents at the end of the period	<u>\$ 590,318</u>	<u>\$ 558,033</u>

(Please refer to Notes to the Standalone Financial Statements)

Chairperson

Managerial Officer

Accounting Officer

Proposal 2

Proposed by the Board of Directors

The Company's "surplus distribution" plan of 2022 is hereby submitted for recognition.

Descriptions: The Company's 2022 earnings distribution was reviewed by the Audit Committee and approved by a resolution of the Board of Directors. The Surplus Distribution Table enclosed on Page 33 of this Handbook is hereby submitted for recognition in accordance with the law.

Resolution:

Shin Shin Natural Gas Co., Ltd.

Surplus Distribution Table

2022

Unit: NT\$

Undistributed surplus at the beginning of the period	101,350,537
Add: 2022 net surplus after tax	143,858,839
Add: Net after-tax re-measured amount of 2022	12,225,774
Debit: Allocation of 10% for legal reserve	15,608,461
Distributable Surplus	241,826,689
Distribution Items:	
Shareholder dividends - cash (NT\$1 per share)	180,537,453
Undistributed surplus at the end of the period	61,289,236

Note 1: The earnings of 2022 have priority for distribution.

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

Chairperson:



Manager:



Accounting Head:



4. Discussion Matters

Proposal 1

Proposed by the Board of Directors

Summary: Amendments to some articles of the Company's "Rules of Procedure for Shareholders' Meetings."

Description:

1. In line with the provisions of the Company Act and the Company's Articles of Incorporation that the shareholders' meeting can be held by means of videoconference, some clauses were added to the Company's "Rules of Procedure for Shareholders' Meetings." Please refer to Pages 36-49 for the comparison table before and after amendment and Appendix 1 for the original articles.
2. This proposal has been approved by the 10th board meeting of the current (19th) term of the Board of Directors, and is hereby submitted for resolution in accordance with the law.

Resolution:

Shin Shin Natural Gas Co., Ltd.
Comparison Table of the “Rules of Procedure for Shareholders’
Meetings” Before and After Amendment

Amended Articles	Original Articles	Descriptions
<p>Article 2 [Convening shareholders’ meetings] Unless otherwise provided by law or regulation, the Company’s shareholders’ meeting shall be convened by the Board of Directors. <u>The Company’s shareholders’ meeting may be held by the following means:</u> 1. <u>Physical shareholders’ meeting.</u> 2. <u>Hybrid shareholders’ meeting.</u> 3. <u>Virtual shareholders’ meeting.</u> The relevant organizational time and data transmission and preparation of the Company’s shareholders’ meeting shall be handled in accordance with laws and regulations. The reasons for convening a shareholders’ meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form. The shareholders’ meeting is convened by the Board of Directors with the meeting agenda set by the Board of Directors. Votes shall be cast on each separate proposal in the agenda (including extraordinary motions and amendments to the original proposals). The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders’ meeting. The provisions of the preceding paragraph apply mutatis mutandis to a shareholders’ meeting convened by a party with the power to convene that is not the</p>	<p>Article 2 [Convening shareholders’ meetings] Unless otherwise provided by law or regulation, the Company’s shareholders’ meeting shall be convened by the Board of Directors. The relevant organizational time and data transmission and preparation of the Company’s shareholders’ meeting shall be handled in accordance with laws and regulations. The reasons for convening a shareholders’ meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form. The shareholders’ meeting is convened by the Board of Directors with the meeting agenda set by the Board of Directors. Votes shall be cast on each separate proposal in the agenda (including extraordinary motions and amendments to the original proposals). The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders’ meeting. The provisions of the preceding paragraph apply mutatis mutandis to a shareholders’ meeting convened by a party with the power to convene that is not the</p>	<p>Adding the virtual meeting as a means for convening a shareholders’ meeting in accordance with the “Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings” issued by the Taiwan Stock Exchange.</p>

Amended Articles	Original Articles	Descriptions
<p>Board of Directors. The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders' meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the Board of Directors shall promptly assist the attending shareholders in electing a new chair by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.</p> <p>Election or dismissal of directors, change of the Articles of Association, capital reduction, application for cessation of public offering, permission for directors to compete, capital increase from earnings, capital increase from reserve, company dissolution, merger, division, or each subparagraphs of Article 185, paragraph 1 of the Company Act, Article 26-1 and Article 43-6 of the Securities and Exchange Act, and Article 56-1 and Article 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers should be detailed in the reasons for convening a meeting and may not be proposed as an extraordinary motion at the meeting.</p> <p>Shareholders holding one percent or more of the total number of outstanding shares of the Company may propose to the Company a proposal for discussion at a regular shareholders' meeting, provided that only one matter shall be allowed in each single proposal, and in case a proposal contains more than one matter, such</p>	<p>Board of Directors. The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders' meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the Board of Directors shall promptly assist the attending shareholders in electing a new chair by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.</p> <p>Election or dismissal of directors, change of the Articles of Association, capital reduction, application for cessation of public offering, permission for directors to compete, capital increase from earnings, capital increase from reserve, company dissolution, merger, division, or each subparagraphs of Article 185, paragraph 1 of the Company Act, Article 26-1 and Article 43-6 of the Securities and Exchange Act, and Article 56-1 and Article 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers should be detailed in the reasons for convening a meeting and may not be proposed as an extraordinary motion at the meeting.</p> <p>Shareholders holding one percent or more of the total number of outstanding shares of the Company may propose to the Company a proposal for discussion at a regular shareholders' meeting, provided that only one matter shall be allowed in each single proposal, and in case a proposal contains more than one matter, such</p>	

