

Stock Code: 9918



Shin Shin Natural Gas
Co., LTD.

Annual Report

2023

Taiwan Stock Exchange Market Observation Post System: <https://mops.twse.com.tw>

Company Website: <https://www.shinshingas.com.tw>

Printed on May 17 , 2024

I. Names, title, telephone, and email of the Company's spokesperson and their deputy:

Spokesperson:

Name: Yi-Hsin Chien

Title: Vice President

Telephone: (02) 2921-7811 ext 203

Email: ssngas11@ms67.hinet.net

Spokesperson:

Deputy spokesperson: Chong-Yi Liao

Title: Manager of Business Department

Telephone: (02) 2921-7811 ext 211

Email: ssngas11@ms67.hinet.net

II. Company address and telephone:

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

Telephone: (02) 2927-5747, (02) 2921-7811

Fax: (02) 2925-3004

III. Name, address, website and telephone of stock transfer agency:

Name: KGI Securities Co.,Ltd.

Address: 5F, No. 2, Section 1, Chongqing South Road, Taipei City

Website: www.kgieworld.com.tw

Telephone: (02) 2389-2999

IV. Name, Accounting Firm, address, website and telephone of the CPA for the financial statements in the most recent year:

CPAs: Jiunn-huei Ko, Li-yen Wang

Accounting Firm: BDO Taiwan

Address: 10F, No. 72, Section 2, Nanjing East Road, Taipei City

Telephone: (02) 2564-3000

Website: <http://www.bdo.com.tw>

V. Trading venue of overseas marketable securities listed for trading and method of searching overseas marketable securities information: None

VI. Company website: <https://www.shinshingas.com.tw>

Table of Contents

| | |
|--|------------|
| One. Shareholders Report | 1 |
| Two. Company Introduction | 8 |
| Three. Company Governance Report | 14 |
| I. Organizational system..... | 14 |
| II. Information on directors, president, vice-president, assistant VP and head of each department and branches | 17 |
| III. Remunerations paid to directors and independent directors, supervisors, president and vice-president in the most recent year | 38 |
| IV. The Company's implementation of corporate governance..... | 43 |
| V. Information on CPA's professional fees..... | 95 |
| VI. Information on change of CPAs | 95 |
| VII. Anyone among the Company's chairperson, president or any managerial officers in charge of finance or accounting affairs who have in the most recent year held a position at the accounting firm of the attesting CPA or an affiliate of the accounting firm | 96 |
| VIII. Any equity transfer or change in equity pledge by a director, managerial officer, or shareholder with 10% stake or more from the most recent year up to publication of the annual report..... | 97 |
| IX. Information on the top ten shareholders in shareholding ratio and are related parties or with a relationship of being a spouse or a relative within the 2nd degree of kinship | 99 |
| X. Investments jointly held by the company, the company's directors, managers, and enterprises directly or indirectly controlled by the company, with shareholdings disclosed in aggregate of the parties..... | 100 |
| Four. Capital Overview | 101 |
| I. Processing of the company's capital, any issuance of shares, corporate bonds, preferred shares, global depository receipts, and employee stock warrants, new restricted employee shares, any merger and acquisition activities (including mergers, acquisitions, and demergers) | 101 |
| II. The status of implementation of capital allocation plans | 107 |
| Five. Operation Overview..... | 108 |
| I. Business activities..... | 108 |
| II. Market, production and sales overview | 112 |
| III. Human resources..... | 116 |
| IV. Environmental protection expenditure..... | 119 |
| V. Labor relations | 120 |
| VI. Cyber Security Management | 123 |
| VII. Material Contracts..... | 127 |
| Six. Financial Information | 130 |
| I. Condensed balance sheet and comprehensive income statement, CPA names and auditor's opinions for the most recent 5 years | 130 |
| II. Financial analysis for the most recent 5 years | 135 |
| III. Audit report on the most recent year's financial statements by the Audit Committee | 139 |
| IV. Parent Company Only Financial Statements for the Year Ended December 31, 2022 and 2021, and Independent Auditors' Report | 140 |

| | |
|--|-----|
| V. Consolidated Financial Statements for the Year Ended December 31, 2022 and 2021, and Independent Auditors' Report | 140 |
| VI. Financial difficulties the Company or its affiliates have experienced in the most recent fiscal year or during the current fiscal year up to publication of the annual report..... | 140 |

Seven. Review of Financial Conditions, Financial Performance, and Risk Management 141

| | |
|--|-----|
| I. Financial Status..... | 141 |
| II. Financial Performance | 142 |
| III. Cash Flow | 143 |
| IV. Effects of Major Capital Expenditures During the Most Recent Fiscal Year on Financial and Business | 144 |
| V. The Major Causes for Profits or Losses Incurred by Investments During the Most Recent Year, Rectifications and Investment Plans for the Next Year | 144 |
| VI. Analysis and Evaluation of Risk Management..... | 145 |
| VII. Other Important Matters | 148 |

Eight. Special Notes 149

| | |
|--|-----|
| I. Subsidiaries..... | 152 |
| II. Private placement of marketable securities for the most recent year and as of publication date of the annual report | 152 |
| III. Holding or disposal of shares in the Company by the Company's subsidiaries for the most recent year and as of publication date of the annual report | 152 |
| IV. Other Necessary Supplement..... | 152 |
| V. As of the recent year until the annual report publication date, any matter which has had a significant impact on shareholders rights or the price for the securities referred to in Article 36, paragraph 3, subparagraph 2 of the Securities and Exchange Act..... | 152 |

Attachment

Attachment 1

| | |
|---|-----|
| Parent Company Only Financial Statements for the Year Ended December 31, 2022 and 2021, and Independent Auditors' Report..... | 154 |
|---|-----|

Attachment 2

| | |
|---|-----|
| Consolidated Financial Statements for the Year Ended December 31, 2022 and 2021, and Independent Auditors' Report | 232 |
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Employee Code of Shin Shin Natural Gas Co. LTD.

