

Stock Code: 9918

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

Consolidated Financial Statements

(Including Independent Auditor's Report)

2023 and 2022

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

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

Company TEL: (02)2921-7811

Notice to Readers

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

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

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Declaration

The entities to be included in the consolidated financial statements of affiliated enterprises in 2023 (from January 1, 2023 to December 31, 2023) pursuant to the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" are the same as those to be included in the consolidated financial statements of the parent company and subsidiaries pursuant to the IAS No. 10. Further, the related information to be disclosed in the consolidated financial statement of affiliated enterprises has been disclosed in the said consolidated financial statements of parent company and subsidiaries. Accordingly, it is not necessary for the Company to prepare the consolidated financial statements of affiliated enterprises separately.

Declared by

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

Person in charge: Chen Ho-Chia

March 12, 2024

Independent Auditor’s Report

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

Audit opinions:

We have audited the consolidated balance sheets of Shin Shin Natural Gas Co., LTD. and its subsidiaries as of December 31, 2023 and 2022, 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.

The accompanying consolidated financial statements present fairly, materially, the consolidated financial position of the Shin Shin Natural Gas Co., Ltd. and its subsidiaries as at December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended under the “Regulations Governing the Preparation of Financial Reports by Securities Issuers”, the Regulations on Accounting Handling for Public Natural Gas Enterprises, and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

Basis for opinions

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the 2023 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, and in forming our opinion thereon, and we do not provide separate opinions on those matters.

Key audit matters of the 2023 consolidated financial statements of Shin Shin Natural Gas Co., LTD. and its subsidiaries were:

Key audit matter - Reasonableness and appropriateness of sales revenue recognition

Description of the matter

Please refer to Note 4(24) to the consolidated financial statements for the accounting policy

on revenue recognition. The sales revenue of Shin Shin Natural Gas Co., Ltd. is mainly from natural gas sales, inner tube installations and other service revenue.

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

1. Evaluate and test the effectiveness of internal control procedures relevant to the recognition of revenue from gas sales and installations.
2. Based on our understanding of the industry of Shin Shin Natural Gas Co., LTD., we evaluated the reasonableness of the estimated degrees of the unread 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 after 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, 2023 and 2022 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 internal control related to preparing consolidation of financial statements to ensure the material misstatement caused by fraud or error does not exist in the consolidated financial statements.

In preparing the consolidated financial statements, the management is also responsible for

assessing the ability of Shin Shin Natural Gas Co., LTD. and its subsidiaries as a going concern, disclosing, 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 are free from material misstatements, whether due to fraud or error, and to issue an auditor's report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted under the Generally Accepted Auditing Standards will always detect a material misstatement when it exists in a consolidated financial statement. Misstatements can arise from fraud or error. Misstatements are considered material, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken based on these consolidated financial statements.

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

1. Identify and assess the risks of material misstatements of the consolidated financial statements, whether or not due to fraud or error; design, and perform countermeasures for assessed risks; and obtain evidence that is sufficient to provide a basis for audit opinion. The risk of not detecting a material misstatement 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 to design audit procedures appropriate in the circumstances, but not to express an opinion on the effectiveness of the internal control effective in Shin Shin Natural Gas Co., LTD.
3. Evaluate the appropriateness of accounting policies used and the reasonability of accounting estimates and related disclosures made by the management.
4. Conclude the appropriateness of the going concern basis of accounting by the management, and, based on the audit evidence obtained, whether a material uncertainty exists related to the events or conditions that may cast a significant doubt on Shin Shin Natural Gas Co., LTD. and its subsidiaries to continue as a going concern. If we conclude that a material uncertainty exists, we must draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosure is inappropriate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the auditor's report. Future events or conditions may cause Shin Shin Natural Gas Co., LTD. and its subsidiaries to 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 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 the planned scope and timing of the audit and significant audit findings (including any significant deficiencies in internal control we identify during our audit).

We also provide those in charge of governance with a statement 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 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, 2023. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

BDO Taiwan

CPA:

CPA:

Approval of Attestation of the Competent Securities Authority: (1994) Tai-Cai-Zheng -Zi

No. 31146

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

March 12, 2024

Shin Shin Natural Gas Co., LTD. and its subsidiaries
Consolidated Balance Sheets
December 31, 2023 and 2022

Unit: In thousands of NTD

Code	Assets	Note	December 31, 2023		December 31, 2022		Code	Liabilities and equity	Note	December 31, 2023		December 31, 2022	
			Amount	%	Amount	%				Amount	%	Amount	%
	Current assets												
1100	Cash and cash equivalents	4, 6(1)	\$ 411,489	7	\$ 590,318	11	2130	Current contract liabilities	6(13)	\$ 762,737	14	\$ 570,067	12
1110	Current financial assets at fair value through profit or loss	4, 6(2)	869,623	15	584,659	11	2150	Notes payable	4, 6(14)	20,218	-	26,327	-
1136	Current financial assets at amortised cost	4, 6(3)	1,209,655	22	843,867	16	2170	Accounts payable	4, 6(14)	125,433	2	121,666	2
1150	Notes receivable, net	4, 6(4)	66	-	23,520	-	2200	Other payables	6(15)	221,302	4	207,988	4
1170	Accounts receivable, net	4, 6(4)	190,340	3	189,875	4	2230	Current income tax liabilities	4	24,599	-	46,690	1
1200	Other receivables	6(5)	23,371	-	15,722	-	2250	Current provisions–	4, 6(16)	1,889	-	1,908	-
1220	Current income tax assets		-	-	606	-	2280	Current lease liabilities–	4	1,921	-	4,451	-
130x	Inventories	4, 6(6)	42,313	1	45,177	1	2300	Other current liabilities		11,292	-	9,654	-
1410	Prepayments		6,728	-	10,564	-	21xx	Total current liabilities		1,169,391	20	988,751	19
1470	Other current assets		1,978	-	2,701	-							
11xx	Total current assets		2,755,563	48	2,307,009	43		Non-current liabilities					
							2570	Deferred income tax liabilities	4, 6(31)	65,257	1	65,278	1
							2580	Non-current lease liabilities	4	3,673	-	5,070	-
							2600	Other non-current liabilities	6(17)	1,345,149	24	1,282,092	24
1510	Non-current financial assets at fair value through profit or loss	4, 6(2)	25,343	-	19,237	-	25xx	Total non-current liabilities		1,414,079	25	1,352,440	25
1535	Non-current financial assets at amortised cost	4, 6(3)	-	-	70,000	1							
1600	Property, plant and equipment	4, 6(7)	2,569,750	45	2,448,977	47	2xxx	Total liabilities		2,583,470	45	2,341,191	44
1755	Right-of-use assets.	4, 6(8)	7,391	-	11,106	-							
1760	Investment property, net	4, 6(10)	47,529	1	47,754	1		Equity					
1780	Intangible assets		32	-	29	-		Equity attributable to owners of parent					
1840	Deferred income tax assets	4, 6(31)	43,996	1	40,333	1	3110	Ordinary share	4, 6(18)	1,805,375	32	1,805,375	34
1900	Other non-current assets	4, 6(11)	300,019	5	383,486	7	3200	Capital surplus	6(19)	79,589	1	77,062	1
15xx	Total non-current assets		2,994,060	52	3,020,922	57	3300	Retained earnings	6(20)				
							3310	Legal reserve		766,432	14	750,824	14
							3320	Special reserve		142,872	2	142,872	3
							3350	Unappropriated retained earnings (accumulated deficit)		418,713	7	257,435	5
							3500	Treasury shares	4, 6(21)	(46,828)	(1)	(46,828)	(1)
							31xx	Total equity attributable to owners of parent		3,166,153	55	2,986,740	56
							3xxx	Total equity		3,166,153	100	2,986,740	56
1xxx	Total assets		\$ 5,749,623	100	\$ 5,327,931	100		Total liabilities and equity		\$ 5,749,623	100	\$ 5,327,931	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, 2023 and 2022

Unit: In thousands of NTD

Code	Item	Note	2023		2022	
			Amount	%	Amount	%
4000	Operating revenue	4, 6(22)	\$ 1,932,392	100	\$ 1,946,310	100
5000	Operating costs	6(23)	1,367,465	71	1,374,486	71
5900	Gross profit (loss) from operations		564,927	29	571,824	29
	Operating expenses					
6100	Selling expenses		74,133	4	71,878	4
6200	Administrative expenses		194,472	10	169,907	8
6450	Expected credit impairment loss (gain)		429	-	(223)	-
6000	Total operating expenses		269,034	14	241,562	12
6900	Operating profit (loss)		295,893	15	330,262	17
	Non-operating income and expenses					
7100	Interest income	6(25)	31,365	2	22,524	1
7010	Other income	6(26)	21,412	1	22,259	1
7020	Other gain and loss	6(27)	72,972	3	(161,388)	(8)
7030	Gains (losses) arising from derecognition of financial assets measured at amortised cost	6(28)	-	-	(75)	-
7050	Finance costs, net	6(29)	(189)	-	(266)	-
7055	Expected credit impairment loss (gain)	6(30)	(4,523)	-	-	-
7000	Total of non-operating income and expenses		121,037	6	(116,946)	(6)
7900	Net profit (net loss) before tax		416,930	21	213,316	11
7950	Income tax expense (or benefit)	4, 6(31)	61,045	3	69,457	4
8200	Net profit (net loss) for the period		355,885	18	143,859	7
	Other comprehensive income					
8311	Re-measurement of defined benefit plan	4, 6(17)	1,923	-	15,282	1
8349	Incomes tax related to items not to be reclassified as profit or loss	4, 6(31)	(384)	-	(3,056)	-
8300	Other comprehensive income (net)		1,539	-	12,226	1
8500	Total comprehensive income for the period		\$ 357,424	18	\$ 156,085	8
8600	Net profit (loss) attributable to:					
8610	Owners of the parent company (net profit/loss)		\$ 355,885	18	\$ 143,859	7
8700	Total comprehensive income attributable to:					
8710	Owners of the parent company (comprehensive income)		\$ 357,424	18	\$ 156,085	8
	Earnings per share	6(32)				
9750	Basic earnings per share		\$ 2.00		\$ 0.81	
9850	Diluted earnings per share		\$ 2.00		\$ 0.81	

(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, 2023 and 2022

Unit: In thousands of NTD

	Equity attributable to Owners of the parent company							Total equity attributable to owners of parent	Total equity
	Ordinary share	Capital surplus	Legal reserve	Retained earnings		Treasury shares			
				Special reserve	Unappropriated retained earnings (accumulated deficit)				
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	
Balance as of January 1, 2023	\$ 1,805,375	\$ 77,062	\$ 750,824	\$ 142,872	\$ 257,435	\$ (46,828)	\$ 2,986,740	\$ 2,986,740	
Appropriation and distribution of earnings:									
Provision of legal reserve	-	-	15,608	-	(15,608)	-	-	-	
Cash dividends on common stock	-	-	-	-	(180,538)	-	(180,538)	(180,538)	
Net profit for the period from January 1 to December 31, 2023	-	-	-	-	355,885	-	355,885	355,885	
Other comprehensive income for the period from January 1 to December 31, 2023	-	-	-	-	1,539	-	1,539	1,539	
Total comprehensive income for the period	-	-	-	-	357,424	-	357,424	357,424	
Capital surplus adjusted for dividends paid to subsidiaries	-	2,527	-	-	-	-	2,527	2,527	
Balance as of December 31, 2023	\$ 1,805,375	\$ 79,589	\$ 766,432	\$ 142,872	\$ 418,713	\$ (46,828)	\$ 3,166,153	\$ 3,166,153	

(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, 2023 and 2022

Unit: In thousands of NTD

	2023	2022
Cash flows from operating activities		
Net profit before tax from continuing operations	\$ 416,930	\$ 213,316
Adjustment items		
Income and expense items		
Depreciation expenses	252,006	243,914
Amortization expense	69	66
Amount of expected credit impairment loss (gain)	4,952	(223)
Net loss (gain) on financial assets and liabilities measured at fair value through profit or loss	(44,760)	94,985
Interest expense	189	266
Net loss from derecognition financial assets measured at amortized cost	-	75
Interest income	(31,365)	(22,524)
Dividend income	(15,426)	(16,255)
Gain on disposal and scrapping of property, plant and equipment	(1,043)	(939)
Transfer of property, plant and equipment to expense	637	1,740
Unrealized foreign currency exchange gains	-	(198)
Changes in assets/liabilities related to operating activities		
Decrease (increase) in financial assets mandatorily measured at fair value through profit or loss	(243,510)	92,501
Decrease (increase) in notes receivable	23,454	(23,443)
Increase in accounts receivable	(893)	(18,866)
Increase in other receivables	(8,982)	(4,439)
Increase in inventories	(74,835)	(77,257)
Decrease (increase) in pre-paid expenses	176	(64)
Decrease (increase) in pre-payments	860	(1,631)
Decrease (increase) in other current assets	723	(1,241)
Decrease (increase) in net defined benefit assets	1,187	(2,913)
Increase in contract liabilities	192,670	29,358
Increase (decrease) in notes payable	(6,109)	8,015
Increase (decrease) in accounts payable	3,767	(489)
Increase (decrease) in other payables	13,313	(6,868)
Increase (decrease) in provision for liabilities	(19)	78
Increase in long-term deferred revenue	57,595	81,083
Increase in other current liabilities	480	864
Decrease in net defined benefit liabilities	-	(2,645)
Cash inflows (outflows) from operations	542,066	586,266
Interest received	28,353	20,423
Dividends received	15,249	16,404
Interest paid	(189)	(266)
Income tax refunded (paid)	(86,600)	(50,526)
Net cash inflows (outflows) from operating activities	498,879	572,301
Cash flows from investing activities		
Acquisition of financial assets measured at amortized cost	(1,399,217)	(1,058,411)
Disposal of financial assets measured at amortized cost	1,103,429	1,161,251
Increase in pre-payment for investment	-	(2,800)
Acquisition of property, plant and equipment	(288,436)	(290,168)
Disposal of property, plant and equipment	1,156	1,455
Increase in refundable deposits	(8)	-
Decrease in refundable deposits	8	19
Acquisition of intangible assets	(72)	(69)
Increase in other financial assets	(10)	(45,038)
Decrease in other financial assets	83,566	-
Increase in pre-payments for equipment	(1,958)	(646)
Net cash inflows (outflows) from investing activities	(501,542)	(234,407)
Cash flows from financing activities		
Increase in deposits received	12,790	8,572
Decrease in deposits received	(6,172)	(7,134)
Payments of lease liabilities	(4,775)	(4,432)
Distribution of cash dividends	(178,009)	(302,615)
Net cash inflows (outflows) from financing activities	(176,166)	(305,609)
Increase (decrease) in cash and cash equivalents for the period	(178,829)	32,285
Cash and cash equivalents at the beginning of the period	590,318	558,033
Cash and cash equivalents at the end of the period	\$ 411,489	\$ 590,318

(Please refer to Notes to the Standalone Financial Statements)

Chairperson

Managerial Officer

Accounting Officer

Shin Shin Natural Gas Co., LTD. and its subsidiaries
Notes to the Consolidated Financial Statements
2023 and 2022
(All amounts are in NTD unless otherwise stated in the notes)

I. Company History

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

Name of investor company	Name of subsidiary	Business nature	Percentage of shareholding	
			2023.12.31	2022.12.31
Shin Shin Natural Gas Co., LTD.	EVFA INTERNATIONAL CO., LTD. (hereinafter referred to as subsidiary)	Manufacture and sale of gas equipment and import/export dealership and planning and supervision of gas equipment and construction	100	100

II. Date and Procedure for Approval of Financial Statements

The consolidated financial statements were approved and issued by the Board of Directors on March 12, 2024.

III. Application of New and Revised Standards and Interpretation

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

The newly issued, amended and revised standards and interpretations of IFRSs endorsed by the FSC for the year ended December 31, 2023 are listed below.