Amended Articles	Original Articles	Descriptions
<p>proposal shall not be included in the agenda.</p> <p>In addition, when the circumstances of any of the subparagraphs of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the Board of Directors may exclude it from the agenda.</p>	<p>proposal shall not be included in the agenda.</p> <p>In addition, when the circumstances of any of the subparagraphs of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the Board of Directors may exclude it from the agenda.</p>	
<p>Article 3 [Attending shareholders' meetings by proxy]</p> <p>A shareholder who cannot attend a shareholders' meeting in person may appoint a proxy to attend the shareholders' meeting on their behalf with the scope of power authorized detailed.</p> <p>A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders' meeting, and shall deliver the proxy form to the Company before five days before the date of the shareholders' meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.</p> <p>After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person <u>or by videoconference</u> or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to the Company before two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.</p> <p>When a person who acts as the proxy for two or more shareholders, the amount of voting power represented by them may not exceed three percent of</p>	<p>Article 3 [Attending shareholders' meetings by proxy]</p> <p>A shareholder who cannot attend a shareholders' meeting in person may appoint a proxy to attend the shareholders' meeting on their behalf with the scope of power authorized detailed.</p> <p>A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders' meeting, and shall deliver the proxy form to the Company before five days before the date of the shareholders' meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.</p> <p>After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to the Company before two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.</p> <p>When a person who acts as the proxy for two or more shareholders, the amount of voting power represented by them may not exceed three percent of</p>	<p>In line with the provisions of the Company Act and the Company's Articles of Incorporation that the shareholders' meeting may be held by means of videoconference, matters in connection with a virtual meeting are added in accordance with the "Sample Template for Co., Ltd. Rules of Procedure for Shareholders Meetings" issued by the Taiwan Stock Exchange.</p>

Amended Articles	Original Articles	Descriptions
<p>the total number of voting shares of the Company; otherwise, the portion of excessive voting power shall not be counted.</p>	<p>the total number of voting shares of the Company; otherwise, the portion of excessive voting power shall not be counted.</p>	
<p>Article 4 [Venue and time] The venue for a shareholders’ meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders’ meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. <u>The restrictions on the place of the meeting shall not apply when the Company convenes a virtual shareholders’ meeting.</u></p>	<p>Article 4 [Venue and time] The venue for a shareholders’ meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders’ meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m.</p>	<p>Adding matters in connection with a meeting by videoconference in accordance with the “Sample Template for ○○ Co., Ltd. Rules of Procedure for Shareholders Meetings” issued by the Taiwan Stock Exchange.</p>
<p>Article 5 [Shareholder attendance registration] The Company shall specify in its shareholders’ meeting notice the time during which attendance registrations for shareholders, <u>solicitors and proxies</u> (collectively, “shareholders”) will be accepted, the place to register for attendance, and other matters for attention. The place at which attendance registrations are accepted shall be clearly marked, and a sufficient number of suitable personnel assigned to handle the registrations. <u>Shareholders completing registration on the videoconferencing platform will be deemed as attend the shareholders’ meeting in person.</u> Shareholders shall attend the shareholders’ meeting based on attendance cards, sign-in cards, or other certificates of attendance. Solicitors soliciting proxy forms shall also bring identification documents for verification. The Company shall furnish the attending shareholders with an attendance book to sign, or</p>	<p>Article 5 [Shareholder attendance registration] The Company shall specify in its shareholders’ meeting notice the time during which shareholder attendance registrations will be accepted, the place to register for attendance, and other matters for attention. The place at which attendance registrations are accepted shall be clearly marked, and a sufficient number of suitable personnel assigned to handle the registrations. <u>Shareholders and their proxies</u> (collectively, “shareholders”) shall attend the shareholders’ meetings based on attendance cards, sign-in cards, or other certificates of attendance. Solicitors soliciting proxy forms shall also bring identification documents for verification. The Company shall furnish the attending shareholders with an attendance book to sign, or</p>	<p>Adding matters in connection with a meeting by videoconference in accordance with the “Sample Template for ○○ Co., Ltd. Rules of Procedure for Shareholders Meetings” issued by the Taiwan Stock Exchange.</p>

Amended Articles	Original Articles	Descriptions
<p>attending shareholders may hand in sign-in cards in lieu of signing in.</p> <p>When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders' meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.</p> <p><u>In the event of a virtual shareholders' meeting, shareholders wishing to attend the meeting by videoconference shall register with the Company at the venue or website designated by the Company two days before the meeting date.</u></p> <p><u>In the event of a virtual shareholders' meeting, the Company shall upload the meeting handbook, annual report and other meeting materials to the videoconferencing platform and keep this information disclosed until the end of the meeting.</u></p>	<p>attending shareholders may hand in sign-in cards in lieu of signing in.</p> <p>When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders' meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.</p>	
<p><u>Article 5-1 [Convening virtual shareholders' meetings and particulars to be included in the shareholders' meeting notice]</u></p> <p><u>To convene a virtual shareholders' meeting, the Company shall include the following particulars in the shareholders' meeting notice:</u></p> <ol style="list-style-type: none"> <u>1. How shareholders attend the virtual meeting and exercise their rights.</u> <u>2. Actions to be taken if the videoconferencing platform or participation in the virtual meeting by videoconference is obstructed due to natural disasters, accidents or other force majeure events.</u> 		<ol style="list-style-type: none"> 1. This article is newly added. 2. Adding matters in connection with a virtual meeting in accordance with the "Sample Template for ○○ Co., Ltd. Rules of Procedure for Shareholders Meetings" issued by the Taiwan Stock Exchange.
<p>Article 7 [Recording of the shareholders' meeting by audio or video and retention]</p> <p>The Company, beginning from</p>	<p>Article 7 [Recording of the shareholders' meeting by audio or video and retention]</p> <p>The Company, beginning from the</p>	<p>Adding matters in connection with a meeting by videoconference in</p>