- I. The Company is home and take pride in the workplace.
- II. Customer service at its best and safety at all times.
- III. Stay humble and honest.
- IV. Work proactively and diligently, and seek work performance.
- V. Company looks to grow stronger, and society wants to stay secure and prosperous.

One. Shareholders Report

Dear all shareholders,

Time flies, and it is the general shareholders' meeting of a new year. First, on behalf of the Company and all employees, I would like to sincerely thank you for your continued support that enables the effective development of our business. Over the past year, the interest rate has peaked and remained high, which has cooled down the real estate market. This is in addition to the global economy being affected by the Russia–Ukraine war and Israel–Palestine Conflict. However, with the proper guidance of the Board of Directors and the efforts of all employees under the philosophy of ethical and pragmatic management, we achieved steady growth in profit before tax.

2023 Operating Results:

(1) Implementation results of the operational plan

Regarding the operations in 2023, the projected expansion target was 4,300 households for installation fees, and the actual number was 4,728 households; the target for gas supply was 3,655 households while the actual number was 4,173 households; as of the end of 2023, the number of households for gas supply had reached 369,573 households. In addition, the anticipated operating revenue for 2023 was NT\$1.86263 billion while the actual revenue was NT\$1.91244 billion and the consolidated operating revenue of the Company and its subsidiaries was NT\$1.93239 billion; the profit before tax was projected at NT\$215 million while the actual net profit was NT\$411.61 million and the consolidated net profit before tax of the Company and its subsidiaries was NT\$416.93 million.

To ensure a safe gas supply, the Company constantly acquires relevant facilities to improve technology and boost repair and maintenance. This includes the existing gas-holder tank, automatic monitoring system among gas governor stations, engineering maps, and relevant inspections in the systematic management. In addition, it has completed information back-up, software procurement, and installation of hard drives to be shared on the network to strengthen the safety of information backup. The Company is continuously advancing the functions of its MIS system to address the business development needs. Regarding the replacement of gas meters, the actual number replaced was 34,740 units, which was above the goal of 34,000 pieces. In answer to the microcomputing meters promoted by the government, 26,969 units were replaced with the microcomputing meters out of the total number replaced. Concerning the pipeline replacement, 8,000 meters of pipeline was expected to be replaced in the year while 8,300.3 meters were actually replaced. For inner pipe check, we continue to carry out the “regular inner pipe check for users” on a biennial basis to ensure user safety. The checks for a total of 158,460 households were completed while the goal was set at 181,470 households.

(2) Research and development

As the ratio of ultra-high-rise buildings grows in the Company's operating area, due to the difficulty in pipeline maintenance, the PVC coated pipes have replaced the galvanized pipe as the “outer supply tubes” and the “outer pipelines” to improve the weather resistance of pipelines. In addition, to enhance gas supply safety, nondestructive testing is planned to be used on a certain percentage of outer pipelines sampled to ensure the bead quality and

maintain gas supply safety.

The Company plans to launch the mobilization of maintenance operation to store operational records, boosting information management, and practicing energy saving and carbon reduction. The goal is to improve the horizontal transmission of repair data among business units through the added operating program. The digitalized written information will contribute to the long-term analysis of pipeline data. The electronic tablets on engineering vehicles for data search and vehicle and personnel tagging will help reduce paper use and improve vehicle and personnel management, hence enhancing management efficiency for instant pipeline repair.

2024 Operating Plan Summary:

In its 2024 promotional plan, the Company will place its emphasis on urban renewal projects and households with high gas volume usage jointly with the promotion in communities where it has built pipelines to achieve the business promotional goal. To ensure gas supply safety, it continuously implements the pipeline replacement plan, improves map data management, intensifies user safety checks and meter renewal, and properly arranges personnel to meet users' schedules for detailed inspection. At the same time, it continues to improve the procedures for maintenance and leak inspections and expand the scale of inspection to strengthen operational contact, control, and instant repair for gas supply safety. As for our services, we are continuing to promote electronic bills while also improving the quality of our meter reading and bill delivery services. We have planned to conduct pressure inspections at the end of pipelines during the "gas usage peak hours." For low-pressure areas, we have proposed an improvement plan and carried out construction. We have extended our weekday regular inspection service hours and proactively arrange appointments for regular inspections at proper hours. We also participate in activities held by communities and clubs to promote "general knowledge on gas" and remind users about safety and scam prevention. For legal compliance, the Company observes and practices relevant laws and regulations to enhance its performance on corporate governance, in addition to increasing the diversity and independence of the Board of Directors for higher board operational efficiency. In addition, the Company has been austere in executing its budget plan hoping to obtain anticipated result. The estimated numbers of users for setup fee and for gas supply service are 4,400 users and 3,740 users, respectively, with the projected sales volume of 112,420,745 cubic meters.

Strategies for Future Company Development, and Influences of External, Legal and Overall Operating Environment:

The Company is a national gas utility enterprise and its profitability is limited due to the restrictions of relevant laws and regulations and subject to the approval of the competent authority. However, the Company will strive to overcome such issues with its business principles and seek growth. In addition, in answer to the government's policy for sustainability, the Company has introduced the greenhouse gas inventory and conducted data collection and statistics based on the scopes of inventory. A sustainability implementation team was also established to formulate the sustainability policy from the three major aspects, environmental protection, social responsibility and corporate governance to increase corporation value in sustainability and put its vision of sustainability into practice. With your continued support and all employees' joint efforts, the rising performance and the bright future of the Company will generate profits for its shareholders under the guidance of all directors.

We welcome your advice and wish you the best of health and great success.