Newly issued/amended/revised standards and interpretations	Effective date of issuance by the International Accounting Standards Board (IASB)
Amendment to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023
Amendment to IAS 8 "Definition of Accounting Estimates"	January 1, 2023
Amendment to IAS 12 "Deferred Income Taxes on Assets and Liabilities Arising from a Single Transaction"	January 1, 2023
Amendment to IAS 12 "International Tax Reform - Pillar Two Model Rules"	May 23, 2023

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

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

Newly issued/amended/revised standards and interpretations	Effective date of issuance by the International Accounting Standards Board (IASB)
Amendment to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2024
Amendment to IAS 1 “Non-current Liabilities with Covenants”	January 1, 2024
Amendments to IAS7 and IFRS7 “Supplier Finance Arrangements”	January 1, 2024
Amendment to IFRS 16 “Lease Liability in a Sale and Leaseback”	January 1, 2024

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

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

Newly issued/amended/revised standards and interpretations	International Accounting Standards Board (IASB) Effective date of issuance
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendment to IFRS 17 “Insurance Contracts”	January 1, 2023
Amendment to IFRS 17 “First-time Adoption of IFRS 17 and IFRS 9 - Comparative Information”	January 1, 2023
Amendment to IAS 21 “Lack of Exchangeability”	January 1, 2025
Amendments to IFRS 10 and IAS 28, “Sale or Contribution of Assets between an Investor and its Affiliate or Joint Venture and Investment in Affiliates”.	To be decided by the IASB

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

IV. Summary of Significant Accounting Policies

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

(I) Statement of Compliance

The accompanying consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, the Regulations on Accounting Handling for Public Natural Gas Enterprises, and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

(II) Basis of Preparation

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

(III) Principles Governing the Preparation of Consolidated Financial Statements

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

5. The components of profit or loss and other comprehensive income or loss are attributed to shareholders of the parent company and non-controlling interests; total comprehensive income or loss is also attributed to shareholders of the parent company and non-controlling interests, even if this results in a loss balance for non-controlling interests. (IV) Foreign currencies
1. The individual financial statements of each consolidated entity are presented in the currency of the primary economic environment in which the entity operates (functional currency). In preparing the consolidated financial statements, the results of operations and financial position of the each consolidated entity are translated into NTD, which is the functional currency of the Company and the presentation currency of the consolidated statements.
2. For the purpose of preparing the individual financial statements of each consolidated entity, transactions in currencies other than the functional currency of the entity (foreign currencies) are recognized at the exchange rates prevailing on the transaction dates. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the spot rate on that date; non-monetary items denominated in foreign currencies that are measured at fair value are retranslated at the rate of exchange prevailing on the date when the fair value was determined; non-monetary items denominated in foreign currencies that are measured at historical cost are not retranslated. Exchange differences are recognized in profit or loss in the period in which they occur.

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

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

(VI) **Cash and cash equivalents**

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

- (2) The risk of change in value is minimal.

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

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

(VIII) Financial assets measured at amortized cost

1. Refer to those that also meet the following criteria:
 - (1) Financial assets held under the operating model whose objective is to collect the contractual cash flows.
 - (2) The contractual terms of the financial asset generate cash flows at a specific date that are solely for the purpose of paying the principal and the interest on the outstanding principal amount.
2. Trade date accounting is used for financial assets measured at amortized cost in accordance with trading practice.
3. Financial assets are measured at their fair value plus transaction costs on initial recognition. Interest income and impairment losses are subsequently recognized over the circulation period using the effective interest method in accordance with the amortization procedure, and the gains or losses are recognized in profit or loss when derecognized.
4. Time deposits that are not cash equivalents are measured at investment amount due to their short holding periods and insignificant effect of discount.

(IX) Accounts and notes receivable

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

(X) Impairment of financial assets

At the end of each reporting period, for financial assets measured at amortized cost, an allowance for losses is provided for at the 12-month expected credit loss amount, taking into account all reasonable and probable information (including forward-looking information) for

financial assets whose credit risk has not increased significantly since initial recognition. If the credit risk has increased significantly since initial recognition, the allowance for loss is measured at the expected credit loss over the period of time; for accounts receivable that do not contain significant financial components, the allowance for loss is measured at the expected credit loss over the duration.

(XI) De-recognition of financial assets

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

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

(XII) Offset of financial assets and liabilities

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

(XIII) Inventories

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

(XIV) Property, plant and equipment

1. Recognition and Measurement

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

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

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

2. Subsequent Costs

If it is probable that future economic benefits expected to arise from an item of property, plant and equipment will flow to the Consolidated Company and the amount can be measured reliably, the expenditure is recognized as part of the carrying amount of the

item and the carrying amount of the replaced portion is derecognized. The cost of routine maintenance of property, plant and equipment is recognized in profit or loss as incurred.

3. Depreciation expense

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

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

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

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

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

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

1. Lease liabilities are recognized at the lease commencement date by discounting outstanding lease payments at the present value of the Consolidated Company's incremental borrowing rate, with lease payments consisting of:

(1) fixed payments (including material fixed payments), net of any lease incentives receivable;

- (2) lease payments that depend on changes in an index or rate (measured using the original index or rate at the inception date);
- (3) the amount expected to be paid by the lessee under the residual value guarantee;
- (4) the exercise price of a purchase option if the lessee can be reasonably certain that it will exercise such option; and
- (5) penalties payable for lease termination if the lease period reflects that the lessee will exercise the option to terminate the lease;

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

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

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

(XVI) Investment property

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

(XVII) Impairment of financial assets

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

(XVIII) Accounts and notes payable

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

(XIX) Provision for liabilities

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

(XX) Employee benefits

1. Short-term employee benefits

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

2. Pension

(1) Defined contribution plan

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

(2) Defined benefit plan

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

3. Termination benefits

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

4. Profit sharing remuneration for employees and for directors

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

(XXI) Income taxes

1. Income tax expense consists of current and deferred income taxes. Income taxes are recognized in profit or loss, except for those related to items included in other comprehensive income or directly in equity, which are included in other comprehensive income or directly in equity, respectively.
2. Current income taxes are based on tax rates that have been legislated or substantively enacted by the end of the reporting period. Management periodically evaluates the status of income tax returns with respect to applicable income tax regulations and, where applicable, estimates the income tax liability based on the expected tax payments to be made to the tax authorities. Additional income tax is levied on undistributed earnings in accordance with the Income Tax Act. Additional income tax expense on undistributed earnings is recognized when the actual distribution of earnings is approved by the shareholders in the year following the year in which the earnings are generated.
3. Deferred income tax is recognized using the balance sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts on the balance sheet. Deferred income tax is calculated using the tax rates that are expected to apply when the deferred income tax asset is realized or the deferred income tax liability is settled, if enacted or substantively enacted by the end of the reporting period.
4. Deferred income tax assets are recognized to the extent that it is probable that future taxable income will be available against which the temporary differences can be utilized, and unrecognized and recognized deferred income tax assets are reassessed at the end of each reporting period.
5. Current income tax assets and current income tax liabilities are offset when there is a legally enforceable right to offset current income tax assets and liabilities and there is an intention to settle the assets and settle the liabilities on a net basis or simultaneously. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets and liabilities and when the deferred income tax assets and liabilities are incurred by the same taxable entity or by different taxable entities that intend to settle or realize the assets and liabilities simultaneously on a net basis.

(XXII) Capital stock

1. Common stock

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

2. Treasury shares

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

(XXIII) Distribution of dividends

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

(XXIV) Revenue recognition

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

1. Sales of natural gas

- (1) Revenue from the sale of natural gas is recognized when control over the product is transferred. Transfer of control of a product means that the product has been delivered to the customer and there is no outstanding obligation that would affect the customer's acceptance of the product. Delivery occurs when the product is transported to a specific location and the risk of loss of the product has been transferred to the customer. Sales of natural gas are recognized based on the amount of gas used by the customer.
- (2) Accounts receivable are recognized when the products are delivered to customers because the Consolidated Company has an unconditional right to the contract price from that point onward and only requires time to collect the consideration from customers.

2. Revenue from inner tube installation and other services

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

3. Outer tube and demolition compensation income

In accordance with the new provisions of Article 26-1 of the Regulations on Accounting Handling for Public Natural Gas Enterprises, as amended and issued by the Ministry of Economic Affairs in its Order Jing-Neng-Zi No. 10204600900, if an operating

asset of an enterprise is acquired, replaced, relocated or disposed of at the expense of others, the amount received, after deducting the carrying amount of the damaged or disposed of operating asset, shall be allocated to each operation and recognized as deferred revenue. In subsequent years, the amount is amortized to income along with the depreciation of the related assets.

4. Dividends income and interest income

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

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

5. Rental income

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

(XXV) Operating segments

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

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

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

(I) Significant judgments in the adoption of accounting policies

1. Investment property

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

2. Determination of the lease period

The Consolidated Company considers all relevant facts and circumstances that would create an economic incentive to exercise or not to exercise the option, including all anticipated changes in facts and circumstances from the commencement date of the lease to the date of exercise of the option, in determining the lease period of the leased asset. The

main factors to be considered include the contractual terms and conditions of the period covered by the option and the importance of the subject asset to the lessee's operations. The lease period is reassessed when significant events or changes in circumstances within the Consolidated Company's control occur.

(II) Significant accounting estimates and assumptions

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

1. Estimated impairment of receivables

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

2. Provision for depreciation

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

3. Fair value of financial instruments

The Consolidated Company uses fair value to measure and disclose financial and non-financial assets and liabilities, and uses market observable input values for fair value measurements whenever possible. When the fair value of financial assets and liabilities recognized in the balance sheet is not available in an active market, the fair value is determined using valuation techniques, including the income approach (e.g., discounted cash flow model) or the market approach, and changes in assumptions used in these valuation techniques will affect the fair value of the reported financial instruments. Please refer to Note 12.

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

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

5. Realizability of deferred income tax assets

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

and regulations may result in significant adjustments to deferred income tax assets.

6. Measurement of inventories

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

7. Calculation of Net Defined Benefit Assets or Liabilities

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

8. Determination of the lessee's incremental interest rate

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

VI. Summary of Significant Accounting Items

(I) Cash and cash equivalents

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Cash on hand and revolving funds	\$344,387	\$515,383
Bank deposits	366,143,893	460,281,755
Time deposits	-	54,516,726
Cash equivalents - bills	45,000,000	75,003,684
Total	<u>\$411,488,280</u>	<u>\$590,317,548</u>

1. The credit quality of the Consolidated Company's corresponding financial institutions is good, and the Consolidated Company's transactions with various financial institutions are used to diversify the credit risk, and the possibility of default is expected to be low.
2. The above time deposits are due within three months. Time deposits with original maturities of more than three months have been reclassified to Financial assets measured at amortized cost as described in Note 6(3).

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

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Current item:		
Financial assets mandatorily measured at fair value through profit or loss		
Stock	\$456,336,791	\$347,621,628
Beneficiary certificates	206,744,000	94,744,000
Beneficiary securities	33,178,712	35,589,584
Bond	149,672,480	122,869,114
Bill	9,734,198	11,331,980
Sub-total	<u>855,666,181</u>	<u>612,156,306</u>
Adjustment to the valuation of financial assets mandatorily measured at fair value through profit or loss	13,956,371	(27,497,210)
Total	<u><u>\$869,622,552</u></u>	<u><u>\$584,659,096</u></u>
Non-current item:		
Financial assets mandatorily measured at fair value through profit or loss		
Stock	\$24,170,813	\$21,370,813
Adjustment to the valuation of financial assets mandatorily measured at fair value through profit or loss	1,172,620	(2,133,978)
Total	<u><u>\$25,343,433</u></u>	<u><u>\$19,236,835</u></u>

1. The valuation gains (losses) included in profit or loss due to changes in fair value on the above financial assets at fair value through profit or loss were \$75,701,660 and \$(164,559,300) for 2023 and 2022, respectively.
2. For information on marketable securities held as of December 31, 2023, please refer to Note 13.

(III) Financial assets measured at amortized cost

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Current item:		
Time deposits with original maturities of more than three months	\$1,139,655,122	\$843,866,671
Financial bonds	70,000,000	-
Total	<u><u>\$1,209,655,122</u></u>	<u><u>\$843,866,671</u></u>
Non-current item:		
Financial bonds	\$-	\$70,000,000
Total	<u><u>\$-</u></u>	<u><u>\$70,000,000</u></u>

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

	<u>2023</u>	<u>2022</u>
Interest income	\$21,609,791	\$14,622,481
Gain (loss) from disposal	-	(75,561)
Total	<u><u>\$21,609,791</u></u>	<u><u>\$14,546,920</u></u>

2. Without considering the collaterals held or other credit enhancements, the Consolidated Company held financial assets measured at amortized cost with the largest credit risk exposure of \$1,209,655,122 and \$913,866,671 at December 31, 2023 and 2022, respectively.
3. Please refer to Note 12(2) for related credit risk information.
4. For information on marketable securities held as of December 31, 2023, please refer to Note 13.

(IV) Notes and accounts receivable, net

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Notes receivable	\$66,000	\$23,520,207
Accounts receivable	197,548,580	196,628,179
Less: Allowance for losses	<u>(7,208,735)</u>	<u>(6,752,740)</u>
Net amount	<u>\$190,405,845</u>	<u>\$213,395,646</u>

1. The account aging analysis is as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Not overdue	\$189,406,499	\$212,407,718
Overdue		
Within 30 days	1,196,156	1,153,027
31~60 days	873,912	784,850
61~90 days	589,807	563,604
91 days or more	5,548,206	5,239,187
Less: Allowance for losses	<u>(7,208,735)</u>	<u>(6,752,740)</u>
Total	<u>\$190,405,845</u>	<u>\$213,395,646</u>

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

2. Without considering the collaterals held or other credit enhancements, the Consolidated Company's notes receivable with the highest credit risk exposure were \$66,000 and \$23,520,207 as of December 31, 2023 and 2022, respectively; the Consolidated Company's accounts receivable with the highest credit risk exposure were \$190,339,845 and \$189,875,439 as of December 31, 2023 and 2022, respectively.
3. Please refer to Note 12(2) for related credit risk information.

(V) Other receivables

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Interests receivable	\$13,332,545	\$10,320,497
Dividends receivable	260,184	82,500
Others	14,301,326	5,319,546
Less: Allowance for losses	<u>(4,522,713)</u>	<u>-</u>
Total	<u>\$23,371,342</u>	<u>\$15,722,543</u>

As described in Notes 6(27) and 6(30), there are significant uncertainties for the activeness of the CCAM/Stable Foreign Currency Arbitrage Bills invested, so 100% of the interests and principals receivable arising from the investment in CCAM were recognized as allowance for losses, totaling \$4,522,713.

(VI) Inventories

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Materials	\$16,617,414	\$26,822,183
Installation contractors' materials	7,229,727	5,088,616
Natural gas inventory	1,185,278	1,227,515
Merchandise inventory	17,280,728	12,038,568
Total	<u>\$42,313,147</u>	<u>\$45,176,882</u>

1. Installation contractors' materials represent the cost of the tube materials requisitioned by the entrusted contractors for the installation of inner tubes, and are not intended to be sold for conversion into cash.
2. The allowance for decline in value of inventories was both \$0 as of December 31, 2023 and 2022.
3. Inventory-related expenses and losses recognized in operating costs for the years ended December 31, 2023 and 2022 were as follows:

	<u>2023</u>	<u>2022</u>
Cost of inventories sold and installation costs	<u>\$1,367,465,934</u>	<u>\$1,374,486,376</u>

	Land			Buildings	Gas sales equipment	Gas transmission equipment	Gas storage equipment	Transportation, machinery and other equipment	Unfinished construction and equipment pending acceptance	Total
	For self-use	For lease (Note)	Total							
Balance as of January 1, 2022	\$-	\$-	\$-	\$37,989,082	\$497,795,369	\$2,675,047,017	\$314,019,377	\$162,104,715	\$-	\$3,686,955,560
Depreciation expense	-	-	-	1,480,956	73,539,052	154,537,291	1,899,610	7,550,093	-	239,007,002
Disposal	-	-	-	-	(65,500,918)	(48,007,556)	-	(612,743)	-	(114,121,217)
Reclassification	-	-	-	-	-	-	-	-	-	-
Balance as of December 31, 2022	\$-	\$-	\$-	\$39,470,038	\$505,833,503	\$2,781,576,752	\$315,918,987	\$169,042,065	\$-	\$3,811,841,345
<u>Carrying amount</u>										
Balance as of December 31, 2023	\$355,822,101	\$8,888,249	\$364,710,350	\$21,716,868	\$512,536,119	\$1,487,211,420	\$11,011,212	\$20,106,980	\$152,456,745	\$2,569,749,694
Balance as of December 31, 2022	\$355,822,101	\$8,888,249	\$364,710,350	\$23,294,685	\$496,962,695	\$1,366,950,916	\$10,861,405	\$24,256,357	\$161,940,588	\$2,448,976,996

Note: As of December 31, 2023 and 2022, the assets for lease were not material to individual real estate and therefore were not reclassified to investment property.