Amended Articles	Original Articles	Descriptions
<p>the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure to the end of the meeting. The recorded materials of the preceding paragraph shall be retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recorded materials shall be retained until the conclusion of the litigation.</p> <p><u>In case of a virtual shareholders' meeting, the Company shall make an uninterrupted audio and video recording of the virtual meeting, which shall be kept by the Company during the entirety of its existence.</u></p>	<p>time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure to the end of the meeting. The recorded materials of the preceding paragraph shall be retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recorded materials shall be retained until the conclusion of the litigation.</p>	<p>accordance with the “Sample Template for ○○ Co., Ltd. Rules of Procedure for Shareholders Meetings” issued by the Taiwan Stock Exchange.</p>
<p>Article 9 [Shareholder speech and response] Before speaking, an attending shareholder must specify on a speaker’s slip the subject of the speech, their shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair. A shareholder in attendance who has submitted a speaker’s slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker’s slip, the spoken content shall prevail. When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation. Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed five</p>	<p>Article 9 [Shareholder speech and response] Before speaking, an attending shareholder must specify on a speaker’s slip the subject of the speech, their shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair. A shareholder in attendance who has submitted a speaker’s slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker’s slip, the spoken content shall prevail. When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation. Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed five</p>	<p>Adding matters in connection with a virtual meeting in accordance with the “Sample Template for ○○ Co., Ltd. Rules of Procedure for Shareholders Meetings” issued by Taiwan Stock Exchange.</p>

Amended Articles	Original Articles	Descriptions
<p>non-voting shares under Article 179, paragraph 2 of the Company Act.</p> <p>When the Company holds a shareholders' meeting, it may allow shareholders to exercise voting rights by correspondence or electronic means. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders' meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person. However, with respect to motions and amendments to original proposals of the shareholders' meeting, voting rights shall be deemed to be waived.</p> <p>A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company before two days before the date of the shareholders' meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.</p> <p>After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders' meeting in person <u>or by videoconference</u>, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company by the same means by which the voting rights were exercised before two business days before the date of the</p>	<p>non-voting shares under Article 179, paragraph 2 of the Company Act.</p> <p>When the Company holds a shareholders' meeting, it may allow shareholders to exercise voting rights by correspondence or electronic means. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders' meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person. However, with respect to motions and amendments to original proposals of the shareholders' meeting, voting rights shall be deemed to be waived.</p> <p>A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company before two days before the date of the shareholders' meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.</p> <p>After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders' meeting in person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company by the same means by which the voting rights were exercised before two business days before the date of the shareholders'</p>	<p>“Sample Template for ○○ Co., Ltd. Rules of Procedure for Shareholders Meetings” issued by the Taiwan Stock Exchange.</p>

Amended Articles	Original Articles	Descriptions
<p>shareholders' meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders' meeting, the voting rights exercised by the proxy in the meeting shall prevail. Except as otherwise provided in the Company Act and in the Company's Articles of Incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required. When the chair considers that the discussion of a proposal has reached the point where it is ready to be voted on, they may declare the end of the discussion, put the proposal to a vote and arrange adequate time for voting.</p> <p><u>When the Company convenes a virtual shareholders' meeting, after the chair declares the meeting open, shareholders attending the meeting by videoconference shall cast votes on proposals and elections on the videoconferencing platform before the chair announces the end of the voting session, or they will be deemed to have abstained from voting.</u></p>	<p>meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders' meeting, the voting rights exercised by the proxy in the meeting shall prevail. Except as otherwise provided in the Company Act and in the Company's Articles of Incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required. When the chair considers that the discussion of a proposal has reached the point where it is ready to be voted on, they may declare the end of the discussion, put the proposal to a vote and arrange adequate time for voting.</p>	

Amended Articles	Original Articles	Descriptions
<p><u>In the event of a virtual shareholders’ meeting, votes shall be counted at once after the chair announces the end of the voting session, and the results of the votes and elections shall be announced immediately.</u></p> <p><u>When the Company convenes a hybrid shareholders’ meeting, if shareholders who have registered to attend the meeting by videoconference in accordance with Article 5 decide to attend the physical shareholders’ meeting in person, they shall revoke their registration two days before the shareholders’ meeting in the same manner as they registered. If their registration is not revoked within the time limit, they may only attend the shareholders’ meeting by videoconference.</u></p> <p><u>When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the shareholders’ meeting by videoconference, except for extraordinary motions, they may not exercise voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposals.</u></p>		
<p>Article 14 [Preparation and retention of meeting minutes] Matters relating to the resolutions of a shareholders’ meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy shall be distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form. The Company may distribute the</p>	<p>Article 14 [Preparation and retention of meeting minutes] Matters relating to the resolutions of a shareholders’ meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy shall be distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form. The Company may distribute the</p>	<p>Adding matters in connection with a meeting by videoconference in accordance with the “Sample Template for ○○ Co., Ltd. Rules of Procedure for Shareholders Meetings” issued by the Taiwan Stock Exchange.</p>

Amended Articles	Original Articles	Descriptions
<p>meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.</p> <p>The meeting minutes shall accurately record the year, month, day, place of the meeting, the full name of the chair, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights), and disclose the number of voting rights won by each candidate in the event of an election of directors. The meeting minutes shall be retained for the duration of the existence of the Company.</p> <p><u>Where a virtual shareholders' meeting is convened, in addition to the particulars to be included in the meeting minutes as described in the preceding paragraph, the start time and end time of the shareholders' meeting, how the meeting is convened, the full name of the chair and secretary, and actions to be taken in the event of disruption to the videoconferencing platform or participation in the meeting by videoconference due to natural disasters, accidents or other force majeure events, and how issues are dealt with shall also be included in the minutes.</u></p>	<p>meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.</p> <p>The meeting minutes shall accurately record the year, month, day, place of the meeting, the full name of the chair, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights), and disclose the number of voting rights won by each candidate in the event of an election of directors. The meeting minutes shall be retained for the duration of the existence of the Company.</p>	
<p>Article 17 [Handling of disconnection]</p> <p><u>In the event of a virtual shareholders' meeting, when declaring the meeting open, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20, paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the chair shall also declare that if the virtual meeting</u></p>		<ol style="list-style-type: none"> 1. This article is newly added. 2. Adding matters in connection with a virtual meeting in accordance with the "Sample Template for ○○ Co., Ltd. Rules of Procedure for Shareholders Meetings" issued by the Taiwan Stock Exchange.