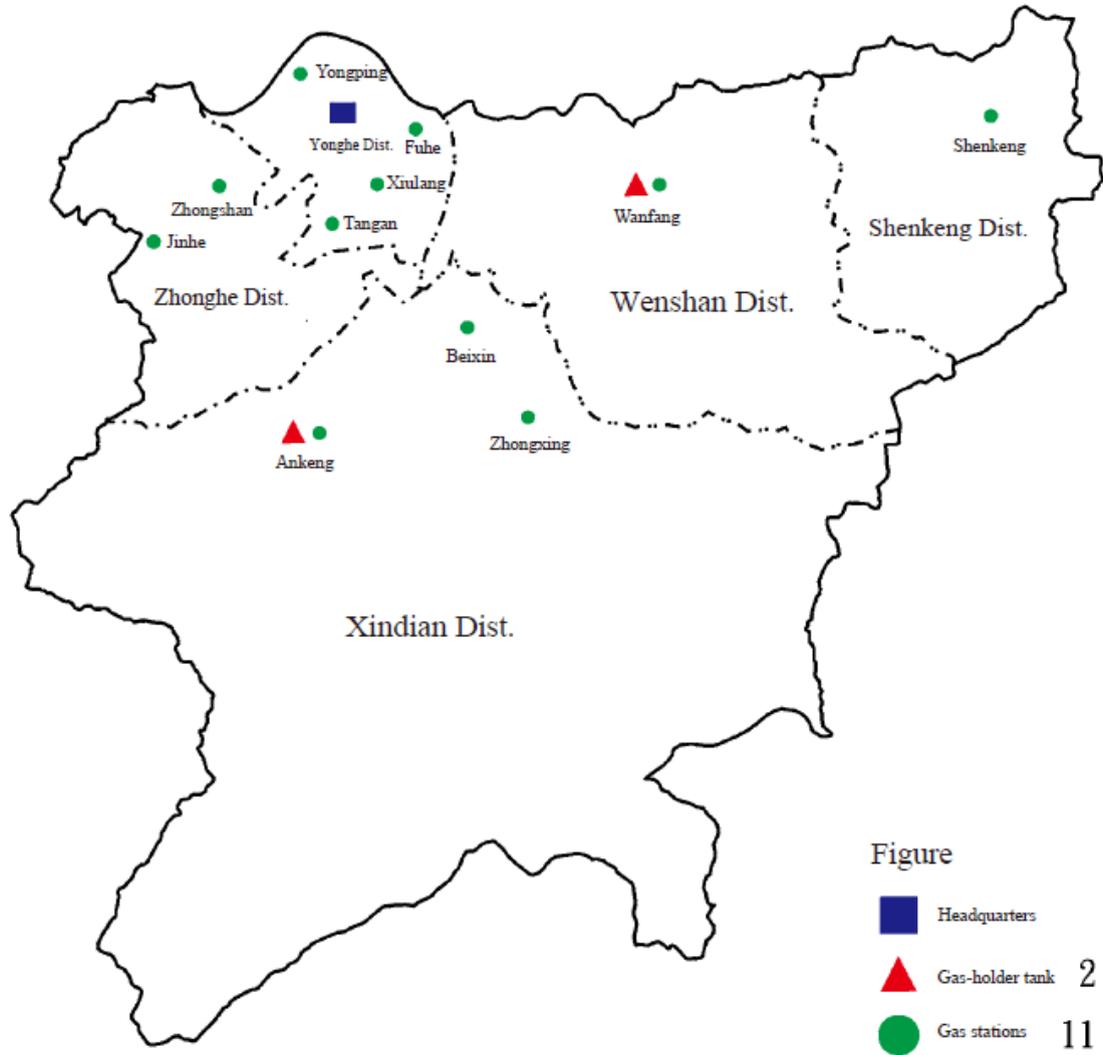
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2023 Business Report

1. Operating areas map



2. Operations Department

2023 Business Statistics Report

Unit: User

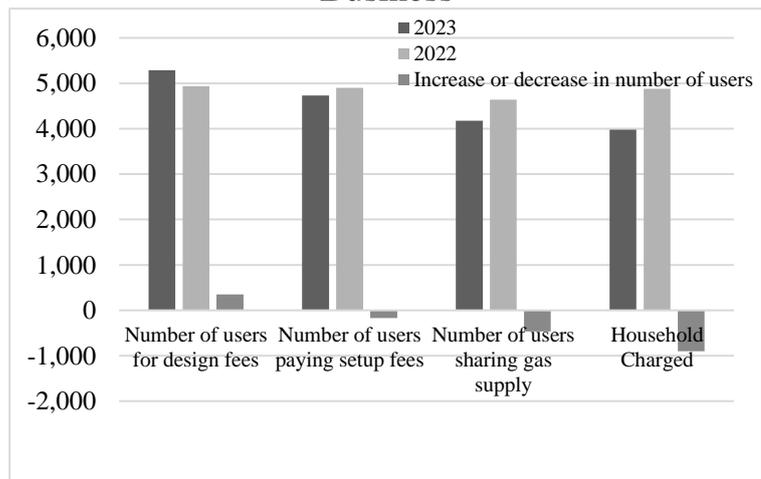
| Month | Items | Number of users for design fees | Number of users paying setup fees | Number of users sharing gas supply | Number of users with increased charges each month | Number of users with end of month total charges |
|-------|-------|---------------------------------|-----------------------------------|------------------------------------|---|---|
| 1 | | 138 | 332 | 280 | 379 | 364,978 |
| 2 | | 702 | 371 | 225 | 284 | 365,262 |
| 3 | | 612 | 586 | 289 | 254 | 365,516 |
| 4 | | 297 | 564 | 345 | 218 | 365,734 |
| 5 | | 689 | 467 | 421 | 407 | 366,141 |
| 6 | | 471 | 486 | 354 | 273 | 366,414 |
| 7 | | 441 | 456 | 261 | 465 | 366,879 |
| 8 | | 139 | 462 | 479 | 211 | 367,090 |
| 9 | | 699 | 272 | 386 | 429 | 367,519 |
| 10 | | 263 | 442 | 295 | 415 | 367,934 |
| 11 | | 725 | 70 | 408 | 393 | 368,327 |
| 12 | | 111 | 220 | 430 | 251 | 368,578 |
| Total | | 5,287 | 4,728 | 4,173 | 3,979 | |