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

(VIII) Lease transactions - lessee

1. The underlying assets of the Consolidated Company's leases include lands and company cars, with a lease term usually falling between 1 to 9 years, and the Company does not have preemptive rights in the lease agreement upon expiry of the lease term. The lease agreements are individually negotiated and contain various terms and conditions, with no restrictions except that the leased assets cannot be used as collateral for loans.
2. The carrying amounts of right-of-use assets and the depreciation expense recognized are as follows:

	Land	Transportation equipment	Total
<u>Cost:</u>			
January 1, 2023	\$10,248,631	\$7,229,641	\$17,478,272
Addition	848,242	-	848,242
Disposal	(739,517)	-	(739,517)
December 31, 2023	<u>\$10,357,356</u>	<u>\$7,229,641</u>	<u>\$17,586,997</u>
January 1, 2022	\$10,053,595	\$1,921,747	\$11,975,342
Addition	225,960	7,229,641	7,455,601
Disposal	(30,924)	(1,921,747)	(1,952,671)
December 31, 2022	<u>\$10,248,631</u>	<u>\$7,229,641</u>	<u>\$17,478,272</u>
<u>Accumulated depreciation:</u>			
January 1, 2023	\$4,878,257	\$1,493,754	\$6,372,011
Depreciation expense	2,996,110	1,567,680	4,563,790
Disposal	(739,517)	-	(739,517)
December 31, 2023	<u>\$7,134,850</u>	<u>\$3,061,434</u>	<u>\$10,196,284</u>
January 1, 2022	\$1,802,998	\$1,840,097	\$3,643,095
Depreciation expense	3,106,183	1,575,404	4,681,587
Disposal	(30,924)	(1,921,747)	(1,952,671)
December 31, 2022	<u>\$4,878,257</u>	<u>\$1,493,754</u>	<u>\$6,372,011</u>
<u>Carrying amount:</u>			

December 31, 2023	\$3,222,506	\$4,168,207	\$7,390,713
December 31, 2022	\$5,370,374	\$5,735,887	\$11,106,261

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

	2023	2022
Items affecting profit or loss for the period		
Interest expense on lease liabilities	\$188,565	\$265,764
Expense on short-term lease contracts	\$1,674	\$12,886

4. The total lease cash outflow was \$4,963,525 and \$4,697,502 for the years ended December 31, 2023 and 2022.

5. Lease extension option and lease termination option

- (1) The Consolidated Company takes into account all facts and circumstances where the exercise of the extension option, or the non-exercise of the termination option, would create an economic incentive in determining the lease period. The lease period will be re-estimated upon the occurrence of a material event that would affect the exercise of the extension option or the non-exercise of the termination option.
- (2) Based on the assessment of the exercise of the extension option, the right-of-use assets and lease liabilities had increased by \$508,183 and \$0 as of December 31 of 2023 and 2022, respectively.

(IX) Lease transactions - lessor

1. The underlying assets leased by the Consolidated Company include land and buildings. The lease agreements are usually for periods ranging from one to six years and are individually negotiated and contain various terms and conditions.
2. The Company recognized rental income of \$3,981,885 and \$3,840,076 in 2023 and 2022, respectively, based on operating lease agreements, of which no variable lease payments were made.
3. The maturity dates of lease payments under operating leases are analyzed as follows:

	December 31, 2023
1st year	\$3,187,684
2nd year	2,374,559
Total	\$5,562,243

(X) Investment property

	<u>Land</u>	<u>Buildings</u>	<u>Total</u>
<u>Cost:</u>			
January 1, 2023	\$42,901,542	\$12,709,978	\$55,611,520
Addition	-	-	-
Disposal	-	-	-
December 31, 2023	<u>\$42,901,542</u>	<u>\$12,709,978</u>	<u>\$55,611,520</u>
January 1, 2022	\$42,901,542	\$12,709,978	\$55,611,520
Addition	-	-	-
Disposal	-	-	-
December 31, 2022	<u>\$42,901,542</u>	<u>\$12,709,978</u>	<u>\$55,611,520</u>
<u>Accumulated depreciation</u>			
January 1, 2023	\$-	\$7,857,320	\$7,857,320
Depreciation expense	-	225,267	225,267
Disposal	-	-	-
December 31, 2023	<u>\$-</u>	<u>\$8,082,587</u>	<u>\$8,082,587</u>
January 1, 2022	\$-	\$7,632,053	\$7,632,053
Depreciation expense	-	225,267	225,267
Disposal	-	-	-
December 31, 2022	<u>\$-</u>	<u>\$7,857,320</u>	<u>\$7,857,320</u>
<u>Carrying amount</u>			
December 31, 2023	<u>\$42,901,542</u>	<u>\$4,627,391</u>	<u>\$47,528,933</u>
December 31, 2022	<u>\$42,901,542</u>	<u>\$4,852,658</u>	<u>\$47,754,200</u>

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

	2023	2022
Rental income from investment properties	\$3,318,100	\$3,211,435
Direct operating expenses incurred on investment properties that generated rental income in the current period	\$-	\$-
Direct operating expenses incurred on investment properties that did not generate rental income in the current period	\$-	\$-

- The fair value of investment properties held by the Consolidated Company at the reporting date was measured at cost, and the information level of fair value was Level 3. The fair values of \$180,901 thousand and \$175,977 thousand as of December 31, 2023 and 2022, respectively, were based on market prices in the neighboring areas.
- The Company's six parcels of land located in Chuang-Ching Section, Xindian City, with Cadastral Number of 5, 6, 6-2, 7, 8 and 9, are not yet available for ownership transfer to the Company because they are agricultural land. The land is currently registered in the name of the Company's responsible person, Chen Ho-Chia, and a mortgage with other rights and interests has been created to the Company as a security measure. The land has a stated cost of \$2,027,191 as of December 31, 2023 and 2022, and is currently leased to a construction company.

(XI) Other non-current assets

	December 31, 2023	December 31, 2022
Reserve for gas pipeline replacement	\$280,543,636	\$364,109,606
Pre-payments for equipment	-	645,900
Pledge of time deposits	410,334	400,834
Refundable deposits	133,850	133,850
Net Defined Benefit Assets	18,931,160	18,195,421
Total	\$300,018,980	\$383,485,611

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

(XII) Pension

1. Defined benefit plan

- In accordance with the Labor Standards Act, the Consolidated Company has a defined benefit retirement plan that applies to all regular employees' years of service prior to the implementation of the Labor Standards Act on July 1, 2005, and to employees who elect to continue to be subject to the Labor Standards Act after the implementation of the Labor Standards Act for subsequent years of service. For employees who meet the retirement criteria, pension payments are calculated based on the years of service and the average salary for the six months prior to retirement, with two bases for each year of service up to and including 15 years and one base for each year of service in excess

of 15 years, subject to a maximum accumulation limit of 45 bases. A monthly pension fund of 2% of salaries and wages is deposited to a dedicated account in the Bank of Taiwan in the name of the Supervisory Committee of Labor Retirement Reserve. Before the end of each year, the balance in the dedicated account of the Labor Retirement Reserve is estimated. If the balance is not sufficient to pay the aforementioned amount of pension benefits to employees eligible for retirement in the following year, a lump-sum appropriation will be made for the difference by the end of March of the following year.

(2) The changes in the net defined benefit assets or liabilities were as follows:

	Present value of defined benefit obligations	Fair value of plan assets	Net Defined Benefit (Assets) Liabilities
January 1, 2023	\$187,525,596	\$(205,721,017)	\$(18,195,421)
Service costs for the period	2,361,375	-	2,361,375
Net interest on net defined benefit liabilities (assets)	2,147,643	(2,372,442)	(224,799)
Re-measurement			
Compensation gain or loss on plan assets	-	(1,903,155)	(1,903,155)
Actuarial gains and losses due to adjustments through experience	(491,829)	-	(491,829)
Actuarial gains and losses due to changes in demographic assumptions	1	-	1
Actuarial gains and losses due to changes in financial assumptions	472,111	-	472,111
Re-measurement sub-total	(19,717)	(1,903,155)	(1,922,872)
Appropriations from employers	-	(949,443)	(949,443)
Benefit payments from plan assets	(19,820,383)	19,820,383	-
Benefit payments on the accounting book	-	-	-
December 31, 2023	\$172,194,514	\$(191,125,674)	\$(18,931,160)
	Present value of defined benefit obligations	Fair value of plan assets	Net Defined Benefit (Assets) Liabilities
January 1, 2022	\$199,353,876	\$(196,709,342)	\$2,644,534
Service costs for the period	2,560,349	-	2,560,349
Net interest on net defined benefit liabilities (assets)	1,268,208	(1,277,921)	(9,713)
Re-measurement			
Compensation gain or loss on plan assets	-	(15,415,632)	(15,415,632)
Actuarial gains and losses due to adjustments through experience	9,849,187	-	9,849,187
Actuarial gains and losses due to changes in demographic assumptions	140	-	140
Actuarial gains and losses due to changes in financial assumptions	(9,715,912)	-	(9,715,912)
Re-measurement sub-total	133,415	(15,415,632)	(15,282,217)
Appropriations from employers	-	(8,108,374)	(8,108,374)

	Present value of defined benefit obligations	Fair value of plan assets	Net Defined Benefit (Assets) Liabilities
Benefit payments from plan assets	(15,790,252)	15,790,252	-
Benefit payments on the accounting book	-	-	-
December 31, 2022	<u>\$187,525,596</u>	<u>\$(205,721,017)</u>	<u>\$(18,195,421)</u>

(3) The assets of the Consolidated Company's defined benefit pension plan are entrusted to be administered by the Bank of Taiwan in accordance with Article 6 of the Regulations for Revenues, Expenditures, Safeguarding and Utilization of the Labor Retirement Fund, within the proportion and amount of the entrusted items set forth in the annual investment and utilization plan of the fund. The minimum annual earnings to be distributed from the fund shall not be less than the earnings calculated based on the two-year time deposit rate of the local bank. If there is any deficiency, the national treasury shall make up the deficiency after approval by the competent authority. The Company has no right to participate in the operation and management of the fund. The fair value of the assets of the labor pension fund and the allocation of fund assets as of December 31, 2023 and 2022, respectively, are shown in the annual reports on the use of the labor pension fund published by the government.

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

① Demographic assumptions

a. Mortality rate

The assumptions of future mortality rates for the years ended December 31, 2023 and 2022 were based on the sixth empirical life tables of the preset Taiwan life insurance industry, respectively.

b. Turnover rate

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

c. Retirement rate

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

Assumptions: (a) Z is the earliest retirement age of individual employees

(b) Retirement is assumed to occur after three years for those who have not retired at age 65 or older.

	2023	2022
Z	15%	15%
Z+1 ~ 64	3%	3%
65	100%	100%

② Financial assumptions

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
a. Discount rate	<u>1.15%</u>	<u>1.20%</u>
b. Expected rate of increase in future salary	<u>2.00%</u>	<u>2.00%</u>

③ Sensitivity analysis of significant actuarial assumptions

The sensitivity analysis of reasonably possible changes in each of the major actuarial assumptions affecting the defined benefit obligation as of December 31, 2023 and 2022 are as follows:

	<u>December 31, 2023</u>		<u>December 31, 2022</u>	
	Increase (decrease) in defined benefit obligation	Percentage of +increase/-decrease in defined benefit obligation	Increase (decrease) in defined benefit obligation	Percentage of +increase/-decrease in defined benefit obligation
a. Discount rate				
Increase by 0.25%	\$(2,337,062)	-1.36%	\$(2,668,215)	-1.42%
Decrease by 0.25%	\$2,396,643	1.39%	\$2,737,709	1.46%
b. Expected rate of increase in future salary				
Increase by 0.25%	\$2,370,536	1.38%	\$2,709,237	1.44%
Decrease by 0.25%	\$(2,323,458)	-1.35%	\$(2,653,972)	-1.42%

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

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

- A. The weighted-average duration of the benefit obligation was determined to be five years at December 31, 2023 and 2022.
- B. The estimated appropriation for the pension plan for the year after December 31, 2023 is \$998 thousand.
- C. The estimated maturity of the Company's undiscounted defined benefit obligation is analyzed as follows:

	<u>Within one year</u>	<u>More than one year but less than two years</u>	<u>More than one year but less than two years</u>	<u>More than two years but less than five years</u>	<u>Total</u>
December 31, 2023	\$14,539,024	\$28,600,493	\$53,605,988	\$85,689,502	\$182,435,007

2. Defined contribution plan

- (1) Effective July 1, 2005, the Consolidated Company has a defined contribution pension plan under the Labor Pension Act, which is applicable to the Consolidated Company's domestic employees. The Consolidated Company makes monthly contributions of not less than 6% of salary to the employees' personal accounts at the Bureau of Labor Insurance for the employees who choose to be subject to the labor pension scheme under the Labor Pension Act. The employees' pensions are paid in the form of monthly pensions or lump-sum pensions depending on the amount of the employees' individual pension accounts and accumulated earnings.
- (2) In accordance with the defined contribution pension plan, the Consolidated Company recognized pension costs of \$7,100 thousand and \$7,029 thousand for the years ended

December 31, 2023 and 2022, respectively, which were contributed to the Bureau of Labor Insurance.

(XIII) Contract liabilities

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Advanced installation charge	<u>\$762,737,355</u>	<u>\$570,066,524</u>

(XIV) Notes and accounts payable

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Notes payable	\$20,218,096	\$26,326,854
Accounts payable	125,432,543	121,665,933
Total	<u>\$145,650,639</u>	<u>\$147,992,787</u>

(XV) Other payables

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Refundable meter deposits	\$126,827,300	\$127,017,800
Salaries and award payable	55,987,914	52,694,450
Employee remuneration payables	11,183,610	4,749,816
Director remuneration payables	9,472,368	4,749,816
Taxes and output sales taxes payable	2,918,628	6,686,373
Insurance premiums payable	1,803,893	1,710,767
Pensions payable	1,597,748	1,559,326
Others	11,510,462	8,819,665
Total	<u>\$221,301,923</u>	<u>\$207,988,013</u>

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

(XVI) Provision for liabilities - current

	<u>Provision for employee benefit liabilities</u>
Balance as of January 1, 2023	\$1,907,836
Provision for liabilities newly increased in the period	6,898,188
Amounts used and offset in the period	<u>(6,917,236)</u>
Balance as of December 31, 2023	<u>\$1,888,788</u>

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

(XVII) Other non-current liabilities

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Long-term deferred revenue	\$1,275,789,474	\$1,218,194,313
Deposits received over one year	69,359,238	63,897,861
Total	<u>\$1,345,148,712</u>	<u>\$1,282,092,174</u>

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

(XVIII) Capital stock

The Company's total authorized capital is \$1,858,000,000 divided into 185,800 thousand shares. As of December 31, 2023, the paid-in capital was \$1,805,374,530 divided into 180,537 thousand shares with par value of \$10 each, all of which are common shares. All of the prices of the issued shares of the Company have been received.

(IX) Capital surplus

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Capital surplus - Treasury shares transactions	\$79,585,333	\$77,057,470
Capital surplus - investments accounted for using the equity method	4,282	4,282
Total	<u>\$79,589,615</u>	<u>\$77,061,752</u>

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

(XX) Retained earnings

1. Legal reserve

In accordance with the Company Act, the Company shall set aside 10% of the net profit after tax for the period plus the items other than net profit after tax for the period included in the current year's undistributed earnings as legal reserve until it equals the amount of paid-in capital. The legal reserve is only used to make up losses according to law, but when the Company has no losses, the excess of the legal reserve over 25% of the paid-in capital may be issued as new shares or cash by resolution of the shareholders' meeting.