Amended Articles	Original Articles	Descriptions
<p><u>platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the chair has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply.</u></p> <p><u>For a meeting to be postponed or resumed as described in the preceding paragraph, shareholders who have not registered to participate in the affected shareholders' meeting online may not attend the postponed or resumed session.</u></p> <p><u>For a meeting to be postponed or resumed under the first paragraph, the number of shares represented and voting rights and election rights exercised at the affected shareholders' meeting by shareholders who have registered to participate in the affected shareholders' meeting and have successfully signed in the meeting but do not attend the postponed or resumed session shall be counted towards the total number of shares, number of voting rights and number of election rights represented at the postponed or resumed session.</u></p> <p><u>During a postponed or resumed session of a shareholders' meeting held under the first paragraph, no further discussion or resolution is required for proposals for which votes have been cast and counted and results have been announced, or lists of elected directors which have been announced.</u></p> <p><u>When the Company convenes a hybrid shareholders' meeting, and the virtual meeting cannot continue as described in first paragraph, if the total number of</u></p>		

Amended Articles	Original Articles	Descriptions
<p><u>shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders' meeting by videoconference, still meets the minimum legal requirement for a shareholders' meeting, then the shareholders' meeting shall continue, and no postponement or resumption thereof under the first paragraph is required.</u></p> <p><u>Under the circumstances where a meeting should continue as in the preceding paragraph, the shares represented by shareholders attending the virtual meeting by videoconference shall be counted towards the total number of shares represented by shareholders present at the meeting, provided these shareholders shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders' meeting.</u></p> <p><u>When postponing or resuming a meeting according to the first paragraph, the Company shall handle the preparatory work based on the date of the original shareholders' meeting in accordance with the requirements listed under Article 44-20, paragraph 7 of the Regulations Governing the Administration of Shareholder Services of Public Companies.</u></p> <p><u>For dates or period set forth under the latter half of Article 12 and Article 13, paragraph 3 of the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, and Article 44-5, paragraph 2, Article 44-15, and Article 44-17, paragraph 1 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall handle the matter based on the date of the shareholders' meeting that is</u></p>		

Amended Articles	Original Articles	Descriptions
<u>postponed or resumed under the first paragraph.</u>		
Article 18 [Unaddressed matters] Matters not addressed in these Rules shall be handled in accordance with the Company Act, the Company's Articles of Incorporation <u>and orders and instructions of the competent authority.</u>	Article 17 [Unaddressed matters] Matters not addressed in the these Rules shall be handled in accordance with the Company Act <u>and</u> the Company's Articles of Incorporation.	1. The article sequence is adjusted. 2. Some wordings are amended.
Article 19 [Amendments] (Omitted)	Article 18 [Amendments] (Omitted)	The article sequence is adjusted.

Proposal 2

Proposed by the Board of Directors

Summary: Amendments to some articles of the Company's "Rules Governing the Election of Directors."

Description:

1. The nomination system has been adopted for the election of directors, and by which shareholders can have a good understanding of information about each candidate, e.g. a candidate's name, stated on the list of candidates and make his or her choice before a shareholders' meeting. The identity information of a candidate, i.e. shareholder's account number or ID number, is thus not required, so Articles 7 and 8 are deleted to accommodate the actual practice. Please refer to pages 51 to 52 of this Handbook for the comparison table before and after amendment, and Appendix 3 for the original articles.
2. This proposal has been approved by the 10th board meeting of the current (19th) term of the Board of Directors, and is hereby submitted for resolution in accordance with the law.

Resolution:

Shin Shin Natural Gas Co., Ltd.

Comparison Table of the “Rules Governing the Election of Directors” Before and After Amendment

Amended Articles	Original Articles	Descriptions
<p>Article 1 Except as otherwise provided by <u>laws and regulations</u> or the Company’s Articles of Incorporation, elections of directors shall be conducted in accordance with these Rules.</p>	<p>Article 1 Except as otherwise provided by <u>the Company Act</u> or the <u>Company’s Articles of Incorporation</u>, elections of directors shall be conducted in accordance with these Rules.</p>	<p>The wording is amended for completeness.</p>
<p>Article 7 (Deleted)</p>	<p><u>Article 7</u> <u>If a candidate is a shareholder, a voter must enter the candidate’s account name and shareholder account number in the “candidate” column of the ballot; for a non-shareholder, the voter shall enter the candidate’s full name and ID number. However, when the candidate is a government organization or juristic person shareholder, the name of the government organization or juristic-person shareholder shall be entered in the column for the candidate’s account name on the ballot, or both the name of the government organization or</u></p>	<p>The Company adopts a nomination system for the election of directors, and shareholders shall elect from the list of candidates for directors. Shareholders can have a good understanding of information about each candidate stated on the list of candidates, e.g., a candidate’s name, education and experience. The identity information of a candidate, i.e., shareholder’s</p>

Amended Articles	Original Articles	Descriptions
	<u>juristic person shareholder and the name of its representative may be entered. When there are multiple representatives, the names of each respective representative shall be entered.</u>	account number or ID number, is thus not necessary, so this article is deleted.
<p>Article 8 Ballots are invalid in any of the following circumstances:</p> <ol style="list-style-type: none"> (1) The ballot was not prepared by a person with the right to convene. (2) A blank ballot is placed in the ballot box. (3) The writing is unclear and indecipherable or has been altered. (4) The candidate whose name is entered on the ballot does not conform to the List of Candidate for Directors. (5) Other words or marks are entered in addition to <u>the names of the candidates and the</u> number of voting rights allocated. 	<p>Article 8 Ballots are invalid in any of the following circumstances:</p> <ol style="list-style-type: none"> (1) The ballot was not prepared by a person with the right to convene. (2) A blank ballot is placed in the ballot box. (3) The writing is unclear and indecipherable or has been altered. (4) The candidate whose name is entered on the ballot does not conform to the List of Candidate for Directors. (5) Other words or marks are entered in addition to the number of voting rights allocated. 	Some wordings are amended to accommodate the actual practice.

5. Extraordinary Motions

6. Meeting Adjourned

Rules of Procedure for Shareholders' Meetings of Shin Shin Natural Gas Co., Ltd. (Before amendment)

It was resolved in the regular shareholders' meeting on May 14, 1982, that these Rules remain in force.