2023 and 2022 Comparison Table for Each Business

Unit: User

| Distinguish | 2023 | 2022 | Increase or decrease in number of users |
|------------------------------------|-------|-------|---|
| Number of users for design fees | 5,287 | 4,935 | +352 |
| Number of users paying setup fees | 4,728 | 4,897 | -169 |
| Number of users sharing gas supply | 4,173 | 4,640 | -467 |
| Household Charged | 3,979 | 4,882 | -903 |

2023 and 2022 Comparison Chart for Each Business



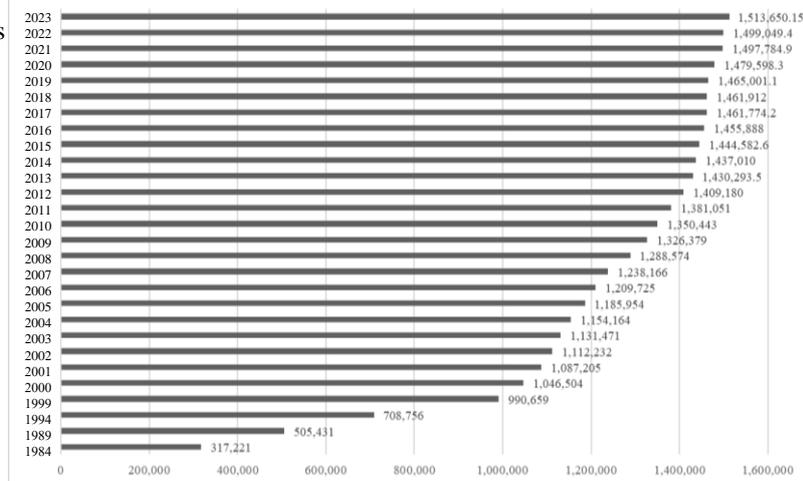
3. Department of Engineering

2023 Statistical Table for the Increasing of Pipe Line Length

Unit: Meters

| Type of pipeline | 2023 | Accrued total length |
|---|-------------------|----------------------|
| Low pressure branch pipe | -795.72 | 843,391.11 |
| Low pressure main pipe | -24,516.40 | 174,506.18 |
| Medium pressure pipe B (1kg/cm ² and above, and less 3 kg/cm ²) | +39,912.87 | 472,566.86 |
| Medium pressure pipe A (3kg/cm ² and above, and less 10 kg/cm ²) | +19,188.52 | 19,188.52 |
| High pressure pipe | -19,188.52 | 3,997.48 |
| Total | +14,600.75 | 1,513,650.15 |

Pipeline statistics



Remark:

The length of high pressure pipe was originally 23,186m, of which, 19,188.52m has been reclassified as the medium pressure pipe A since 2023.



Gas stations

2023 Statistical Table for the Increase or Decrease of Pipeline Facilities

| Facility item | Year 2023 | Accrued total |
|------------------------------|-----------|---------------|
| Gas-holder tank | 0 | 2 |
| Gas distributing station | 0 | 2 |
| Gas stations | 0 | 11 |
| Low pressure water dispenser | -6 | 882 |
| Ball valve | -42 | 3,968 |
| Low pressure cork | -10 | 1,718 |
| Cathodic protection | 0 | 68 |

2023 Statistical Table for the Safety Inspection of Inner Pipe Facility

| Number of users for safety inspection of annual plan | Number of users completed safety inspection | Completion rate |
|--|---|-----------------|
| 181,428 | 158,397 | 87.31% |

Note:

1. For users unwilling to cooperate with the safety inspection for two consecutive months for the monthly inspections, the Company will report to the competent authority of the city government in writing requesting for support in handling the matter, and users will be listed as key supplementary safety inspections for 2024. This is to raise the rate of inspection.
2. Shall list users who have been uncooperative with the safety inspections for many years under project control and management. The Company will visit these users one by one to conduct supplementary inspections. For users who cannot cooperate with these safety inspections, formal letter of notice will be sent to these users by registered mail and a copy will be sent to the competent authority for assistance in the handling and to complete the operation procedures.