2. Special reserve

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

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

3. Dividends policy

The Company adopts a fixed cash-dividend payment ratio policy. In principle, the annual cash dividends paid shall not be less than 20% of the total dividends. However, the Company may increase the distribution ratio by referring to the business plan, Profitability, investment capital needs, and taking into account the Company's business capital adequacy in response to the change in economy and market environment.

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

- ① Make up for losses
- ② Provide 10% as legal reserve.
- ③ After the deductions for items 1 and 2, the remaining balance, if any, shall be distributed as follows, together with the accumulated undistributed earnings at the beginning of the period and the adjustment to the undistributed earnings for the year:
- ④ Appropriate special reserve with the appropriation ration 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.
- ⑤ 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.

According to Article 240 Paragraph 5 and Article 241 of the corporate law, the board of directors are authorized to make approvals to distribute all or part of the dividends or bonuses, paid-in capital, or legal reserve in the form of cash and report in the shareholders' meeting, given over half of the directors are in attendance in the board meeting and the meeting was 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.

4. Distribution of earnings

On March 12, 2024, the Board of Directors' proposal for the distribution of earnings for the year 2023 and the distribution of earnings for the year 2022 approved in the shareholders' meeting on June 27, 2023, were as follows:

	2023		2022	
	Amount	Dividends per share (NT\$)	Amount	Dividends per share (NT\$)
Legal reserve	\$35,742,360		\$15,608,461	
Cash dividends	270,806,180	\$1.50	180,537,453	\$1.00
Total	<u>\$306,548,540</u>		<u>\$196,145,914</u>	

(XXII) Treasury shares

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

Item	2023					
	Balance at the beginning of the period		Purchased or (sold) during the period	Balance at the end of the period		
	Number of shares	Cost		Number of shares	Cost	Market price
Financial assets measured at fair value through other comprehensive income	2,527,863	\$46,828,269	None	2,527,863	\$46,828,269	\$103,515,990

Item	2022					
	Balance at the beginning of the period		Purchased or (sold) during the period	Balance at the end of the period		
	Number of shares	Cost		Number of shares	Cost	Market price
Financial assets measured at fair value through other comprehensive income	2,527,863	\$46,828,269	None	2,527,863	\$46,828,269	\$105,917,460

- The Company's shares held by its subsidiaries are treated as Treasury shares and have the same rights as those of the general shareholders except that they are not allowed to participate in the Company's capital increase in cash, but have no voting rights.

3. The cost of Treasury shares held by a subsidiary is exempt from special reserve. However, for the difference between the market price of the parent company's stock held by the subsidiary at the end of the period and the book value, the same amount of special reserve should be set aside in proportion to the shareholding percentage and should not be distributed. If there is any subsequent increase in the valuation, the amount of the special reserve may be reversed in proportion to the shareholding.

(XXII) Operating revenue

	<u>2023</u>	<u>2022</u>
Revenue from customer contracts - gas sales revenue	\$1,537,893,537	\$1,570,312,368
Revenue from customer contracts - installation design revenue	219,704,831	222,187,073
Revenue from customer contracts - other operating revenue	136,505,993	120,925,204
Others - other operating revenue	<u>38,288,124</u>	<u>32,885,628</u>
Total	<u><u>\$1,932,392,485</u></u>	<u><u>\$1,946,310,273</u></u>

1. Breakdown of revenue from customer contracts

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

Gas sales:

	<u>2023</u>	<u>2022</u>
Revenue from external customer contracts	<u>\$1,537,893,537</u>	<u>\$1,570,312,368</u>
Revenue recognition point		
Revenue recognized at a point in time	<u>\$1,537,893,537</u>	<u>\$1,570,312,368</u>

Installation:

	<u>2023</u>	<u>2022</u>
Revenue from external customer contracts	<u>\$219,704,831</u>	<u>\$222,187,073</u>
Revenue recognition point		
Revenue recognized at a point in time	\$98,336,597	\$114,068,866
Revenue recognized gradually over time	<u>121,368,234</u>	<u>108,118,207</u>
Total	<u><u>\$219,704,831</u></u>	<u><u>\$222,187,073</u></u>

Others:

	2023	2022
Revenue from external customer contracts	<u>\$136,505,993</u>	<u>\$120,925,204</u>
Revenue recognition point		
Revenue recognized at a point in time	\$134,366,585	\$118,794,125
Revenue recognized gradually over time	<u>2,139,408</u>	<u>2,131,079</u>
Total	<u>\$136,505,993</u>	<u>\$120,925,204</u>

2. Contract liabilities

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

	December 31, 2023	December 31, 2022
Contract liabilities		
Installation design contract	<u>\$762,737,355</u>	<u>\$570,066,524</u>

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

	2023	2022
Revenue recognized in the period for the balance of contract liabilities at the beginning of the period		
Installation design contract	<u>\$106,623,858</u>	<u>\$130,456,433</u>

(XXIII) Operating costs

	2023	2022
Gas sales costs	\$1,161,327,605	\$1,175,765,280
Installation design costs	145,341,973	151,417,513
Other operating costs	60,796,356	47,303,583
Total	<u>\$1,367,465,934</u>	<u>\$1,374,486,376</u>

(XXIV) Additional information on the nature of expenses

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

Nature \ Function	2023			2022		
	Recorded as operating costs	Recorded as operating expenses	Total	Recorded as operating costs	Recorded as operating expenses	Total
Employee benefit expenses						
Salary expenses	\$122,796,017	\$143,228,905	\$266,024,922	\$123,282,391	\$123,596,757	\$246,879,148
Labor and health insurance expenses	11,880,433	6,796,284	18,676,717	11,859,539	6,947,322	18,806,861
Pension expenses	5,617,242	3,619,591	9,236,833	5,882,660	3,696,957	9,579,617
Other employee benefit expenses	-	10,403,023	10,403,023	-	10,722,329	10,722,329
Depreciation expenses	238,351,061	13,654,895	252,005,956	229,975,952	13,937,904	243,913,856
Amortization expense	-	68,725	68,725	-	66,276	66,276

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

(1) According to the Articles of Incorporation, the Company shall appropriate 2.2% as

profit sharing remuneration for employees and no more than 2.2% as profit sharing remuneration for directors of the remainder of the profit for the year, if any, after deducting the accumulated losses from the profit for the current year.

- (2) The profit sharing remunerations for employees and for directors for the years of 2023 and 2022 are based on the net profits before tax for the years, before deducting the profit sharing remunerations for employees and for directors, and are estimated in accordance with the percentages specified in the Articles of Incorporation. The number of shares is calculated based on the "closing price on the day before the Board of Directors' resolution" if the employees' profit sharing remuneration is distributed with shares.
- (3) For the years ended December 31, 2023 and 2022, the amount of profit sharing remuneration for employees was estimated at NT\$9,472,368 and NT\$4,749,816, respectively, and the amount of profit sharing remuneration for directors and supervisors was estimated at NT\$9,472,368 and NT\$4,749,816, respectively, and was recognized as operating costs and expenses. If the actual distribution amount differs from the estimated amount in subsequent resolutions, the difference is treated as a change in accounting estimate.
- (4) Information on the actual distribution of profit sharing remuneration for employees and for directors for the years ended December 31, 2023, 2022 and 2021 is as follows

	<u>2023</u>	<u>2022</u>	<u>2021</u>
	Approved by the Board of Directors on March 12, 2024	Approved by the Board of Directors on March 13, 2023	Approved by the Board of Directors on March 18, 2022
Profit sharing remuneration for directors	\$9,472,368	\$4,749,816	\$9,004,927
Profit sharing remuneration for employees	\$9,472,368	\$4,749,816	\$9,004,927

The distribution of profit sharing remuneration for employees and for directors approved by the Board of Directors are the same as those estimated in the financial statements for 2023, 2022 and 2021.

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

3. Depreciation expense by function is summarized as follows:

	<u>2023</u>	<u>2022</u>
Operating costs	\$238,351,061	\$229,975,952
Amortization expense	7,103,658	6,899,717
Administrative expenses	<u>6,551,237</u>	<u>7,038,187</u>
Total	<u>\$252,005,956</u>	<u>\$243,913,856</u>

4. Amortization expense by function is summarized as follows:

	<u>2023</u>	<u>2022</u>
Administrative expenses	<u>\$68,725</u>	<u>\$66,276</u>

(XXV) Interest income

	<u>2023</u>	<u>2022</u>
Interest income from bank deposits	\$2,976,038	\$1,261,851
Interest income from financial assets measured at amortized cost	21,609,791	14,622,481
Other interest income	<u>6,778,927</u>	<u>6,639,917</u>
Total	<u>\$31,364,756</u>	<u>\$22,524,249</u>

(XXVI) Other income

	<u>2023</u>	<u>2022</u>
Rental income	\$3,981,885	\$3,840,076
Dividend income	15,426,339	16,255,097
Other income	<u>2,003,518</u>	<u>2,163,622</u>
Total	<u>\$21,411,742</u>	<u>\$22,258,795</u>

(XXVII) Other gain and loss

	<u>2023</u>	<u>2022</u>
Gain (loss) on disposal of property, plant and equipment	\$1,043,106	\$938,836
Net gain (loss) on financial assets measured at fair value through profit or loss	75,701,660	(164,559,300)
Net exchange gain (loss)	(404,098)	5,585,129
Other losses	<u>(3,368,689)</u>	<u>(3,352,549)</u>
Total	<u>\$72,971,979</u>	<u>\$(161,387,884)</u>

Note: The Company received a notice from CCAM, which is the company that issued the Stable Foreign Currency Arbitrage Bills that it does not accept any application for product redemption lately and will not make any payments for redemption applications submitted. After considering the reliability of the fair value of the investment above, restrictions, activeness in current market and significant uncertainties of transactions, the Company included the effect of the said incident in the fair value assessment of financial assets measured at fair value through profit or loss in 2023 and recognized a loss on valuation of financial assets amounting to \$7,855 thousand.

(XXVIII) Net profit or loss from derecognized financial assets measured at amortized cost

	<u>2023</u>	<u>2022</u>
Net profit or loss from derecognized financial assets measured at amortized cost	<u>\$-</u>	<u>\$(75,561)</u>

(XXIX) Financial costs

	<u>2023</u>	<u>2022</u>
Interest expense		
Lease liabilities	<u>\$188,565</u>	<u>\$265,764</u>

(XXX) Expected credit impairment loss (gain)

	<u>2023</u>	<u>2022</u>
Expected credit impairment loss		
Interests receivable	\$3,269,913	\$-
Other receivables	1,252,800	-
Total	<u>\$4,522,713</u>	<u>\$-</u>

As described in Notes 6(27), there are significant uncertainties for the activeness of the CCAM/Stable Foreign Currency Arbitrage Bills invested, so 100% of the interests and principals receivable from CCAM were recognized as allowance for losses.

(XXXI) Income taxes

1. Composition of income tax expense

	<u>2023</u>	<u>2022</u>
Current income tax expense (or benefit)	\$65,134,573	\$76,580,260
Underestimation (overestimation) of income tax expense for prior years	(20,521)	
Total current income tax	<u>65,114,052</u>	<u>76,580,530</u>
Deferred income tax expense (benefit):		
Origination and reversal of temporary differences	(4,069,311)	(7,123,523)
Total deferred income tax	<u>(4,069,311)</u>	<u>(7,123,523)</u>
Income tax expense	<u>\$61,044,741</u>	<u>\$69,457,007</u>

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

	<u>2023</u>	<u>2022</u>
Re-measurement of defined benefit plan	<u>\$(384,574)</u>	<u>\$(3,056,443)</u>

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

	2023	2022
Net profit before tax from continuing operations	<u>\$416,930,042</u>	<u>\$213,315,846</u>
Applicable tax rate		
Tax at applicable tax rate on income	<u>\$83,386,008</u>	<u>\$42,663,169</u>
Underestimation (overestimation) of income tax expense for prior years	(20,521)	
Repealed levy on loss (gain) from securities transactions	(6,933,025)	14,661,689
Loss (gain) on valuation of financial assets	(9,783,302)	18,279,675
Dividend income not included in income	(3,520,701)	(3,990,421)
Others	<u>(2,083,718)</u>	<u>(2,157,375)</u>
Total income tax expense recognized in profit or loss	<u>\$61,044,741</u>	<u>\$69,457,007</u>

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

2023

	January 1	Recognized in profit or loss	Recognized in other comprehensive income	December 31
Temporary differences				
Timing difference between book and tax recognition of repair and maintenance expenses	\$6,240,188	\$(193,374)	\$-	\$6,046,814
Unrealized gain or loss	37,690,005	4,025,259	-	41,715,264
Net Defined Benefit Assets/Liabilities	(3,618,769)	237,426	(384,574)	(3,765,917)
Land revaluation increment	<u>(65,257,095)</u>		-	<u>(65,257,095)</u>
Deferred income tax (expense)/benefit		<u>\$4,069,311</u>	<u>\$(384,574)</u>	
Net deferred income tax assets/(liabilities)	<u>\$(24,945,671)</u>			<u>\$ (21,260,934)</u>
The information expressed in the balance sheet is as follows:				
Deferred income tax assets	<u>\$40,332,616</u>			<u>\$43,996,161</u>
Deferred income tax liabilities	<u>\$(65,278,287)</u>			<u>\$(65,257,095)</u>

2022

	January 1	Recognized in profit or loss	Recognized in other comprehensive income	December 31
Temporary differences				
Timing difference between book and tax recognition of repair and maintenance expenses	\$5,882,311	\$357,877	\$-	\$6,240,188
Unrealized gain or loss	30,924,359	6,765,646	-	37,690,005
Net Defined Benefit Assets/Liabilities	(562,326)		(3,056,443)	(3,618,769)
Land revaluation increment	<u>(65,257,095)</u>		-	<u>(65,257,095)</u>
Deferred income tax (expense)/benefit		<u>\$7,123,523</u>	<u>\$(3,056,443)</u>	
Net deferred income tax assets/(liabilities)	<u>\$(29,012,751)</u>			<u>\$ (24,945,671)</u>
The information expressed in the balance sheet is as follows:				
Deferred income tax assets	<u>\$36,377,604</u>			<u>\$40,332,616</u>
Deferred income tax liabilities	<u>\$(65,390,355)</u>			<u>\$(65,278,287)</u>

5. The income tax returns of the Company and the subsidiary, EVFA INTERNATIONAL CO., LTD. have been assessed by the tax authorities through 2021.

(XXXII) Earnings per share

1. Information on earnings per share

	<u>2023</u>	<u>2022</u>
Basic earnings per share:		
Net profit attributable to shareholders of the parent company for the period	<u>\$355,885,301</u>	<u>\$143,858,839</u>
Weighted average number of shares outstanding	<u>178,009,590</u>	<u>178,009,590</u>
Basic earnings per share (NT\$):		
Net profit attributable to shareholders of the parent company for the period	<u>\$2.00</u>	<u>\$0.81</u>
Diluted earnings per share:		
Net profit attributable to shareholders of the parent company for the period	<u>\$355,885,301</u>	<u>\$143,858,839</u>
Weighted average number of shares outstanding for the purpose of calculating diluted earnings per share	<u>178,240,905</u>	<u>178,122,951</u>
Diluted earnings per share (NT\$)		
Net profit attributable to shareholders of the parent company for the period	<u>\$2.00</u>	<u>\$0.81</u>

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

	<u>2023</u>	<u>2022</u>
Number of shares at the beginning of the period	180,537,453	180,537,453
Less: Shares of the parent company held by subsidiaries	<u>(2,527,863)</u>	<u>(2,527,863)</u>
Total	<u>178,009,590</u>	<u>178,009,590</u>

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

	<u>2023</u>	<u>2022</u>
Number of shares at the beginning of the period	180,537,453	180,537,453
Add: Employee profit sharing remuneration that can be issued in stock	231,315	113,361
Sub-total	<u>180,768,768</u>	<u>180,650,814</u>
Less: Shares of the parent company held by subsidiaries	<u>(2,527,863)</u>	<u>(2,527,863)</u>
Total	<u>178,240,905</u>	<u>178,122,951</u>

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

	2023	2022
Net profit attributable to shareholders of the parent company for the period	\$358,413,164	\$148,156,206
Weighted average number of shares outstanding	180,537,453	180,537,453
Basic earnings per share (NT\$):		
Net profit attributable to shareholders of the parent company for the period	\$1.99	\$0.82

(XXXIII) Supplementary information on cash flows

Change in liabilities from financing activities was as follows:

	Guarantee deposit received	Lease liabilities
January 1, 2023	\$67,349,611	\$9,521,369
Change in cash flows from financing activities	6,618,327	(4,774,960)
Non-cash change	-	848,242
December 31, 2023	\$73,967,938	\$5,594,651
	Guarantee deposit received	Lease liabilities
January 1, 2022	\$65,911,005	\$6,497,506
Change in cash flows from financing activities	1,438,606	(4,431,738)
Non-cash change	-	7,455,601
December 31, 2022	\$67,349,611	\$9,521,369

VII. Related Party Transactions

(I) Names and relationships of related parties

Name of the related party	Relationship with the Consolidated Company
THE GREAT TAIPEI GAS CORPORATION	Other related parties
Mr. Chen Gen-Chu Foundation for Education and Culture	Other related parties

(II) Significant transactions with related parties

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

Type of related party	Acquisition price	
	2023	2022
Other related parties:		
THE GREAT TAIPEI GAS CORPORATION	\$-	\$800,000

The purchase price of property, plant and equipment (other equipment) from Great Taipei Gas Corporation in 2022 includes NT\$240,000 pre-paid for equipment paid in 2021, and the transaction price is based on the agreement and terms between the parties.