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

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

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

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

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

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

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

Article 1 [Basis]

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

Article 2 [Convening shareholders' meetings]

Unless otherwise provided by law or regulation, the Company's shareholders' meeting shall be convened by the Board of Directors.

The relevant organizational time and data transmission and preparation of the Company's shareholders' meeting shall be handled in accordance with laws and regulations.

The reasons for convening a shareholders' meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.

The shareholders' meeting is convened by the Board of Directors with the meeting agenda set by the Board of Directors. Votes shall be cast on each separate proposal in the agenda (including extraordinary motions and amendments to the original proposals). The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders' meeting.

The provisions of the preceding paragraph apply mutatis mutandis to a shareholders' meeting convened by a party with the power to convene that is not the Board of Directors.

The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders' meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the Board of Directors shall promptly assist the attending shareholders in electing a new chair by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

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

Shareholders holding one percent or more of the total number of outstanding shares of the Company may propose to the Company a proposal for discussion at a regular shareholders' meeting, provided that only one matter shall be allowed in each single proposal, and in case a proposal contains more than one matter, such proposal shall not be included in the agenda.

In addition, when the circumstances of any of the subparagraphs of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the Board of Directors may exclude it from the agenda.

Article 3 [Attending shareholders' meetings by proxy]

A shareholder who cannot attend a shareholders' meeting in person may appoint a proxy to attend the shareholders' meeting on their behalf with the scope of power authorized detailed. A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders' meeting, and shall deliver the proxy form to the Company before five days before the date of the shareholders' meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.

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

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

Article 4 [Venue and time]

The venue for a shareholders' meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders' meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m.

Article 5 [Shareholder attendance registration]

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

The place at which attendance registrations are accepted shall be clearly marked, and a sufficient number of suitable personnel assigned to handle the registrations.

Shareholders and their proxies (collectively, "shareholders") shall attend the shareholders' meeting based on attendance cards, sign-in cards, or other certificates of attendance. Solicitors soliciting proxy forms shall also bring identification documents for verification.

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

When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders' meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.

Article 6 [Chair of the shareholders' meeting]

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

The chair as referred to in the preceding paragraph shall be one who has held their position for six months or more and who understands the financial and business conditions of the Company. The same shall be true for a representative of a juristic person director that serves as chair.

If a shareholders' meeting is convened by a party with the power to convene other than the Board of Directors, the convening party shall chair the meeting. When there are two or more

such convening parties, they shall mutually select a chair from among themselves. The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders' meeting in a non-voting capacity.

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

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

Article 8 [Standard compliant of meetings]

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

The chair shall call the meeting to order at the scheduled meeting time and at the same time announce the number of non-voting shares and the number of shares present and other related information. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned.

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders' meeting shall be convened within one month.

When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders' meeting pursuant to Article 174 of the Company Act.

Article 9 [Shareholder speech and response]

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

A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.

When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.

Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed five minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.

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

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

In addition to the proposals listed in the agenda, shareholders' amendments to the original proposals, alternative proposals or other extraordinary motions proposed shall be seconded by

other shareholders; the same shall apply for changes to the agenda and motions to adjourn the meeting.

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

Article 10 [Calculation of voting rights and recusal]

With respect to resolutions of shareholders' meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares.

When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of the Company, that shareholder may not vote on that item, and they may not exercise voting rights as proxy for any other shareholder.

The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders.

Article 11 [Voting]

Shareholders shall be entitled to one vote for each share held, except when the shares are restricted shares or deemed non-voting shares under Article 179, paragraph 2 of the Company Act.

When the Company holds a shareholders' meeting, it may allow shareholders to exercise voting rights by correspondence or electronic means. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders' meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person. However, with respect to motions and amendments to original proposals of the shareholders' meeting, voting rights shall be deemed to be waived.

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company before two days before the date of the shareholders' meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.

After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders' meeting in person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company by the same means by which the voting rights were exercised before two business days before the date of the shareholders' meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders' meeting, the voting rights exercised by the proxy in the meeting shall prevail.

Except as otherwise provided in the Company Act and in the Company's Articles of Incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders.

When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

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

arrange adequate time for voting.

Article 12 [Vote supervision, counting and announcing]

Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company.

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

Article 13 [Elections of directors]

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

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recorded materials shall be retained until the conclusion of the litigation.

Article 14 [Preparation and retention of meeting minutes]

Matters relating to the resolutions of a shareholders' meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy shall be distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.

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

The meeting minutes shall accurately record the year, month, day, place of the meeting, the full name of the chair, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights), and disclose the number of voting rights won by each candidate in the event of an election of directors. The meeting minutes shall be retained for the duration of the existence of the Company.

Article 15 [Maintaining order at the meeting place]

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

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

When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the meeting.

Article 16 [Break and recess of the shareholders' meeting]

When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

If the meeting venue is no longer available for continued use and not all of the items (including extraordinary motions) on the meeting agenda have been addressed, the shareholders' meeting may adopt a resolution to resume the meeting at another venue.

A resolution may be adopted at a shareholders' meeting to defer or resume the meeting within five days in accordance with Article 182 of the Company Act.

Article 17 [Unaddressed matters)

Matters not addressed in these Rules shall be handled in accordance with the Company Act and the Company's Articles of Incorporation.