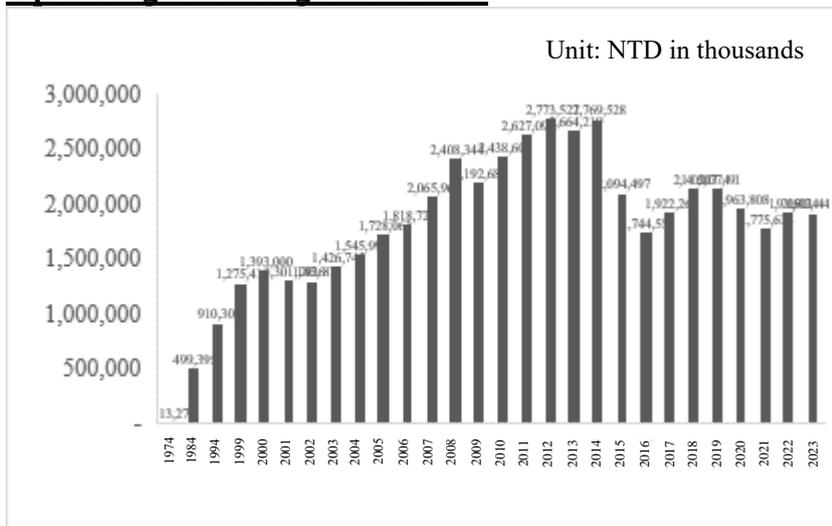
4. Finance Department

2023 Budget Execution

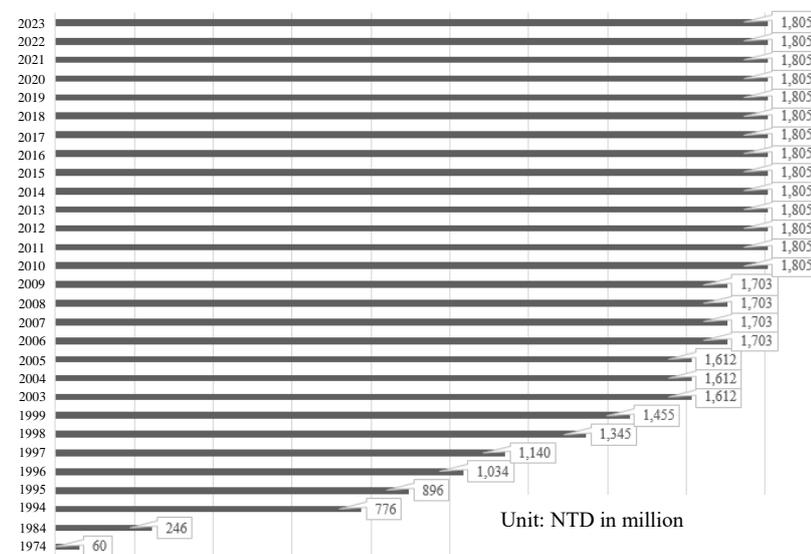
Unit: NTD in thousands

| Account | Budget amount | Settlement amount | Completion rate (%) |
|---|---------------|-------------------|---------------------|
| Operating revenue | 1,866,239 | 1,912,444 | 102 |
| Operating costs | 1,433,821 | 1,383,145 | 96 |
| Gross profit | 432,418 | 529,299 | 122 |
| Operating expenses | 288,698 | 273,607 | 95 |
| Operating income | 143,720 | 255,692 | 178 |
| Total non-operating income and expenses | 76,280 | 155,925 | 204 |
| Income before tax | 220,000 | 411,617 | 187 |
| Income after tax | 176,000 | 355,885 | 202 |
| Earnings per share | 0.99 | 2.00 | 202 |

Operating revenue growth chart



Historical capital stock growth chart



Two. Company Introduction

I. Date of incorporation: May 25th, 1971

Business Registration Certificate: Corporation MOEA ref. no. 24584

Current certificate number: Government Uniform Invoice (GUI) Number: 33665843

Paid-in capital: NTD 1,805,374,530

II. Corporation trademarks



- (I) The Company's trademarks have been registered with the Intellectual Property Office, Ministry of Economic Affairs as registered trademarks and have obtained trademark rights under the Trademark Act.
- (II) The upper half of the trademark with two S-shape wide lines represent the flames from the burning of gas signifies a prosperous business. The two letters in the lower half of the trademark bears the name of the Company, which also meant the four word idiom for flourishing.

III. Company History

- ◎ July 1st, 1969, corporate shareholder invited locals to form the "Preparation Department of the Shin Shin Natural Gas Company," and established the Company at No. 126, Sec. 2, Nanjing E. Rd., Zhongshan Dist., Taipei City.
- ◎ May 1st, 1971, the establishment of "Shin Shin Natural Gas Co., Ltd." and its first Board of Directors meeting was approved by the Ministry of Economic Affairs. Mr. Han Chang Chen was elected to become the Chairman.
- ◎ April and November of 1972, after two Board of Directors meetings on reorganization, Mr. Ken Tu Chen was elected as the Chairman. The Company moves to No. 141, Fuhe Rd., Yonghe Dist., Taipei County, and began formal operations.
- ◎ March 26th, 1974, completed pipe laying for Zhonghe and Yonghe areas, and began gas supply formally.
- ◎ April 25th, 1975, the registration of the Company's "Shin Shin"

trademark had been approved by the Intellectual Property Office.

- ◎ July 20th, 1976, the Jingmei service office was established on Roosevelt Road in Taipei City, expanding services of the Jingmei and Xindian areas.
- ◎ December 16th, 1976, completed the pipe laying for Jingmei area and gas supply began.
- ◎ August 1st, 1978, completed the pipe laying for Xindian area, testing phase for gas supply to the area's users began.
- ◎ December 15th, 1983, Ministry of Finance approves the Company as a Public Company.
- ◎ October 24th, 1985, completion of the Company's new building construction at No. 100, Section 1, Yonghe Road, Yonghe City and services began.
- ◎ June 26th, 1986, completed construction and began use of the Wanfang gas-holder tank.
- ◎ November 29th, 1986, completion of the pipe laying for Muzha area of Taipei City, and gas supply services began.
- ◎ December 22nd, 1986, Jingmei service office changed its name to Wenshan service office responsible for business expansion in Wenshan area.
- ◎ April 7th, 1993, registration of the Shengkeng business area of Taipei County had been approved by the Ministry of Economic Affairs.
- ◎ December 13th, 1993, the case to list the Company's stock on the stock exchange had been reviewed and approved by the Review Committee of the Taiwan Stock Exchange Corporation (TWSE).
- ◎ April 26th, 1994, the Company's stock was listed as type two stock.
- ◎ August 1st, 1994, Xindian service office was established responsible for business expansion in the Xindian area.
- ◎ November 25th 1994, the Company's stock was approved as securities margin trading.
- ◎ May 17th, 1995, Chairman Mr. Ken Tu Chen passed away at 74 years old.
- ◎ June 9th, 1995, Mr. Ho-Chia Chen was elected as the successor Chairman.
- ◎ October 12th, 1995, reinvestment for the establishment of EVFA INTERNATIONAL CO., LTD.
- ◎ May 24th, 1997, the 11th directors and supervisors re-election. Number of directors was reduced from 23 to 15, and 5 supervisors vacancies. Mr. Ho-Chia Chen was consecutively elected as the Chairman.