2. Amortization expense - repair and maintenance expenses

<u>Type of related party</u>	<u>2023</u>	<u>2022</u>
Other related parties:		
THE GREAT TAIPEI GAS CORPORATION	\$221,053	\$115,757

3. Administrative expenses - repair and maintenance expense

<u>Type of related party</u>	<u>2023</u>	<u>2022</u>
Other related parties:		
THE GREAT TAIPEI GAS CORPORATION	\$1,404,000	\$1,408,128

4. Administrative expenses - donation

<u>Type of related party</u>	<u>2023</u>	<u>2022</u>
Other related parties:		
Mr. Chen Gen-Chu Foundation for Education and Culture	\$250,000	\$250,000

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

<u>Type of related party</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Other related parties:		
THE GREAT TAIPEI GAS CORPORATION	\$218,000	\$215,200

(III) Information on remuneration for key management

	<u>2023</u>	<u>2022</u>
Salaries and other short-term employee benefits	\$54,277,999	\$48,580,340
Post-employment benefits	277,045	289,548
Total	\$54,555,044	\$48,869,888

VIII. Pledged Assets

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

	<u>December 31, 2023</u>	<u>December 31, 2022</u>	<u>Purpose</u>
Pledge of time deposits (listed as other non-current assets)	\$410,334	\$400,834	Construction bid bonds

Pledged assets are stated at carrying amount.

IX. Significant Contingent Liabilities and Unrecognized Contract Commitments: None.

X. Significant Disaster Loss: None.

XI. Significant Subsequent Events

On March 12, 2024, the Board of Directors approved the participation of Shin Shin Main Building in the unsafe and old building reconstruction plan of adjacent area, and authorized the Chairman and the President to negotiate and handle subsequent matters.

XII. Others

(I) Capital Management

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

(II) Financial instruments

1. Type of financial instruments

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Financial assets		
Financial assets measured at fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss	\$894,965,985	\$603,895,931
Financial assets measured at amortized cost		
Cash and cash equivalents	411,488,280	590,317,548
Financial assets measured at amortized cost (Note 1)	1,139,655,122	843,866,671
Financial assets measured at amortized cost (Note 2)	70,000,000	70,000,000
Notes receivable	66,000	23,520,207
Accounts receivable	190,339,845	189,875,439
Other receivables	23,371,342	15,722,543
Other financial assets	281,087,820	364,644,290
Total	<u>\$3,010,974,394</u>	<u>\$2,701,842,629</u>
Financial liabilities		
Financial liabilities measured at amortized cost		
Notes payable	\$20,218,096	\$26,326,854
Accounts payable	125,432,543	121,665,933
Other payables	221,301,923	207,988,013
Lease liabilities	5,594,651	9,521,369
Other financial liabilities	73,967,938	67,349,611
Total	<u>\$446,515,151</u>	<u>\$432,851,780</u>

Note 1: Time deposits with original maturities of more than three months.

Note 2: Domestic financial bonds.

2. Information on fair value of financial instruments

(1) Financial instruments not measured at fair value

- ① Financial instruments, of which carrying amount is a reasonable approximation of fair values: cash and cash equivalents, notes receivable, accounts receivable, other receivables, financial assets measured at amortized cost- time deposits with original maturities of more than three months, other financial assets, notes payable, accounts payable, other payables and other financial liabilities.
- ② The fair value of lease liabilities was obtained by discounting the amount of lease contracts at the Consolidated Company's incremental borrowing rate.

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

	December 31, 2023			
	Carrying amount	Level 1	Level 2	Level 3
Financial assets:				
Financial assets measured at amortized cost				
Domestic financial bonds	\$70,000,000	\$-	\$70,000,000	\$-

	December 31, 2022			
	Carrying amount	Level 1	Level 2	Level 3
Financial assets:				
Financial assets measured at amortized cost				
Domestic financial bonds	\$70,000,000	\$-	\$70,000,000	\$-

(3) Valuation techniques of fair value

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

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

(4) Financial instruments measured at fair value

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

3. Financial risk management policy

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

effects on the Consolidated Company's financial position and financial performance.

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

4. Nature and extent of significant financial risks

- (1) Market risk

Exchange rate risk

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

	December 31, 2023			Unit: In thousands of NT\$		
	Foreign currency	Exchange rate	Carrying amount (NTD)	Change magnitude	Effect on profit or loss (before tax)	Effect on equity
(Foreign currency: functional currency)						
<u>Financial assets</u>						
<u>Monetary item</u>						
RMB: NTD	\$12,827	4.30	\$55,201	3%	\$1,656	\$-
USD: NTD	811	30.72	24,913	5%	1,246	-
EUR: NTD	28	34.82	975	4%	39	-
ZAR: NTD	140	1.67	234	9%	21	-
JPY: NTD	64,678	0.22	14,378	6%	863	-
<u>Financial assets measured at fair value through profit or loss</u>						
USD: NTD	\$1,861	30.66	\$57,060	5%	\$2,853	\$-
RMB: NTD	13,039	4.30	56,095	3%	1,683	-
ZAR: NTD	5,958	1.62	9,635	9%	867	-

	December 31, 2022			Unit: In thousands of NT\$		
	Foreign currency	Exchange rate	Carrying amount (NTD)	Change magnitude	Effect on profit or loss (before tax)	Effect on equity
(Foreign currency: functional currency)						
<u>Financial assets</u>						
<u>Monetary item</u>						
RMB: NTD	\$28,286	4.41	\$124,792	3%	\$3,744	\$-

	December 31, 2022			Unit: In thousands of NT\$		
	Foreign currency	Exchange rate	Carrying amount (NTD)	Sensitivity analysis		
				Change magnitude	Effect on profit or loss (before tax)	Effect on equity
(Foreign currency: functional currency)						
USD: NTD	1,088	30.55	33,243	9%	2,992	-
EUR: NTD	70	32.79	2,295	5%	115	-
ZAR: NTD	4,989	1.73	8,621	8%	690	-
JPY: NTD	55,518	0.22	12,415	7%	869	-
<u>Financial assets</u>						
<u>measured at fair value through profit or loss</u>						
USD: NTD	1,702	30.67	52,193	9%	4,697	-
RMB: NTD	9,755	4.38	42,754	3%	1,283	-
EUR: NTD	120	32.52	3,902	5%	195	-
ZAR: NTD	1,338	1.77	2,369	8%	190	-

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

	December 31, 2023 Unit: In thousands of NT\$			
	Foreign currency	Exchange rate	Carrying amount	Unrealized exchange gains (losses)
<u>Financial assets</u>				
<u>Monetary item</u>				
USD: NTD	\$751	30.66	\$23,032	\$(726)
RMB: NTD	12,687	4.30	54,582	(1,050)

	December 31, 2022 Unit: In thousands of NT\$			
	Foreign currency	Exchange rate	Carrying amount	Unrealized exchange gains (losses)
<u>Financial assets</u>				
<u>Monetary item</u>				
USD: NTD	\$970	30.66	\$29,728	\$(220)
RMB: NTD	24,845	4.38	108,896	(616)

Price risk

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

the years ended December 31, 2023 and 2022 would have increased or decreased by \$8,950 thousand and \$6,039 thousand, respectively, from the gain or loss on financial instruments measured at fair value through profit or loss.

Cash flow and fair value interest rate risk

Interest rate risk mainly arises from bank loans. As of December 31, 2023 and 2022, the Consolidated Company had not drawn from the loan facilities and therefore had no significant interest rate risks.

(2) Credit risk

- A. The Consolidated Company's credit risk is the risk of financial loss resulting from the failure of customers or counterparties to financial instruments to meet their contractual obligations, primarily from the failure of counterparties to settle receivables on collection terms and from contractual cash flows from investments in debt instruments classified as measured at amortized cost.
- B. The Consolidated Company establishes the management of credit risk from a group perspective. Only correspondent banks and financial institutions with independent credit ratings of at least "BBB" are accepted as trading counterparties
- C. The Consolidated Company is a privately-held public natural gas enterprise, and its main customers are general customers and commercial customers. In order to effectively control the risk of default due to abnormal customer credit, the Consolidated Company uses the first-use, first-pay method for natural gas bills and the first-pay method for other installation projects in order to protect the Consolidated Company's interests. For natural gas bills, the Company has assessed and controlled bad debts, and regularly evaluates and reviews them, and has set up a project to manage overdue debts.
- D. The Consolidated Company uses the reserve matrix method to estimate the expected credit losses for customer accounts receivable.
- E. The Consolidated Company incorporates the loss rate established by the Chung-Hua Institution for Economic Research's Gas Supply Industry Trend Report for future forward-looking considerations to estimate the allowance for losses on receivables based on historical and current information for a specific period, and the allowance matrix method as of December 31, 2023 and 2022 is as follows:

December 31, 2023

	Not overdue	Overdue 1~30 days	Overdue 31~60 days	Overdue 61~90 days	Overdue 91 days or more	Total
Expected loss rate	0.23%	32.67%	41.72%	80.87%	100.00%	
Total carrying amount	\$189,406,499	\$1,196,156	\$873,912	\$589,807	\$5,548,206	\$197,614,580
Allowance for losses	\$428,097	\$390,824	\$364,635	\$476,973	\$5,548,206	\$7,208,735

December 31, 2022

	Not overdue	Overdue 1~30 days	Overdue 31~60 days	Overdue 61~90 days	Overdue 91 days or more	Total
Expected loss rate	0.19%	30.39%	39.62%	81.01%	100.00%	
Total carrying amount	\$212,407,718	\$1,153,027	\$784,850	\$563,604	\$5,239,187	\$220,148,386
Allowance for losses	\$395,631	\$350,371	\$310,984	\$456,567	\$5,239,187	\$6,752,740

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

	2023	2022
January 1	\$6,752,740	\$6,875,109
Provision for (reversal of) impairment loss	428,916	(223,121)
Recovery in the current period of the written-off accounts from the previous period	94,036	101,381
Write-off in the current period of the uncollectable accounts in the current period	(66,957)	(629)
December 31	<u>\$7,208,735</u>	<u>\$6,752,740</u>

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

December 31, 2023

	Based on 12 months	Base on the duration		Total
		Those with significantly increased credit risk	Those with impaired credit	
Financial assets measured at amortized cost				
Group 1	\$1,139,655,122	\$-	\$-	\$1,139,655,122
Group 2	70,000,000	-	-	70,000,000
	<u>\$1,209,655,122</u>	<u>\$-</u>	<u>\$-</u>	<u>\$1,209,655,122</u>

Group 1: Time deposits with original maturities of more than three months, and the issuers have a credit rating of BBB or above.

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

December 31, 2022

	Based on 12 months	Base on the duration		Total
		Those with significantly increased credit risk	Those with impaired credit	
Financial assets measured at amortized cost				
Group 1	\$843,866,671	\$-	\$-	\$843,866,671
Group 2	70,000,000	-	-	70,000,000
	<u>\$913,866,671</u>	<u>\$-</u>	<u>\$-</u>	<u>\$913,866,671</u>

Group 1: Time deposits with original maturities of more than three months, and the issuers have a credit rating of BBB or above.

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

H. The Consolidated Company assesses the expected credit losses for the next 12 months or the expected credit losses for the duration of the debt instruments by

referring to the default rate and default loss rate provided by external credit rating agencies. The Consolidated Company's current credit risk rating mechanism is as follows:

Credit rating	Definition	Expected credit loss recognition basis	Expected credit loss rate
Normal	Credit ratings on trading date and valuation date. (1) Both are investment grade (2) Both are BBB or higher	12-month expected credit loss	0~0.64%
Abnormal	Credit ratings on trading date and valuation date. (1) Downgraded from investment grade to non-investment grade (2) Downgraded from BBB to B	Expected credit loss (without credit impairment) over the duration	-
Breach of contract	Credit rating downgraded to CCC or below at the valuation date	Expected credit loss (with credit impairment) over the duration	-
Write-off	There is evidence that the debtor is in significant financial difficulty and the Company has no reasonable expectation of recovery.	Direct write-off	-

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

(3) Liquidity risk:

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

(III) Information on fair value

- Please refer to Note 12(2)2 for the fair value information of financial instruments not measured at fair value. The fair value of investment properties measured at cost is described in Note 6(10).
- The valuation techniques used to measure financial instruments. The definitions of each level are as follows:

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

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

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

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

December 31, 2023	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through profit or loss				
Stock	\$500,133,642	\$-	\$2,461,000	\$502,594,642
Fund beneficiary certificates	212,331,457	-	-	212,331,457
Beneficiary securities	35,743,300	-	-	35,743,300
Bond	144,296,586	-	-	144,296,586
Bill	-	-	-	-
Total	<u>\$892,504,985</u>	<u>\$-</u>	<u>\$2,461,000</u>	<u>\$894,965,985</u>
December 31, 2022	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through profit or loss				
Stock	\$363,771,425	\$-	\$-	\$363,771,425
Fund beneficiary certificates	89,992,711	-	-	89,992,711
Beneficiary securities	26,221,500	-	-	26,221,500
Bond	114,795,695	-	-	114,795,695
Bill	9,114,600	-	-	9,114,600
Total	<u>\$603,895,931</u>	<u>\$-</u>	<u>\$-</u>	<u>\$603,895,931</u>

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

- (1) The Consolidated Company uses quoted market prices as fair value inputs (i.e., Level 1), listed stocks and beneficiary certificates are valued at the closing prices announced by the stock exchanges and over-the-counter, open-end funds are valued at net worth, and international bonds and notes are valued at the most recently traded prices.
- (2) If one or more parameters are not obtained from data of an observable market, the financial instrument is included within level 3.
 - A. The valuation of foreign note investments uses the fair value inputs derived from the income approach and the cash flow discount method to calculate the present value of expected income from the said investment.
 - B. The stock values of private companies held by the Company were established using the market method, which considers traded prices of comparative instruments in an active market and takes into account the difference between the underlying instrument and comparative instrument to estimate the value of the underlying instrument with a proper multiplier. An adjustment for discount or premium for the effect arising from a lack of market activeness is then made to the estimation.
5. As described in Note 6(27), there are significant uncertainties for the activeness of the CCAM/Stable Foreign Currency Arbitrage Bills invested, so the fair values used were recategorized from level 1 to level 3 at the end of the month when the incident occurred according to IFRS 13 "Fair Value Measurement".