Article 18 [Amendments]

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

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

Chapter I General Principles

- Article 1 The Company is incorporated in accordance with the Company Act and is named “Shin Shin Natural Gas Co., Ltd.” (hereinafter referred to as “the Company”).
- Article 2 The Company is a joint investment of the Veterans Affairs Council, R.O.C. and the private sector. The Company is engaged in the business of supplying natural gas in Taipei City and New Taipei City, with the purpose of developing public utilities, serving society, and arranging employment for veterans.
- Article 3 The Company’s scope of business operation is as follows:
1. D201011 Natural Gas Utility Enterprise
 2. CR01010 Gas Apparatus and Parts Manufacturing
 3. E502010 Fuel Catheter Installation Engineering
 4. JE01010 Rental and Leasing
 5. B102010 Extraction of Crude Petroleum and Natural Gas
 6. E603130 Gas Water Heater Contractors
 7. D401010 Thermal Energy Supply
 8. E603040 Fire Safety Equipment Installation Engineering
 9. E603050 Automatic Control Equipment Engineering
 10. F401181 Measuring Instruments Import
 11. F213050 Retail Sale of Measuring Instruments
 12. F113060 Wholesale of Measuring Instruments
 13. ID01010 Measuring Instruments Certification
 14. D101050 Combined Heat and Power
 15. F105050 Wholesale of Furniture, Bedding Kitchen Utensils and Fixtures
 16. F205040 Retail Sale of Furniture, Bedding Kitchen Utensils and Fixtures
 17. E801070 Kitchenware and Sanitary Fixtures Installation Engineering
 18. F401010 International Trade
 19. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.
- Article 4 The Company is located in New Taipei City, and may set up branches in other regions as needed. The establishment and abolition of the Company is decided by the Board of Directors.
- Article 5 The Company’s announcements shall be handled in accordance with the relevant laws and regulations.

Chapter II Stock and Shares

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

shall register the issued shares with a centralized securities depository enterprise.

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

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

Chapter III Shareholders' Meetings

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

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

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

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

Article 11 When a shareholder is unable to attend a shareholders' meeting, they may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the scope of the proxy's authorization.

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

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

Article 13 Resolutions at a shareholders' meeting shall, unless otherwise provided by laws

and regulations or the Company's Articles of Incorporation, be adopted by a majority vote of the shareholders present, who represent more than one half of the total number of voting shares.

Article 14 The shareholders' meeting is convened and chaired by the chairperson. When the chairperson is on leave, the chairperson shall appoint one of the directors to chair the shareholders' meeting. Where the chairperson does appoint a director, the directors shall select from among themselves one person to serve as chair. If a shareholders' meeting is convened by a party with the power to convene other than the Board of Directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.

Chapter IV Directors

Article 15 The Company appoints 15 to 24 directors (including independent directors) to organize the Board of Directors, and the directors are elected for a three-year term and eligible for re-election in accordance with the provisions of Article 192 and Article 198 of the Company Act.

The election of directors is implemented in accordance with the candidate nomination system as stated in Article 192-1 of the Company Act. Matters related to the acceptance and announcement of the candidate nomination for directors shall be handled in accordance with the relevant laws and regulations of the Company Act and the Securities and Exchange Act.

The number of independent directors may not be less than three, and may not be less than one fifths of the total number of directors to be elected. The professional qualifications, restrictions on shareholding and concurrent positions, determination of independence, nomination methods, and other matters to be followed regarding the election of independent directors shall be handled in accordance with the regulations of the competent authority.

Article 16 The directors organize the board of director with a resolution adopted by a majority vote at a board meeting attended by more than two thirds of the total number of directors, and the directors shall elect one director from among themselves as the chairperson. The chairperson represents the Company externally, and shall perform their duties in accordance with laws and regulations, the Articles of Incorporation, and the resolutions of the shareholders' meeting and the Board of Directors.

Article 17 A board meeting should be convened at least once per quarter. A special board meeting may be convened when necessary. Board meetings are chaired by the chairperson. When the chairperson is on leave, the chairperson shall appoint one of the directors to chair the board meeting. Where the chairperson does not appoint a director, the directors shall select from among themselves one person to serve as chair.

Article 17-1 The Company shall have all directors informed seven days in advance regarding the convening of the board meeting with the information of time, place, and reason for convening detailed; however, in case of emergency, a board meeting may be convened at any time. The directors may be informed of the board meeting to be convened in writing, by e-mail, or by fax.

Article 18 The Company's directors may appoint other directors to attend the board meeting, but the proxy is limited to one person.

Article 19 The Board of Directors may appoint an adjunct and a secretary to assist the chairperson in handling general business and specific matters of the Board of Directors, when necessary, as well as to participate in project reviews, general

document reviews, and assigned matters.

The Company has set up an audit office, which is subordinate to the Board of Directors. The audit office has one chief auditor and several auditors. The appointment and dismissal of the chief auditor shall be approved by the Audit Committee and reported to the Board of Directors. Auditors shall be approved by the chairperson in accordance with “Guidelines for Appointment, Dismissal, Evaluation and Wage and Remuneration of Internal Auditors.”

Article 20 The Board of Directors exercises the following authorities:

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

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

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

Article 23 An acting director is to be appointed to assist the chairperson in handling routine operations depending on the needs of the chairperson and with the consent of the Board of Directors.

Article 24 (Deleted)

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

Article 26 The Company has established an Audit Committee composed of the independent directors. One of the independent directors is the convener, and at least one of the independent directors has accounting or financial expertise. The members of the Audit Committee members, implementation of powers, and other matters to be complied with are to be handled in accordance with the relevant laws and regulations.

Article 27 The directors’ remuneration is to be determined by the Board of Directors in accordance with the general standard of the industry.

Article 28 (Deleted)

Chapter V Management and Other Employees

Article 29 The Company has appointed a general manager. The chairperson presents such appointment to the Board of Directors for resolution, and the same shall apply

for the dismissal of the general manager. There is an adjunct in the general manager's office to assist the general manager in handling routine operations and specific and assigned matters. The said appointment is resolved by the general manager together with the chairperson before reporting to the Board of Directors for resolution.

Article 30 The Company has two deputy general managers, one chief engineer, two deputy chief engineers, one secretary and several senior supervisors and deputy supervisors who are submitted by the general manager to the chairperson for selection before reporting to the Board of Directors for resolution. Other employees are appointed and dismissed by the general manager in accordance with the Company's personnel management regulations and reported to the Board of Directors for future reference.

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

Chapter VI Accounting

Article 32 The Company's fiscal year is from January 1 to December 31. The Company, at the end of the fiscal year, shall handle the final accounts in accordance with Article 228 of the Company Act. The Board of Directors shall prepare the following reports for the recognition of the shareholders' meeting in accordance with legal procedures.