- ◎ October 13th, 1998, number of users for the gas supply service reaches 200,000.
- ◎ October 20th, 1998, completion of the gas supply facility in Shengkeng area, gas supply began.
- ◎ October 8th, 1999, a seven person repair response team was formed to support the “921” earthquake damages faced by Shin Lin Natural Gas Co., Ltd. which lasted for four weeks.
- ◎ May 19th, 2000, the 12th directors and supervisors re-election was held and Mr. Ho-Chia Chen was consecutively elected as the Chairman.
- ◎ April 9th, 2001, the Company won the “National Occupational Safety and Health Promotion Best Unit” five-star award by the then Council of Labor Affairs of Executive Yuan between 1998 to 2000.
- ◎ May 25th, 2001, the Company marks its 30 year anniversary.
- ◎ June 21st, 2002, shareholders general meeting was held. Due to changes to the stock right of the corporate shareholders, by-election took place for two directors and one supervisor.
- ◎ August 16th, 2002, constructing the Ankeng gas-holder tank passed the completion inspection, and was approved to begin operation by the Ministry of Economic Affairs.
- ◎ September 1st, 2002, the Wenshan (Xindian) service office was officially dissolved.
- ◎ June 20th, 2003, 13th directors and supervisors re-election for 15 directors and five supervisors. Mr. Ho-Chia Chen was consecutively elected as Chairman.
- ◎ March 26th, 2004, the Company marks its 30 year anniversary for its gas supply.
- ◎ December 3rd, 2004, the Company was awarded the “2003 National Occupational Safety and Health Promotion Best Unit” excellent award by the then Council of Labor Affairs of Executive Yuan.
- ◎ November 22nd, 2005, Jinhe gas station passed the safety inspections and officially began operation.
- ◎ January 1st, 2006, the Energy Bureau, Ministry of Economic Affairs announced the switch from natural gas basic units to basic fees, volume fees and meter guarantee refund. The new policy began formal implementation this day.
- ◎ June 23rd, 2006, shareholders general meeting was held for the 14th directors and supervisors election for 15 directors and 5 supervisors. Mr. Ho-Chia Chen was consecutively elected as the Chairman.
- ◎ September 1st, 2007, the Company was awarded the “2006 National Occupational Safety and Health Promotion Best Unit” excellent award

by the then Council of Labor Affairs of Executive Yuan.

- ◎ March 26th, 2009, the Company marks its 35 anniversary for its gas supply.
- ◎ June 19th, 2009, shareholders general meeting was held for the 15th directors and supervisors election for 15 directors and 5 supervisors. Mr. Ho-Chia Chen was consecutively elected as the Chairman.
- ◎ January 7th, 2010, number of users for the gas supply service reaches 300,000.
- ◎ December 25th, 2010, Taipei County was upgraded to New Taipei City. The administrative areas within the operating areas were changed to Yonghe, Zhonghe, Xindian, and Shenkeng area in cooperation with amending relevant information.
- ◎ May 25th, 2011, the Company marked its 40 years anniversary, and organized a music festival at the Taipei Zhongshan Hall on June 1st in celebration of the anniversary.
- ◎ June 9th, 2011, the Company's Chairman Mr. Ho-Chia Chen was appointed as the 11th Chairman of the "Gas Association of the Republic of China."
- ◎ November 1st, 2011, the Company's Chairman Mr. Ho-Chia Chen was appointed as the Adviser of Executive Yuan Administrative.
- ◎ December 23rd, 2011, the Company established the Remuneration Committee.
- ◎ June 13th, 2012, shareholders general meeting was held for the 16th directors and supervisors election for 15 directors and 5 supervisors. Mr. Ho-Chia Chen was consecutively elected as the Chairman.
- ◎ March 26th, 2014, the Company marks its 40 anniversary for its gas supply.
- ◎ May 19th, 2015, the Company's Chairman Mr. Ho-Chia Chen was appointed as the 12th Chairman of the "Gas Association of the Republic of China."
- ◎ June 23rd, 2015, shareholders general meeting was held for the 17th directors and supervisors' election for 19 directors (including electing 4 independent directors for the first time) and five supervisors. Mr. Ho-Chia Chen was consecutively elected as the Chairman.
- ◎ January 1st, 2016, electronic invoices were used.
- ◎ November 28th, 2017, the Company was awarded the "2017 Excellent Business for Using Electronic Invoices" by the Director-General Mr. Hsiu Zhong Wang of National Taxation Bureau of the Northern Area, Ministry of Finance.
- ◎ June 7th, 2018, shareholders general meeting was held for the 18th

directors and supervisors' election for 19 directors (including electing 4 independent directors) and five supervisors. Mr. Ho-Chia Chen was consecutively elected as the Chairman.