2023

	Financial instruments measured at fair value through profit or loss.
Financial assets	<u>Debt instruments</u>
January 1	\$-

Recategorized from level 1 to level 3	7,855,000
Recognized as a loss (under other gains and losses)	(7,855,000)
December 31	\$-

6. The fair value of Level 1 has not shifted in any way in the years 2022.
7. The movement of financial assets included in the level 3 fair value measurement is as follows:

Financial assets	Financial assets measured at fair value through profit or loss	
	Equity instruments that do not have a quoted price in an active market	Debt instruments
January 1, 2023	\$-	\$-
Addition in the period	2,800,000	-
Recategorized from level 1 in the period	-	7,855,000
Gains or losses recognized (under other gains and losses)	(339,000)	(7,855,000)
December 31, 2023	\$2,461,000	\$-

XIII. Additional Disclosure

(I) Information on Significant Transactions

1. Please refer to Schedule 1 for details of business relationships and significant transactions between the parent company and its subsidiaries for the year ended December 31, 2023.
2. Information on Significant Transactions

No.	Item	Schedule
1	Lending of funds to others	None
2	Endorsement and guarantee for others	None
3	Marketable securities held at the end of the period (excluding investments in subsidiaries, affiliates and joint ventures)	Schedule 2
4	The cumulative amount of marketable securities purchased or sold reached NT\$300 million or 20% of the paid-in capital.	None
5	The amount of real estate acquired reached NT\$300 million or 20% of the paid-in capital	None
6	The amount of real estate disposed of reached NT\$300 million or 20% of the paid-in capital	None
7	The amount of purchase or sale of goods from or to related parties reached NT\$100 million or 20% of the paid-in capital	None
8	The amount of receivables from related parties reached NT\$100 million or 20% of the paid-in capital	None
9	Engagement in derivative transactions	None

(II) Information on Investees

No.	Item	Schedule
1	Lending of funds to others	None
2	Endorsement and guarantee for others	None
3	Marketable securities held at the end of the period (excluding investments in subsidiaries, affiliates and joint ventures)	Schedule 3
4	The cumulative amount of marketable securities purchased or sold reached NT\$300 million or 20% of the paid-in capital.	None
5	The amount of real estate acquired reached NT\$300 million or 20% of the paid-in capital	None
6	The amount of real estate disposed of reached NT\$300 million or 20% of the paid-in capital	None
7	The transaction amount of purchase or sale of goods from or to related parties reached NT\$100 million or 20% of the paid-in capital	Schedule 4
8	The amount of receivables from related parties reached NT\$100 million or 20% of the paid-in capital	None
9	Engagement in derivative transactions	None
10	Names and locations of investees and other relevant information (excluding investees in Mainland China)	Schedule 5

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

(IV) Information on Major Shareholders: Schedule 6.

XIV. Segment information

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

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

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

Other Segment: Not included in the above businesses.

(II) Information on the operating segments for 2023 and 2022 is as follows:

	2023				Total
	Gas sales segment	Installation segment	Other segment	Adjustment and elimination	
Revenue					
Revenue from external customers	\$1,537,893,537	\$219,704,831	\$174,794,117	\$-	\$1,932,392,485
Intersegment revenue	-	264,796,513	-	(264,796,513)	-
Interest income	-	4,927,607	26,437,149	-	31,364,756
Total revenue	<u>\$1,537,893,537</u>	<u>\$489,428,951</u>	<u>\$201,231,266</u>	<u>\$(264,796,513)</u>	<u>\$1,963,757,241</u>
Interest expense	<u>\$77,405</u>	<u>\$25,772</u>	<u>\$111,160</u>	<u>\$(25,772)</u>	<u>\$188,565</u>
Depreciation and amortization	<u>\$204,759,430</u>	<u>\$81,396,009</u>	<u>\$6,310,853</u>	<u>\$(40,391,611)</u>	<u>\$252,074,681</u>
Share of profits and losses of affiliates and joint ventures under the equity method:	<u>\$-</u>	<u>\$-</u>	<u>\$104,440,869</u>	<u>\$(104,440,869)</u>	<u>\$-</u>
Segment profit or loss	<u>\$274,508,484</u>	<u>\$170,270,342</u>	<u>\$70,575,828</u>	<u>\$(98,424,612)</u>	<u>\$416,930,042</u>

Segment total assets	\$2,587,198,303	\$1,399,028,979	\$2,638,826,570	\$(875,431,192)	\$5,749,622,660
Segment total liabilities	\$759,161,463	\$1,595,875,148	\$277,143,198	\$(48,710,220)	\$2,583,469,589
	2022				
	Gas sales segment	Installation segment	Other segment	Adjustment and elimination	Total
Revenue					
Revenue from external customers	\$1,570,312,368	\$222,187,073	\$153,810,832	\$-	\$1,946,310,273
Intersegment revenue	-	314,062,864	-	(314,062,864)	-
Interest income	-	2,569,559	19,954,690	-	22,524,249
Total revenue	\$1,570,312,368	\$538,819,496	\$173,765,522	\$(314,062,864)	\$1,968,834,522
Interest expense	\$129,067	\$36,078	\$136,608	\$(35,989)	\$265,764
Depreciation and amortization	\$190,931,422	\$84,145,795	\$6,780,469	\$(37,877,554)	\$243,980,132
Share of profits and losses of affiliates and joint ventures under the equity method:	\$-	\$-	\$(54,123,385)	\$54,123,385	\$-
Segment profit or loss	\$291,272,591	\$32,341,393	\$(148,102,641)	\$37,804,503	\$213,315,846
Segment total assets	\$2,591,927,415	\$1,301,041,429	\$2,224,118,952	\$(789,157,105)	\$5,327,930,691
Segment total liabilities	\$727,211,073	\$1,420,657,854	\$249,879,739	\$(56,557,037)	\$2,341,191,629

① Intersegment revenue is eliminated upon consolidation.

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

(II) Region information

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

	Operating revenue		Non-current assets	
	2023	2022	December 31, 2023	December 31, 2022
Taiwan	\$1,932,392,485	\$1,946,310,273	\$2,924,720,452	\$2,891,351,925

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

(III) Product information

Type of product	2023	2022
Gas sales	\$1,537,893,537	\$1,570,312,368
Installation:	219,704,831	222,187,073
Others	174,794,117	153,810,832
Total	\$1,932,392,485	\$1,946,310,273

(IV) Information on important customers

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

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

No. (Note 1)	Name of the trader	Trading partner	Relationship with the trader (Note 2)	Circumstance of the transaction			
				Item	Amount (In thousands of NT\$)	Trading term	As a percentage of consolidated total revenue or total assets (Note 3)
0	Shin Shin Natural Gas Co. LTD.	EVFA INTERNATIONAL CO., LTD.	1	Installation revenue	\$5,451	Comparable to ordinary trading terms	0.28%
0	Shin Shin Natural Gas Co. LTD.	EVFA INTERNATIONAL CO., LTD.	1	Purchases	58,119	Comparable to ordinary trading terms	3.01%
0	Shin Shin Natural Gas Co. LTD.	EVFA INTERNATIONAL CO., LTD.	1	Installation cost	7,418	Comparable to ordinary trading terms	0.38%
0	Shin Shin Natural Gas Co. LTD.	EVFA INTERNATIONAL CO., LTD.	1	Other operating costs	35,725	Comparable to ordinary trading terms	1.85%
0	Shin Shin Natural Gas Co. LTD.	EVFA INTERNATIONAL CO., LTD.	1	Accounts receivable	5,387	Comparable to ordinary trading terms	0.09%
0	Shin Shin Natural Gas Co. LTD.	EVFA INTERNATIONAL CO., LTD.	1	Notes payable	22,335	Comparable to ordinary trading terms	0.39%
0	Shin Shin Natural Gas Co. LTD.	EVFA INTERNATIONAL CO., LTD.	1	Accounts payable	15,038	Comparable to ordinary trading terms	0.26%
0	Shin Shin Natural Gas Co. LTD.	EVFA INTERNATIONAL CO., LTD.	1	Other payables	4,344	Comparable to ordinary trading terms	0.08%
0	Shin Shin Natural Gas Co. LTD.	EVFA INTERNATIONAL CO., LTD.	1	Other non-current liabilities (deposits received)	657	-	0.01%
0	Shin Shin Natural Gas Co. LTD.	EVFA INTERNATIONAL CO., LTD.	1	Lease income	491	Collected on a monthly basis	0.03%
0	Shin Shin Natural Gas Co. LTD.	EVFA INTERNATIONAL CO., LTD.	1	Professional service expenses	24,766	Comparable to ordinary trading terms	1.28%
0	Shin Shin Natural Gas Co. LTD.	EVFA INTERNATIONAL CO., LTD.	1	Repair and maintenance expense	11,051	-	0.57%
0	Shin Shin Natural Gas Co. LTD.	EVFA INTERNATIONAL CO., LTD.	1	Gas sales equipment	122,264	Comparable to ordinary trading terms	2.13%

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

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

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

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

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

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

Unit: In NT\$

Company held	Type and name of marketable securities	Relationship with issuer of marketable securities	GL account in the financial statements	End of the period				Remarks
				Number of shares/units	Carrying amount	Shareholdings percentage	Fair value	
Shin Shin Natural Gas Co. LTD.	KINIK / Stock	-	Financial assets measured at fair value through profit or loss - current	12,000	\$2,304,000	-	\$2,304,000	
Shin Shin Natural Gas Co. LTD.	AirTAC-KY / Stock	-	Financial assets measured at fair value through profit or loss - current	3,000	3,030,000	-	3,030,000	
Shin Shin Natural Gas Co. LTD.	KING SLIDE WORKS / Stock	-	Financial assets measured at fair value through profit or loss - current	3,000	2,742,000	-	2,742,000	
Shin Shin Natural Gas Co. LTD.	HON HAI PRECISION / Stock	-	Financial assets measured at fair value through profit or loss - current	10,000	1,045,000	-	1,045,000	
Shin Shin Natural Gas Co. LTD.	YAGEO / Stock	-	Financial assets measured at fair value through profit or loss - current	2,000	1,194,000	-	1,194,000	
Shin Shin Natural Gas Co. LTD.	TSMC / Stock	-	Financial assets measured at fair value through profit or loss - current	10,000	5,930,000	-	5,930,000	
Shin Shin Natural Gas Co. LTD.	ASUS / Stock	-	Financial assets measured at fair value through profit or loss - current	3,000	1,468,500	-	1,468,500	
Shin Shin Natural Gas Co. LTD.	GIGABYTE / Stock	-	Financial assets measured at fair value through profit or loss - current	4,000	1,064,000	-	1,064,000	
Shin Shin Natural Gas Co. LTD.	Quanta / Stock	-	Financial assets measured at fair value through profit or loss - current	5,000	1,122,500	-	1,122,500	
Shin Shin Natural Gas Co. LTD.	MediaTek / Stock	-	Financial assets measured at fair value through profit or loss - current	2,000	2,030,000	-	2,030,000	
Shin Shin Natural Gas Co. LTD.	EVA Air / Stock	-	Financial assets measured at fair value through profit or loss - current	30,000	943,500	-	943,500	

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Unit: In NT\$

Company held	Type and name of marketable securities	Relationship with issuer of marketable securities	GL account in the financial statements	End of the period				Remarks
				Number of shares/units	Carrying amount	Shareholdings percentage	Fair value	
Shin Shin Natural Gas Co. LTD.	King's Town Bank/ Stock	-	Financial assets measured at fair value through profit or loss - current	60,000	\$2,397,000	-	\$2,397,000	
Shin Shin Natural Gas Co. LTD.	Union Bank of Taiwan Preferred Shares A / Stock	-	Financial assets measured at fair value through profit or loss - current	1,000,000	51,300,000	-	51,300,000	
Shin Shin Natural Gas Co. LTD.	CATHAY HOLDINGS / Stock	-	Financial assets measured at fair value through profit or loss - current	4,080	186,660	-	186,660	
Shin Shin Natural Gas Co. LTD.	Cathy Preferred Shares / Stock	-	Financial assets measured at fair value through profit or loss - current	96,000	5,721,600	-	5,721,600	
Shin Shin Natural Gas Co. LTD.	Shin Kong Financial Holding Preferred Shares A / Stock	-	Financial assets measured at fair value through profit or loss - current	460,460	13,192,179	-	13,192,179	
Shin Shin Natural Gas Co. LTD.	Shin Kong Financial Holding Preferred Shares B / Stock	-	Financial assets measured at fair value through profit or loss - current	5,112	146,459	-	146,459	
Shin Shin Natural Gas Co. LTD.	ADATA / Stock	-	Financial assets measured at fair value through profit or loss - current	9,000	927,000	-	927,000	
Shin Shin Natural Gas Co. LTD.	Auras / Stock	-	Financial assets measured at fair value through profit or loss - current	6,000	2,115,000	-	2,115,000	
Shin Shin Natural Gas Co. LTD.	ABILITY OPTO-ELECTRONICS / Stock	-	Financial assets measured at fair value through profit or loss - current	7,000	1,211,000	-	1,211,000	
Shin Shin Natural Gas Co. LTD.	FOXSEMICON / Stock	-	Financial assets measured at fair value through profit or loss - current	5,000	1,052,500	-	1,052,500	
Shin Shin Natural Gas Co. LTD.	FCN / Stock	-	Financial assets measured at fair value through profit or loss - current	16,000	2,600,000	-	2,600,000	

Continued from the previous page

Unit: In NT\$

Company held	Type and name of marketable securities	Relationship with issuer of marketable securities	GL account in the financial statements	End of the period				Remarks
				Number of shares/units	Carrying amount	Shareholdings percentage	Fair value	
Shin Shin Natural Gas Co. LTD.	eMemory Technology / Stock	-	Financial assets measured at fair value through profit or loss - current	1,000	\$2,450,000	-	\$2,450,000	
Shin Shin Natural Gas Co. LTD.	LOTES CO., LTD / Stock	-	Financial assets measured at fair value through profit or loss - current	3,000	3,210,000	-	3,210,000	
Shin Shin Natural Gas Co. LTD.	Scientech / Stock	-	Financial assets measured at fair value through profit or loss - current	5,000	1,070,000	-	1,070,000	
Shin Shin Natural Gas Co. LTD.	WPG Preferred Shares A / Stock	-	Financial assets measured at fair value through profit or loss - current	700,000	32,900,000	-	32,900,000	
Shin Shin Natural Gas Co. LTD.	Ingentec / Stock	-	Financial assets measured at fair value through profit or loss - current	3,000	577,500	-	577,500	
Shin Shin Natural Gas Co. LTD.	ACME / Stock	-	Financial assets measured at fair value through profit or loss - current	4,000	1,302,000	-	1,302,000	
Shin Shin Natural Gas Co. LTD.	NUVOTON / Stock	-	Financial assets measured at fair value through profit or loss - current	15,000	2,130,000	-	2,130,000	
Shin Shin Natural Gas Co. LTD.	Innodisk / Stock	-	Financial assets measured at fair value through profit or loss - current	5,000	1,560,000	-	1,560,000	
Shin Shin Natural Gas Co. LTD.	Sino-American Silicon Products / Stock	-	Financial assets measured at fair value through profit or loss - current	6,000	1,176,000	-	1,176,000	
Shin Shin Natural Gas Co. LTD.	SIMPLO / Stock	-	Financial assets measured at fair value through profit or loss - current	2,000	840,000	-	840,000	

Continued from the previous page

Unit: In NT\$

Company held	Type and name of marketable securities	Relationship with issuer of marketable securities	GL account in the financial statements	End of the period				Remarks
				Number of shares/units	Carrying amount	Shareholdings percentage	Fair value	
Shin Shin Natural Gas Co. LTD.	SPORTON / Stock	-	Financial assets measured at fair value through profit or loss - current	4,000	\$964,000	-	\$964,000	
Shin Shin Natural Gas Co. LTD.	Sheng Chiun / Stock	-	Financial assets measured at fair value through profit or loss - current	9,000	600,300	-	600,300	
Shin Shin Natural Gas Co. LTD.	SHINFOX/ Stock	-	Financial assets measured at fair value through profit or loss - current	14,000	1,491,000	-	1,491,000	
Shin Shin Natural Gas Co. LTD.	Arizon-KY / Stock	-	Financial assets measured at fair value through profit or loss - current	4,000	578,000	-	578,000	
Shin Shin Natural Gas Co. LTD.	J & V ENERGY/Stock	-	Financial assets measured at fair value through profit or loss - current	10,000	946,000	-	946,000	
Shin Shin Natural Gas Co. LTD.	Phison / Stock	-	Financial assets measured at fair value through profit or loss - current	3,000	1,560,000	-	1,560,000	
Shin Shin Natural Gas Co. LTD.	THE GREAT TAIPEI GAS / Stock	The chairperson of this company is a director of the Company	Financial assets measured at fair value through profit or loss - current	450,000	14,715,000	-	14,715,000	
Shin Shin Natural Gas Co. LTD.	Taiwan Shin Kong Security / Stock	The chairperson of this company is a director of the Company	Financial assets measured at fair value through profit or loss - current	55,500	2,239,425	-	2,239,425	
Shin Shin Natural Gas Co. LTD.	SHIN HAI GAS / Stock	The chairperson of this company is a director of the Company	Financial assets measured at fair value through profit or loss - current	38,927	2,179,912	-	2,179,912	
Shin Shin Natural Gas Co. LTD.	Shin Kong Taiwan High Dividend Securities Investment Trust (A) / Beneficiary Certificates	-	Financial assets measured at fair value through profit or loss - current	500,000	6,155,000	-	6,155,000	