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

The aforementioned reports shall be prepared in accordance with the regulations of the central competent authority, and shall be audited and certified by independent auditors.

Article 33 The Company shall appropriate employee compensation for an amount equivalent to 2.2% of the profits, if any, which is to be distributed in shares or cash by resolution of the Board of Directors. The employees of subordinate companies who meet certain conditions are also entitled to such earnings distribution. The Company's Board of Directors may resolve to have directors' remuneration appropriated for an amount of no more than 2.2% of the aforementioned profits.

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

However, when the Company has accumulated losses, an equivalent amount should be reserved in advance for making up such losses before appropriating the employee compensation and directors' remuneration in accordance with the ratio stated in the preceding paragraph.

Article 33-1 The Company adopts a fixed cash-dividend payment ratio policy. In principle, the annual cash dividends paid shall not be less than 20% of the total dividends. However, the Company may increase the distribution ratio in response to changes in the economy and market environment by referring to the business plan, profitability, investment capital needs, and taking into account the adequacy of the Company's working capital. If the Company has "current net income" in each annual final account, in addition to making up for losses and appropriating legal reserve for an amount equivalent to 10% of after-tax surplus,

the balance, if any, together with the retained earnings at the beginning of the same period and the “adjusted unappropriated retained earnings for the current year” should be distributed in the following order:

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

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

Chapter VII Additional Provisions

Article 34 The organizational charter and bylaws of the Company shall be established separately.

Article 35 Matters not addressed in the Articles of Incorporation shall be handled in accordance with the Company Act, Banking Act, Rules Governing Bills Finance, and other relevant laws and regulations.

Article 36 The Articles of Incorporation were formulated on March 25, 1971.

The 1st amendment was made on May 25, 1972.

The 2nd amendment was made on November 25, 1972.

The 3rd amendment was made on March 31, 1975.

The 4th amendment was made on June 23, 1976.

The 5th amendment was made on March 2, 1977.

The 6th amendment was made on June 26, 1978.

The 7th amendment was made on May 23, 1979.

The 8th amendment was made on June 6, 1980.

The 9th amendment was made on May 8, 1981.

The 10th amendment was made on August 28, 1981.

The 11th amendment was made on November 20, 1981.

The 12th amendment was made on May 14, 1982.

The 13th amendment was made on May 6, 1983.

The 14th amendment was made on May 15, 1984.

The 15th amendment was made on May 21, 1985.

The 16th amendment was made on April 25, 1986.

The 17th amendment was made on April 29, 1988.

The 18th amendment was made on April 28, 1989.

The 19th amendment was made on April 27, 1990.

The 20th amendment was made on April 26, 1991.

The 21st amendment was made on May 8, 1992.

The 22nd amendment was made on May 14, 1993.

The 23rd amendment was made on March 26, 1994.

The 24th amendment was made on May 27, 1995.

The 25th amendment was made on May 11, 1996.

The 26th amendment was made on May 24, 1997.
The 27th amendment was made on May 29, 1998.
The 28th amendment was made on May 29, 1999.
The 29th amendment was made on May 19, 2000.
The 30th amendment was made on June 21, 2002.
The 31st amendment was made on June 17, 2005.
The 32nd amendment was made on June 23, 2006.
The 33rd amendment was made on June 17, 2010.
The 34th amendment was made on June 13, 2012.
The 35th amendment was made on June 21, 2013.
The 36th amendment was made on June 12, 2014.
The 37th amendment was made on June 23, 2015.
The 38th amendment was made on June 27, 2016.
The 39th amendment was made on June 23, 2017.
The 40th amendment was made on June 22, 2020.
The 41st amendment was made on August 31, 2021.
The 42nd amendment was made on June 17, 2022.
The Articles of Incorporation are to be implemented after resolution of the regular shareholders' meeting, and the same shall apply for amendments.

“Rules Governing the Election of Directors” of Shin Shin Natural Gas Co., Ltd. (Before amendment)

Passed in the 1982 regular shareholders’ meeting on May 14, 1982.
The amendments were passed in the 1985 regular shareholders’ meeting on May 21, 1985.
The amendments were passed in the 1997 regular shareholders’ meeting on May 24, 1997.
The amendments were passed in the 2002 regular shareholders’ meeting on June 21, 2002.
The amendments were passed in the regular shareholders’ meeting on June 12, 2014.
The amendments were passed in the regular shareholders’ meeting on June 23, 2017.
The amendments were passed in the regular shareholders’ meeting on August 31, 2021.

- Article 1: Except as otherwise provided by the Company Act or the Company’s Articles of Incorporation, the election of directors shall be conducted in accordance with these Rules.
- Article 2: The overall composition of the Board of Directors shall be taken into consideration in the selection of the Company’s directors. The composition of the Board of Directors shall be determined by taking diversity into consideration and pay attention to gender equality, different professional backgrounds and work fields, and the necessary knowledge, skills and qualities for the performance of duties. The Board of Directors should be capable of operational judgment, accounting and financial analysis, operational management, crisis handling, leadership, and decision-making. The qualification and selection of the Company’s independent directors shall comply with the governing laws and regulations.
- Article 3: The Company’s elections of directors shall be conducted in accordance with the candidate nomination system set out in Article 192-1 of the Company Act. The Company’s election of directors is held at the shareholders’ meeting. Each share has voting rights equal in number to the number of directors to be elected (including independent directors), and may be cast for a single candidate or split among multiple candidates.
- Article 4: The Board of Directors shall prepare ballots for directors in number corresponding to the number of directors to be elected. The number of voting rights of each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders’ meeting. However, no separate ballots will be prepared for shareholders who exercise their voting rights electronically.
- Article 5: The number of directors will be elected in response to the business operations of the Company in accordance with the quorum specified in the Company’s Articles of Incorporation. The election of directors and the election of independent directors will be held at the same time but with the voting rights of the directors and independent directors counted separately. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.
- Article 6: Before the election begins, the chair shall appoint a number of persons to perform the respective duties of vote monitoring and counting personnel. The vote monitoring personnel be shareholders. The ballot boxes shall be prepared by the Board of Directors and publicly