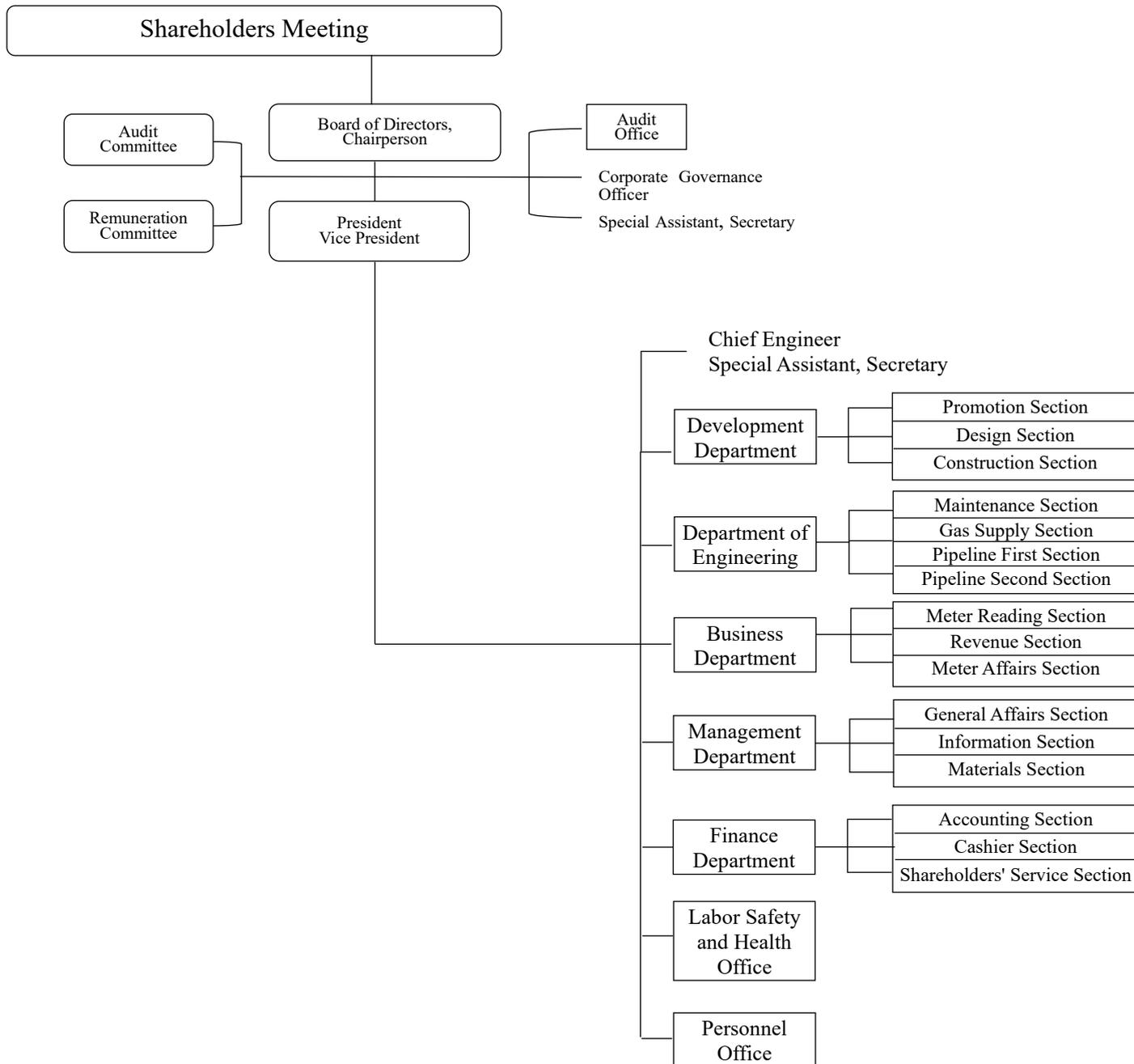
- ◎ May 25th, 2021, the Company marked its 50th anniversary and established the “Emergency Management Center.”
- ◎ August 31st, 2021, the 19th election was held to elect for 24 directors (including electing 5 independent directors). Mr. Ho-Chia Chen was consecutively elected as the Chairman. The Audit Committee was established in replacement of the supervisors after the election.
- ◎ One independent director resigned on March 17, 2022, and the by-election was held in the shareholders meeting on June 17 in the same year.
- ◎ June 28th, 2023, a team of 9 for emergency repairs supported Hsinchu Gas Company Limited in the post-disaster recovery of the “Zhubei Gas Explosion Accident” which lasted for three days.

- IV. In recent year and until annual report publication date, were there situations of company merger and acquisitions, reinvestment of affiliated companies or reorganization: None.
- V. In recent year and until annual report publication date, were there large volume transfer of or changes to stock rights, or changes to management right by any director, supervisor, or major shareholder with a stake of over 10 percent: None.
- VI. In recent year and until annual report publication date, were there major changes to the management methods or business contents and if there were any other major cases that may have an impact to shareholder rights and the company: None.

Three. Company Governance Report

I. Organizational system

(I) Organizational system



(II) Business operations of main segments

| Main segments | Main functions |
|---------------------------|---|
| Audit Office | Responsible for planning the company's internal audit system, evaluate internal control system deficiencies, support every business unit to cooperate with legal compliance and measurement of operations effectiveness, provide timely improvement suggestions, ensuring internal control system remains in effective implementation, supporting management in fulfilling responsibilities. |
| Development Department | Consisting of the Promotion Section, the Design Section and the Construction Section. Promotion Section: Responsible for market research, pipeline investment evaluation, promotional and operating plans formulation, right-of-way dispute coordination and user information management. Design Section: Responsible for the establishment of gas transporting and storage facilities; formulation of the installation fee collection manual; design, quotation, tendering and contracting of branch pipes, inner exterior pipes and intercepting valve constructions; pipe replacement for users; new techniques; pipe materials R&D. Construction Section: Responsible for constructions of gas transporting and storage facilities; execution, supervision, inspection, settlement, right-of-way application of branch pipes, inner and exterior pipes and intercepting valve constructions; and contractor management. |
| Department of Engineering | There are the Gas Supply Section, Maintenance Section, First Section, and Second Section. Gas Supply Section: Responsible for the patrol inspection, maintenance, and care of the storage tank, governor station facility, and high pressure steel pipe. Maintenance Section: Replacement of transmission and distribution pipelines, regular inspection of user pipelines, and maintenance of emergency shutoff valves. First Section: Emergency repair work for gas leakage with gas supply facility and cork, steady flow valve, and filter. Second Section: Inspection, care and maintenance of gas supply facility and cork, steady flow valve, and filter. |
| Business Department | There are three sections the Meter Reading Section, Revenue Section, Meter Affairs Section, taking care of the meter reading, fees collection, meter affairs and so on services and multiple businesses, long term investments and more. (I) The Meter Reading Section is responsible for information establishment and management of user gas usage quantity in the gas supplying areas, its gas usage quantity calculation and examination for information submission and so on related business. (II) The Revenue Section is responsible for the natural gas fees collection, audit the accounts processing by bill payment services, settlement and reporting, and at-the-counter fee collection, overdue fees collection, and so on business. (III) The Meter Affairs Section is responsible for the installation, examine, dismantle, replacement, and related business. |
| Management Department | There are the Information Section, Materials Section, and General Affairs Section, in charge of the strategic planning and establishment, and maintenance of the Management Information System (MIS), Geographic Information System (GIS) and information security, |