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Unit: In NT\$

Company held	Type and name of marketable securities	Relationship with issuer of marketable securities	GL account in the financial statements	End of the period				Remarks
				Number of shares/units	Carrying amount	Shareholdings percentage	Fair value	
Shin Shin Natural Gas Co. LTD.	Shin Kong Global Multi Asset Fund/ Beneficiary Certificates	-	Financial assets measured at fair value through profit or loss - current	500,000	\$5,094,250	-	\$5,094,250	
Shin Shin Natural Gas Co. LTD.	Shin Kong 4 Maturity U.S. Investment Grd Bd/ Beneficiary Certificates	-	Financial assets measured at fair value through profit or loss - current	500,000	5,122,650	-	5,122,650	
Shin Shin Natural Gas Co. LTD.	Shin Kong Global Home Economy Securities Investment Trust / Beneficiary Certificates	-	Financial assets measured at fair value through profit or loss - current	1,000,000	10,600,000	-	10,600,000	
Shin Shin Natural Gas Co. LTD.	Yuanta Taiwan High Dividend Quality Leader Fund / Beneficiary Certificates	-	Financial assets measured at fair value through profit or loss - current	300,000	4,863,000	-	4,863,000	
Shin Shin Natural Gas Co. LTD.	SinoPac Money Market Fund / Beneficiary Certificates	-	Financial assets measured at fair value through profit or loss - current	1,402,111.60	20,051,598	-	20,051,598	
Shin Shin Natural Gas Co. LTD.	Eastspring Investments Umbrella Fund -Global Bond Fund of Fund/ Beneficiary Certificates	-	Financial assets measured at fair value through profit or loss - current	396,853.70	5,238,628	-	5,238,628	
Shin Shin Natural Gas Co. LTD.	Nomura Global Short Duration Bond Fund/ Beneficiary Certificates	-	Financial assets measured at fair value through profit or loss - current	473,462.43	5,053,596	-	5,053,596	
Shin Shin Natural Gas Co. LTD.	Jih Sun Money Market Fund / Beneficiary Certificates	-	Financial assets measured at fair value through profit or loss - current	1,975,737.94	30,138,894	-	30,138,894	
Shin Shin Natural Gas Co. LTD.	Taishin 1699 Money Market Fund / Beneficiary Certificates	-	Financial assets measured at fair value through profit or loss - current	2,162,084.25	30,144,860	-	30,144,860	

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Unit: In NT\$

Company held	Type and name of marketable securities	Relationship with issuer of marketable securities	GL account in the financial statements	End of the period				Remarks
				Number of shares/units	Carrying amount	Shareholdings percentage	Fair value	
Shin Shin Natural Gas Co. LTD.	Capital Money Market Fund / Beneficiary Certificates	-	Financial assets measured at fair value through profit or loss - current	1,207,722.20	\$20,032,367	-	\$20,032,367	
Shin Shin Natural Gas Co. LTD.	CTBC Hwa-win Money Market Fund/ Beneficiary Certificates	-	Financial assets measured at fair value through profit or loss - current	1,769,332.20	20,020,348	-	20,020,348	
Shin Shin Natural Gas Co. LTD.	CTBC Vietnam Equity Fund/ Beneficiary Certificates	-	Financial assets measured at fair value through profit or loss - current	364,166.06	4,657,684	-	4,657,684	
Shin Shin Natural Gas Co. LTD.	FSITC Taiwan Core Strategic Infrastructure Fund / Beneficiary Certificates	-	Financial assets measured at fair value through profit or loss - current	300,000	4,068,000	-	4,068,000	
Shin Shin Natural Gas Co. LTD.	FSITC Global Sustainable Impact Investment Multi-Asset Fund/Beneficiary Certificates	-	Financial assets measured at fair value through profit or loss - current	500,000	4,985,350	-	4,985,350	
Shin Shin Natural Gas Co. LTD.	Yuanta Global Leaders Balanced Securities Investment Trust (Type A Non-Dividend)/ Beneficiary Certificates	-	Financial assets measured at fair value through profit or loss - current	300,000	3,570,000	-	3,570,000	
Shin Shin Natural Gas Co. LTD.	Yuanta Japan Leaders Equity Fund/ Beneficiary Certificates	-	Financial assets measured at fair value through profit or loss - current	500,000	5,000,000	-	5,000,000	
Shin Shin Natural Gas Co. LTD.	SinoPac 4Y Mat US Qua Invs Gd Bd/ Beneficiary Certificates	-	Financial assets measured at fair value through profit or loss - current	300,000	2,981,850	-	2,981,850	
Shin Shin Natural Gas Co. LTD.	Yuanta Global 5G & NexGen Telecommunication Components ETF/ Beneficiary Securities	-	Financial assets measured at fair value through profit or loss - current	200,000	6,680,000	-	6,680,000	

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Unit: In NT\$

Company held	Type and name of marketable securities	Relationship with issuer of marketable securities	GL account in the financial statements	End of the period				Remarks
				Number of shares/units	Carrying amount	Shareholdings percentage	Fair value	
Shin Shin Natural Gas Co. LTD.	Fubon FTSE Vietnam ETF Securities Investment Trust / Beneficiary Securities	-	Financial assets measured at fair value through profit or loss - current	600,000	\$7,056,000	-	\$7,056,000	
Shin Shin Natural Gas Co. LTD.	Fubon Future Vehicle ETF Securities Investment Trust / Beneficiary Securities	-	Financial assets measured at fair value through profit or loss - current	350,000	6,982,500	-	6,982,500	
Shin Shin Natural Gas Co. LTD.	Shin Kong TIP Taiwan Semiconductor 30 ETF / Beneficiary Securities	-	Financial assets measured at fair value through profit or loss - current	500,000	7,660,000	-	7,660,000	
Shin Shin Natural Gas Co. LTD.	Yuanta U.S. Treasury 20+ Year Bond ETF/ Beneficiary securities	-	Financial assets measured at fair value through profit or loss - current	100,000	3,085,000	-	3,085,000	
Shin Shin Natural Gas Co. LTD.	Yuanta US 20+ Year BBB Corporate Bond ETF/ Beneficiary securities	-	Financial assets measured at fair value through profit or loss - current	60,000	2,160,000	-	2,160,000	
Shin Shin Natural Gas Co. LTD.	Yuanta US 20+ Year AAA-A Corporate Bond ETF/ Beneficiary securities	-	Financial assets measured at fair value through profit or loss - current	60,000	2,119,800	-	2,119,800	
Shin Shin Natural Gas Co. LTD.	P06 Taichung Commercial Bank 2nd Perpetual Non-Cumulative Subordinated Financial Debentures / Bond	-	Financial assets measured at fair value through profit or loss - current	300,000	30,036,000	-	30,036,000	
Shin Shin Natural Gas Co. LTD.	Citigroup Global Markets Holdings Corporate Bond CNY / Bond	-	Financial assets measured at fair value through profit or loss - current	2,200,000	9,165,326	-	9,165,326	
Shin Shin Natural Gas Co. LTD.	Fubon China RMB Bond/ Bond	-	Financial assets measured at fair value through profit or loss - current	2,000,000	8,517,960	-	8,517,960	

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Unit: In NT\$

Company held	Type and name of marketable securities	Relationship with issuer of marketable securities	GL account in the financial statements	End of the period			Fair value	Remarks
				Number of shares/units	Carrying amount	Shareholdings percentage		
Shin Shin Natural Gas Co. LTD.	National Bank of Dubai, UAE RMB Senior Unsecured Bonds (#416)/ Bond	-	Financial assets measured at fair value through profit or loss - current	3,000,000	\$12,660,786	-	\$12,660,786	
Shin Shin Natural Gas Co. LTD.	National Bank of Dubai, UAE RMB Senior Unsecured Bonds (#101)/ Bond	-	Financial assets measured at fair value through profit or loss - current	2,000,000	8,408,689	-	8,408,689	
Shin Shin Natural Gas Co. LTD.	HSBC Holdings Plc USD Senior Unsecured Bond/ Bond	-	Financial assets measured at fair value through profit or loss - current	240,000	7,933,269	-	7,933,269	
Shin Shin Natural Gas Co. LTD.	Saudi Arabia USD Senior Unsecured Bond/ Bond	-	Financial assets measured at fair value through profit or loss - current	260,000	7,735,973	-	7,735,973	
Shin Shin Natural Gas Co. LTD.	American Express Co. (AXP) Senior Unsecured Corporate Bond/ Bond	-	Financial assets measured at fair value through profit or loss - current	52,000	1,647,302	-	1,647,302	
Shin Shin Natural Gas Co. LTD.	Meiya Financial U.S. dollar denominated primary bonds/ Bond	-	Financial assets measured at fair value through profit or loss - current	42,000	1,010,180	-	1,010,180	
Shin Shin Natural Gas Co. LTD.	Metropolitan U.S. dollar subordinated bonds/ Bond	-	Financial assets measured at fair value through profit or loss - current	100,000	3,130,795	-	3,130,795	
Shin Shin Natural Gas Co. LTD.	M&G PLC USD Subordinated Bonds / Bond	-	Financial assets measured at fair value through profit or loss - current	200,000	6,024,934	-	6,024,934	
Shin Shin Natural Gas Co. LTD.	QNB Finance Ltd. CNY foreign bond/ Bond	-	Financial assets measured at fair value through profit or loss - current	1,000,000	4,185,416	-	4,185,416	

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Unit: In NT\$

Company held	Type and name of marketable securities	Relationship with issuer of marketable securities	GL account in the financial statements	End of the period				Remarks
				Number of shares/units	Carrying amount	Shareholdings percentage	Fair value	
Shin Shin Natural Gas Co. LTD.	CCAM/Stable Foreign Currency Arbitrage Bills (USD) / Bond	-	Financial assets measured at fair value through profit or loss - current	15 board lots	\$-	-	\$-	
Shin Shin Natural Gas Co. LTD.	CCAM/Stable Foreign Currency Arbitrage Bills (EUR) / Bond	-	Financial assets measured at fair value through profit or loss - current	10 board lots	-	-	-	
Shin Shin Natural Gas Co. LTD.	Banshin Financial Bonds / Bond	-	Financial assets measured at amortized cost - current	6 board lots	70,000,000	-	70,000,000	

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

Unit: In NT\$

Company held	Type and name of marketable securities	Relationship with issuer of marketable securities	GL account in the financial statements	End of the period				Remarks
				Number of shares/units	Carrying amount	Shareholdings percentage	Fair value	
EVFA INTERNATIONAL CO., LTD.	Shihlin Electric & Engineering/ Stock	-	Financial assets measured at fair value through profit or loss - current	49,000	\$5,806,500	-	\$5,806,500	
EVFA INTERNATIONAL CO., LTD.	KINIK/ Stock	-	Financial assets measured at fair value through profit or loss - current	14,000	2,688,000	-	2,688,000	
EVFA INTERNATIONAL CO., LTD.	Lotus Pharm / Stock	-	Financial assets measured at fair value through profit or loss - current	34,000	9,248,000	-	9,248,000	
EVFA INTERNATIONAL CO., LTD.	China Motor Corporation / Stock	-	Financial assets measured at fair value through profit or loss - current	30,000	3,390,000	-	3,390,000	
EVFA INTERNATIONAL CO., LTD.	LITE-ON TECHNOLOGY / Stock	-	Financial assets measured at fair value through profit or loss - current	29,000	3,393,000	-	3,393,000	
EVFA INTERNATIONAL CO., LTD.	DELTA ELECTRONICS / Stock	-	Financial assets measured at fair value through profit or loss - current	18,000	5,643,000	-	5,643,000	
EVFA INTERNATIONAL CO., LTD.	TSMC / Stock	-	Financial assets measured at fair value through profit or loss - current	37,000	21,941,000	-	21,941,000	
EVFA INTERNATIONAL CO., LTD.	ACCTON / Stock	-	Financial assets measured at fair value through profit or loss - current	11,000	5,753,000	-	5,753,000	
EVFA INTERNATIONAL CO., LTD.	GOLD CIRCUIT ELECTRONICS / Stock	-	Financial assets measured at fair value through profit or loss - current	25,000	5,450,000	-	5,450,000	
EVFA INTERNATIONAL CO., LTD.	Quanta /stock	-	Financial assets measured at fair value through profit or loss - current	38,000	8,531,000	-	8,531,000	
EVFA INTERNATIONAL CO., LTD.	KYEC / Stock	-	Financial assets measured at fair value through profit or loss - current	68,000	5,773,200	-	5,773,200	

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Unit: In NT\$

Company held	Type and name of marketable securities	Relationship with issuer of marketable securities	GL account in the financial statements	End of the period				Remarks
				Number of shares/units	Carrying amount	Shareholdings percentage	Fair value	
EVFA INTERNATIONAL CO., LTD.	MediaTek / Stock	-	Financial assets measured at fair value through profit or loss - current	11,000	\$11,165,000	-	\$11,165,000	
EVFA INTERNATIONAL CO., LTD.	Evergreen Marine/Stocks	-	Financial assets measured at fair value through profit or loss - current	25,000	3,587,500	-	3,587,500	
EVFA INTERNATIONAL CO., LTD.	EVA Air / Stock	-	Financial assets measured at fair value through profit or loss - current	113,000	3,553,850	-	3,553,850	
EVFA INTERNATIONAL CO., LTD.	Lion Travel/Stock	-	Financial assets measured at fair value through profit or loss - current	8,000	1,120,000	-	1,120,000	
EVFA INTERNATIONAL CO., LTD.	Bafang / Stock	-	Financial assets measured at fair value through profit or loss - current	14,000	2,387,000	-	2,387,000	
EVFA INTERNATIONAL CO., LTD.	Fubon Financial/ Stock	-	Financial assets measured at fair value through profit or loss - current	84,000	5,443,200	-	5,443,200	
EVFA INTERNATIONAL CO., LTD.	Shin Kong Financial Holding / Stock	-	Financial assets measured at fair value through profit or loss - current	17,110	151,424	-	151,424	
EVFA INTERNATIONAL CO., LTD.	ESMT / Stock	-	Financial assets measured at fair value through profit or loss - current	47,000	4,606,000	-	4,606,000	
EVFA INTERNATIONAL CO., LTD.	Largan/ Stock	-	Financial assets measured at fair value through profit or loss - current	1,000	2,870,000	-	2,870,000	
EVFA INTERNATIONAL CO., LTD.	ASIA VITAL/ Stock	-	Financial assets measured at fair value through profit or loss - current	7,000	2,355,500	-	2,355,500	
EVFA INTERNATIONAL CO., LTD.	NOVATEK MICROELECTRONICS CORP. / Stock	-	Financial assets measured at fair value through profit or loss - current	5,000	2,585,000	-	2,585,000	