- checked by the vote monitoring personnel before the voting commences.
- Article 7: If a candidate is a shareholder, a voter must enter the candidate's account name and shareholder account number in the "candidate" column of the ballot; for a non-shareholder, the voter shall enter the candidate's full name and ID number. However, when the candidate is a government organization or juristic person shareholder, the name of the government organization or juristic-person shareholder shall be entered in the column for the candidate's account name on the ballot, or both the name of the government organization or juristic person shareholder and the name of its representative may be entered. When there are multiple representatives, the names of each respective representative shall be entered.
- Article 8: Ballots are invalid in any of the following circumstances:
- (1) The ballot was not prepared by a person with the right to convene.
 - (2) A blank ballot is placed in the ballot box.
 - (3) The writing is unclear and indecipherable or has been altered.
 - (4) The candidate whose name is entered on the ballot does not conform to the List of Candidate for Directors.
 - (5) Other words or marks are entered in addition to the number of voting rights allocated.
- Article 9: The voting rights shall be calculated on site immediately after the end of the voting, and the results of the calculation, including the list of persons elected or not elected as directors and the numbers of votes they received, shall be announced by the chair on site.
- The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recorded materials shall be retained until the conclusion of the litigation.
- Article 10: The Company's Board of Directors will issue notifications to the persons elected as directors.
- Article 11: The "Rules Governing the Election of Directors," and any amendments hereto, shall be implemented after adoption by the shareholders' meeting.

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

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

Record Date: **April 29, 2023**

Title	Name	Date of election	Term of office	Number of shares held when elected		Number of shares held as per the shareholder register on the book closure date	
				Number of shares	Percentage (%)	Number of shares	Percentage (%)
Chairperson	Ho-Chia Chen	2021.8.31	3 years	912,010	0.51	912,010	0.51
Director	Veterans Affairs Commission, Executive Yuan Representative: Yen-Chun Wu	2021.8.31	3 years	46,556,713	25.79	46,556,713	25.79
Director	Veterans Affairs Commission, Executive Yuan Representative: Kun-chung Huang	2021.8.31	3 years				
Director	Veterans Affairs Commission, Executive Yuan Representative: Chy-Chung Chang	2021.8.31	3 years				
Director	Veterans Affairs Commission, Executive Yuan Representative: Fu-Hua Ni	2021.8.31	3 years				
Director	Veterans Affairs Commission, Executive Yuan Representative: Wei-an Lee	2021.8.31	3 years				
Director	Veterans Affairs Commission, Executive Yuan Representative: Yee-kong Lee	2021.8.31	3 years				
Director	The Great Taipei Gas Corporation Representative: Richard H Wu	2021.8.31	3 years	10,534,066	5.83	10,534,066	5.83
Director	The Great Taipei Gas Corporation Representative: Hsin-Ju Wu	2021.8.31	3 years				
Director	The Great Taipei Gas Corporation Representative: Po-Fong Lin	2021.8.31	3 years				
Director	Kindasaki Biochemical Technology Co., Ltd. Representative: Pao-Kway Chen Chien	2021.8.31	3 years	6,031,011	3.34	6,031,011	3.34
Director	Kindasaki Biochemical Technology Co., Ltd. Representative: Hui-Chun Chen Wu	2021.8.31	3 years				
Director	Shin-Hai Gas Co. Ltd. Representative: Rung-Fu Hsieh	2021.8.31	3 years	4,668,441	2.59	4,668,441	2.59
Director	Tung Chan Enterprise Co., Ltd. Representative: Hung-Wen Chuang	2021.8.31	3 years	31,506	0.02	31,506	0.02
Director	Shin Kong Wu Ho-Su Memorial Hospital Representative: Po-Ih Wang	2021.8.31	3 years	1,406,821	0.78	1,406,821	0.78
Director	Jung-Chun Huang	2021.8.31	3 years	914,951	0.51	914,951	0.51
Director	Cheng-Cheng Wong	2021.8.31	3 years	1,139,698	0.63	1,139,698	0.63
Director	Kuo-Tai Chang	2021.8.31	3 years	1,327,101	0.74	1,327,101	0.74
Director	Ko-Tseng Li	2021.8.31	3 years	111,022	0.06	111,022	0.06
Independent Director	Ching-Kuo LEE	2021.8.31	3 years	0	0	0	0
Independent Director	Chin-Ming Kuo	2021.8.31	3 years	0	0	0	0
Independent Director	Ming-Hsiung Chen	2021.8.31	3 years	0	0	0	0
Independent Director	Han-Lin Tseng	2021.8.31	3 years	0	0	0	0
Independent Director	Shu-Ping Hsu	2022.6.17	Till 2024.8.30	0	0	0	0
Total						72,721,330	40.28
Remarks	The Company's paid-in capital is NT\$1,805,374,530. The total number of issued shares is 180,537,453.						

Other Information

- I. The impact of the free allotment proposed at the general shareholders' meeting on the Company's operating performance and earnings per share: The Company did not propose a free allotment at the **(2023)** Annual General Meeting of shareholders, so there was no impact on the Company's operating performance and earnings per share.

- II. Description of the acceptance of shareholders' proposals at the **(2023)** Annual General Meeting of Shareholders:
 - (1) As per the provisions of Articles 172-1 of the Company Act, each shareholder who holds more than one percent of the Company's total outstanding shares may submit a written proposal to the Company for the annual general meeting of shareholders.
 - (2) Such a proposal shall contain only one issue and be limited to 300 words. Any proposals with more than one issue or 300 words will not be included in the agenda. Shareholders who make such proposals shall attend the general meeting of shareholders in person or by proxy, and participate in the discussion of the proposals.
 - (3) The acceptance period of shareholders' proposals is from **April 18, 2023** to **April 27, 2023**, and has been announced on the MOPS in accordance with the law.
 - (4) During the abovementioned acceptance period of shareholders' proposals, the Company did not receive any shareholders' proposals.

1. Agenda of the General Shareholders' Meeting

2. Reporting Matters

3. Recognition Matters

4. Discussion Matters

Appendices