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Unit: In NT\$

Company held	Type and name of marketable securities	Relationship with issuer of marketable securities	GL account in the financial statements	End of the period				Remarks
				Number of shares/units	Carrying amount	Shareholdings percentage	Fair value	
EVFA INTERNATIONAL CO., LTD.	WT MICROELECTRONICS / Stock	-	Financial assets measured at fair value through profit or loss - current	5,000	\$562,500	-	\$562,500	
EVFA INTERNATIONAL CO., LTD.	TRIPOD / Stock	-	Financial assets measured at fair value through profit or loss - current	13,000	2,535,000	-	2,535,000	
EVFA INTERNATIONAL CO., LTD.	ARGOSY RESEARCH / Stock	-	Financial assets measured at fair value through profit or loss - current	16,000	2,744,000	-	2,744,000	
EVFA INTERNATIONAL CO., LTD.	WISTRON/ Stock	-	Financial assets measured at fair value through profit or loss - current	75,000	7,395,000	-	7,395,000	
EVFA INTERNATIONAL CO., LTD.	TAI-TECH Advanced Electronics / Stock	-	Financial assets measured at fair value through profit or loss - current	17,000	1,938,000	-	1,938,000	
EVFA INTERNATIONAL CO., LTD.	GLOBAL UNICHIP / Stock	-	Financial assets measured at fair value through profit or loss - current	6,000	10,440,000	-	10,440,000	
EVFA INTERNATIONAL CO., LTD.	INNOLUX/ Stock	-	Financial assets measured at fair value through profit or loss - current	265,000	3,789,500	-	3,789,500	
EVFA INTERNATIONAL CO., LTD.	Solteam Incorporation / Stock	-	Financial assets measured at fair value through profit or loss - current	31,996	1,503,812	-	1,503,812	
EVFA INTERNATIONAL CO., LTD.	eMemory Technology / Stock	-	Financial assets measured at fair value through profit or loss - current	3,000	7,350,000	-	7,350,000	
EVFA INTERNATIONAL CO., LTD.	LOTES CO., LTD / Stock	-	Financial assets measured at fair value through profit or loss - current	6,207	6,641,490	-	6,641,490	
EVFA INTERNATIONAL CO., LTD.	MA-tek / Stock	-	Financial assets measured at fair value through profit or loss - current	7,000	1,627,500	-	1,627,500	

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Unit: In NT\$

Company held	Type and name of marketable securities	Relationship with issuer of marketable securities	GL account in the financial statements	End of the period				Remarks
				Number of shares/units	Carrying amount	Shareholdings percentage	Fair value	
EVFA INTERNATIONAL CO., LTD.	JENTECH PRECISION INDUSTRIAL CO., LTD / Stock	-	Financial assets measured at fair value through profit or loss - current	15,799	\$12,149,431	-	\$12,149,431	
EVFA INTERNATIONAL CO., LTD.	ALCHIP-KY / Stock	-	Financial assets measured at fair value through profit or loss - current	2,000	6,550,000	-	6,550,000	
EVFA INTERNATIONAL CO., LTD.	EPISIL / Stock	-	Financial assets measured at fair value through profit or loss - current	16,000	1,153,600	-	1,153,600	
EVFA INTERNATIONAL CO., LTD.	DYNAMIC / Stock	-	Financial assets measured at fair value through profit or loss - current	24,200	2,662,000	-	2,662,000	
EVFA INTERNATIONAL CO., LTD.	IQS MERCHANDISE / Stock	-	Financial assets measured at fair value through profit or loss - current	65,000	2,063,750	-	2,063,750	
EVFA INTERNATIONAL CO., LTD.	GUAN STAR-KY / Stock	-	Financial assets measured at fair value through profit or loss - current	20,000	2,540,000	-	2,540,000	
EVFA INTERNATIONAL CO., LTD.	NAN PAO/ Stock	-	Financial assets measured at fair value through profit or loss - current	16,000	4,496,000	-	4,496,000	
EVFA INTERNATIONAL CO., LTD.	PEGATRON/ Stock	-	Financial assets measured at fair value through profit or loss - current	35,000	3,055,500	-	3,055,500	
EVFA INTERNATIONAL CO., LTD.	Parade-KY / Stock	-	Financial assets measured at fair value through profit or loss - current	1,000	1,200,000	-	1,200,000	
EVFA INTERNATIONAL CO., LTD.	TONS LIGHTOLOGY INC. / Stock	-	Financial assets measured at fair value through profit or loss - current	61,812	1,761,642	-	1,761,642	
EVFA INTERNATIONAL CO., LTD.	GLORIA MATERIAL/Stocks	-	Financial assets measured at fair value through profit or loss - current	72,000	3,517,200	-	3,517,200	

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Unit: In NT\$

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Unit: In NT\$

Company held	Type and name of marketable securities	Relationship with issuer of marketable securities	GL account in the financial statements	End of the period				Remarks
				Number of shares/units	Carrying amount	Shareholdings percentage	Fair value	
EVFA INTERNATIONAL CO., LTD.	SONG HO / Stock	-	Financial assets measured at fair value through profit or loss - current	60,000	\$1,734,000	-	\$1,734,000	
EVFA INTERNATIONAL CO., LTD.	CHIH GUAN/ Stock	-	Financial assets measured at fair value through profit or loss - current	25,000	3,762,500	-	3,762,500	
EVFA INTERNATIONAL CO., LTD.	Sino-American Silicon Products / Stock	-	Financial assets measured at fair value through profit or loss - current	18,000	3,528,000	-	3,528,000	
EVFA INTERNATIONAL CO., LTD.	FamilyMart / Stock	-	Financial assets measured at fair value through profit or loss - current	15,000	2,835,000	-	2,835,000	
EVFA INTERNATIONAL CO., LTD.	DELTA ELECTRONICS / Stock	-	Financial assets measured at fair value through profit or loss - current	13,000	2,879,500	-	2,879,500	
EVFA INTERNATIONAL CO., LTD.	Gamania/ Stock	-	Financial assets measured at fair value through profit or loss - current	30,000	2,220,000	-	2,220,000	
EVFA INTERNATIONAL CO., LTD.	Ennoconn / Stock	-	Financial assets measured at fair value through profit or loss - current	8,000	2,144,000	-	2,144,000	
EVFA INTERNATIONAL CO., LTD.	Formosa Petrochemical/stock	-	Financial assets measured at fair value through profit or loss - current	29,000	2,340,300	-	2,340,300	
EVFA INTERNATIONAL CO., LTD.	WINWAY TECHNOLOGY/ Stock	-	Financial assets measured at fair value through profit or loss - current	2,000	1,678,000	-	1,678,000	
EVFA INTERNATIONAL CO., LTD.	TAIWAN STEEL UNION / Stock	-	Financial assets measured at fair value through profit or loss - current	20,000	1,832,000	-	1,832,000	
EVFA INTERNATIONAL CO., LTD.	SUN MAX / Stock	-	Financial assets measured at fair value through profit or loss - current	40,000	1,978,000	-	1,978,000	
EVFA INTERNATIONAL CO., LTD.	M31 Technology/ Stock	-	Financial assets measured at fair value through profit or loss - current	4,000	4,240,000	-	4,240,000	

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Unit: In NT\$

Company held	Type and name of marketable securities	Relationship with issuer of marketable securities	GL account in the financial statements	End of the period				Remarks
				Number of shares/units	Carrying amount	Shareholdings percentage	Fair value	
EVFA INTERNATIONAL CO., LTD.	Wiwynn/ Stock	-	Financial assets measured at fair value through profit or loss - current	2,000	\$3,650,000	-	\$3,650,000	
EVFA INTERNATIONAL CO., LTD.	Weblink / Stock	-	Financial assets measured at fair value through profit or loss - current	42,000	2,381,400	-	2,381,400	
EVFA INTERNATIONAL CO., LTD.	AES-KY / Stock	-	Financial assets measured at fair value through profit or loss - current	8,000	6,024,000	-	6,024,000	
EVFA INTERNATIONAL CO., LTD.	AXMAN / Stock	-	Financial assets measured at fair value through profit or loss - current	43,066	2,360,017	-	2,360,017	
EVFA INTERNATIONAL CO., LTD.	Fositek / Stock	-	Financial assets measured at fair value through profit or loss - current	15,000	5,737,500	-	5,737,500	
EVFA INTERNATIONAL CO., LTD.	CMI / Stock	-	Financial assets measured at fair value through profit or loss - current	63,000	2,847,600	-	2,847,600	
EVFA INTERNATIONAL CO., LTD.	Greenyn Biotechnology / Stock	-	Financial assets measured at fair value through profit or loss - current	28,000	2,212,000	-	2,212,000	
EVFA INTERNATIONAL CO., LTD.	E Ink Holdings Inc. / Stock	-	Financial assets measured at fair value through profit or loss - current	18,000	3,546,000	-	3,546,000	
EVFA INTERNATIONAL CO., LTD.	PHISON ELECTRONICS/ Stock	-	Financial assets measured at fair value through profit or loss - current	10,000	5,200,000	-	5,200,000	
EVFA INTERNATIONAL CO., LTD.	Polly-KY / Stock	-	Financial assets measured at fair value through profit or loss - current	9,000	1,129,500	-	1,129,500	
EVFA INTERNATIONAL CO., LTD.	ALEXANDER MARINE/ Stock	-	Financial assets measured at fair value through profit or loss - current	2,000	762,000	-	762,000	
EVFA INTERNATIONAL CO., LTD.	EAGLE / Stock	-	Financial assets measured at fair value through profit or loss - current	72,000	2,160,000	-	2,160,000	

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Unit: In NT\$

Company held	Type and name of marketable securities	Relationship with issuer of marketable securities	GL account in the financial statements	End of the period				Remarks
				Number of shares/units	Carrying amount	Shareholdings percentage	Fair value	
EVFA INTERNATIONAL CO., LTD.	ADVANCED GROUP / Stock	-	Financial assets measured at fair value through profit or loss - current	30,000	\$2,184,000	-	\$2,184,000	
EVFA INTERNATIONAL CO., LTD.	Fu Hsing / Stock	-	Financial assets measured at fair value through profit or loss - current	50,000	2,392,500	-	2,392,500	
EVFA INTERNATIONAL CO., LTD.	CENTURY IRON AND STEEL/ Stock	-	Financial assets measured at fair value through profit or loss - current	6,000	1,047,000	-	1,047,000	
EVFA INTERNATIONAL CO., LTD.	Union Bank of Taiwan Preferred Shares A / Stock	-	Financial assets measured at fair value through profit or loss - current	200,000	10,260,000	-	10,260,000	
EVFA INTERNATIONAL CO., LTD.	Shin Kong Financial Holding Preferred Shares A / Stock	-	Financial assets measured at fair value through profit or loss - current	300,000	8,595,000	-	8,595,000	
EVFA INTERNATIONAL CO., LTD.	Shin Kong Financial Holding Preferred Shares B / Stock	-	Financial assets measured at fair value through profit or loss - current	3,824	109,558	-	109,558	
EVFA INTERNATIONAL CO., LTD.	Industrial Bank of Taiwan Preferred Shares A / Stock	-	Financial assets measured at fair value through profit or loss - current	206,000	2,152,700	-	2,152,700	
EVFA INTERNATIONAL CO., LTD.	Fuhua Global Trend USD Fund / Beneficiary Certificates	-	Financial assets measured at fair value through profit or loss - current	14,152.9	8,529,632	-	8,529,632	
EVFA INTERNATIONAL CO., LTD.	Yuanta Global Leaders Balanced Fund / Beneficiary Certificates	-	Financial assets measured at fair value through profit or loss - current	500,000	5,950,000	-	5,950,000	
EVFA INTERNATIONAL CO., LTD.	Yuanta Japan Leaders Equity Fund/ Beneficiary Certificates	-	Financial assets measured at fair value through profit or loss - current	500,000	5,000,000	-	5,000,000	
EVFA INTERNATIONAL CO., LTD.	Fuh Hwa 3-8Yr Maturity A-Rated Bond TWD/ Beneficiary certificates	-	Financial assets measured at fair value through profit or loss - current	500,000	5,073,750	-	5,073,750	

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Unit: In NT\$

Company held	Type and name of marketable securities	Relationship with issuer of marketable securities	GL account in the financial statements	End of the period				Remarks
				Number of shares/units	Carrying amount	Shareholdings percentage	Fair value	
EVFA INTERNATIONAL CO., LTD.	Qatar National Bank Financial Limited South African currency foreign bonds/ Bond	-	Financial assets measured at fair value through profit or loss - current	73 board lots	\$2,092,159	-	\$2,092,159	
EVFA INTERNATIONAL CO., LTD.	Altria Group Corporate Bonds / Bond	-	Financial assets measured at fair value through profit or loss - current	21 board lots	6,380,900	-	6,380,900	
EVFA INTERNATIONAL CO., LTD.	National Bank of Dubai, UAE RMB Senior Unsecured Bonds (#774)/ Bond	-	Financial assets measured at fair value through profit or loss - current	80 board lots	3,392,729	-	3,392,729	
EVFA INTERNATIONAL CO., LTD.	Citigroup Global Markets Holdings (ZAR Bond)/ Bond	-	Financial assets measured at fair value through profit or loss - current	590 board lots	7,542,561	-	7,542,561	
EVFA INTERNATIONAL CO., LTD.	National Bank of Dubai, UAE RMB Senior Unsecured Bonds (#416)/ Bond	-	Financial assets measured at fair value through profit or loss - current	100 board lots	4,220,262	-	4,220,262	
EVFA INTERNATIONAL CO., LTD.	National Bank of Dubai, UAE RMB Senior Unsecured Bonds (#744)/ Bond	-	Financial assets measured at fair value through profit or loss - current	129 board lots	5,544,030	-	5,544,030	
EVFA INTERNATIONAL CO., LTD.	Verizon Communications bond/ Bonds	-	Financial assets measured at fair value through profit or loss - current	24 board lots	7,374,858	-	7,374,858	
EVFA INTERNATIONAL CO., LTD.	Altria Group Corporate Bonds(#590) / Bond	-	Financial assets measured at fair value through profit or loss - current	24 board lots	7,292,457	-	7,292,457	
EVFA INTERNATIONAL CO., LTD.	Industrial Bank of Taiwan / Stock	-	Financial assets measured at fair value through profit or loss - current	2,292,829	22,882,433	-	22,882,433	
EVFA INTERNATIONAL CO., LTD.	OME Technology/ Stock	-	Financial assets measured at fair value through profit or loss - current	100,000	2,461,000	-	2,461,000	

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Unit: In NT\$

Company held	Type and name of marketable securities	Relationship with issuer of marketable securities	GL account in the financial statements	End of the period				Remarks
				Number of shares/units	Carrying amount	Shareholdings percentage	Fair value	
EVFA INTERNATIONAL CO., LTD.	Shin Shin Natural Gas Stock	Parent company of EVFA	Financial assets measured at fair value through other comprehensive income	2,527,863	\$103,515,990	-	\$103,515,990	

Schedule 4: The amount of purchase or sale of goods from or to related parties reached NT\$100 million or 20% of the paid-in capital

Unit: In NT\$

Company that purchases or sells goods	Name of trading partner	Relationship with the trader	Circumstance of the transaction				Circumstance under which the terms of the transaction differ from those of ordinary transactions and the reasons therefor.		Notes and accounts receivable (payable)		Remarks
			Sale (purchase)	Amount	As a percentage of total sales (purchases)	Credit granting period	Unit price	Credit granting period	Balance	As a percentage of notes and accounts receivable (payable)	
EVFA INTERNATIONAL CO., LTD.	Shin Shin Natural Gas Co. LTD.	Parent company	Sale	\$173,730,475	61.01%	Approximately one month	Same as ordinary transactions	1 month	\$41,716,807	100%	

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

Unit: In NT\$

Name of investor company	Investee name	Location	Principal business activities	Original investment amount		Holding at the end of the period			Profit (loss) income of the investee company for the period	Investment income (loss) recognized in the period (Note 1)	Remarks
				End of the period	End of last year	Number of shares	Percentage	Carrying amount			
Shin Shin Natural Gas Co. LTD.	EVFA INTERNATIONAL CO., LTD.	New Taipei City	(1) Manufacture and sale of gas equipment and import/export dealership (2) Planning, design, supervision and maintenance of gas equipment construction (3) Planning and installation of emergency automatic gas shut-off system equipment (4) Entrusted to transcribe user's gas meter usage (5) Import and export sales of gas meters	\$80,008,000	\$80,008,000	58,410,000	100.00%	\$508,689,911	\$96,522,374	\$104,440,869	

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

Schedule 6: Information on Major Shareholders

Name of Major Shareholder	Shares	Number of shares held	Shareholdings percentage
Veterans Affairs Commission, Executive Yuan		46,556,713	25.78%
Thousand Islands Investment Co., Ltd.		14,203,712	7.86%
THE GREAT TAIPEI GAS CORPORATION		10,534,066	5.83%
Pai Hsun Investment Co., Ltd.		9,030,716	5.00%

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