| Main segments | Main functions |
|--------------------------------|---|
| | materials procurement, storage management, property management, general affairs, clerical work, etc. |
| Finance Department | There are the Accounting Section, Cashier Section, and Shareholders' Service Section, mainly responsible for the company's budget, control of various costs and expenses, cash receipt and disbursement, and so on handling of the accounts, and to organize shareholders meeting and processing of shareholder's services and so on matters. |
| Labor Safety and Health Office | Responsible for the establishment, planning, promotion, supervising, inspection, and recording of the company's occupational health and safety (OHS) related business, employee OHS educational trainings and the prevention, statistics, investigation handling of occupational hazards, etc. |
| Personnel Office | Responsible for the planning and execution of employee education trainings, attendance, performance appraisal, rewards and punishment, appointment, dismissal, transfer, retirement, severance and pension, labor and health insurance, remuneration committee, human resources arbitration committee, and so on related business. |

II. Information on directors, president, vice president, assistant VP and head of each department and branches:

(I) Directors' Information (1) April 23, 2024

| Title | Nationality or place of registration | Name | Gender Age (years old) | Date elected (onboard) | Term of office | Date first elected | Shares held when elected | | Shares currently held | | Shares held by spouse & minors | | Shares held in the name of others | | Selected education and professional qualification | Selected current Positions at the Company and Other Companies | Other officers, directors or supervisors who are spouses or within second-degree relative of consanguinity to each other | | | Remark |
|----------|--------------------------------------|---|------------------------|------------------------|----------------|--------------------|---------------------------|---------------------------|---------------------------|---------------------------|--------------------------------|-------------------------------|-----------------------------------|-------------------------------|---|--|--|--|--|----------------------------------|
| | | | | | | | Number of shares (Shares) | Shareholding percentage % | Number of shares (Shares) | Shareholding percentage % | Number of shares (Shares) | Shareholding percentage (%) % | Number of shares (shares) | Shareholding percentage (%) % | | | Title | Name | Relationship | |
| Chairman | R.O.C. | Ho-Chia Chen | Male 71-80 | 2021.8.31 | 3 years | 1985.5.21 | 912,010 | 0.51 | 912,010 | 0.51 | 97,862 | 0.05 | 0 | 0 | Education Graduated from Tamsui Institute of Business Administration Work Experience Honorary Chairperson, Gas Association of the Republic of China; Chairperson, Gas Association of the Republic of China; Chairman, Hsin Kuang Construction Co., Ltd., National Assembly member; Adviser of Executive Yuan Administrative. | Chairman, EVFA INTERNATIONAL CO., LTD. | Director Director | Pao-Kway Chen Chien Hui-Chun Chen Wu | First-degree relatives First-degree relatives | |
| Director | R.O.C. | Veterans Affairs Council Representative: Yen-Chun Wu | Male 51-60 | 2021.8.31 | 3 years | 1972.11.25 | 46,556,713 | 25.79 | 46,556,713 | 25.79 | 0 | 0 | 0 | 0 | Education Master for Eminent Public Administrators, National Chengchi University Work Experience Director, Department of Personnel, Ocean Affairs Council; Deputy Director, Department of Personnel, Ministry of Culture; Director, Personnel Office, Directorate-General of Personnel Administration, Executive Yuan | Veterans Affairs Council, Department of Personnel, Directorate-General | None | None | None | Re-assigned on February 23, 2023 |
| Director | R.O.C. | The Great Taipei Gas Corporation Representative: Richard H Wu | Male 41-50 | 2021.8.31 | 3 years | 2002.6.21 | (10,534,066) | (5.83) | (10,534,066) | (5.83) | 0 | 0 | 0 | 0 | Education The New School, New York Bachelor's in General Studies Work Experience Vice Chairperson, Gas Association of the Republic of China; Director, Shin Kong Life Insurance Co., Ltd.; | Taiwan Shin Kong Security Co., Ltd. Chairman; The Great Taipei Gas Corporation Vice Chairman | Director | Hsin-Ju Wu | Second-degree relatives | |

| Title | Nationality or place of registration | Name | Gender Age (years old) | Date elected (onboard) | Term of office | Date first elected | Shares held when elected | | Shares currently held | | Shares held by spouse & minors | | Shares held in the name of others | | Selected education and professional qualification | Selected current Positions at the Company and Other Companies | Other officers, directors or supervisors who are spouses or within second-degree relative of consanguinity to each other | | | Remark |
|------------------------|--------------------------------------|--|------------------------|------------------------|----------------|--------------------|---------------------------|---------------------------|---------------------------|---------------------------|--------------------------------|---------------------------|-----------------------------------|--|--|--|--|----------------------------------|--|-------------------------------|
| | | | | | | | Number of shares (Shares) | Shareholding percentage % | Number of shares (Shares) | Shareholding percentage % | Number of shares (Shares) | Shareholding percentage % | Number of shares (shares) | Shareholding percentage % | | | Title | Name | Relationship | |
| | | | | | | | | | | | | | | Director, Shin Hai Gas Co. Ltd.; Director, Seed Studio Incorporation; Director, Shinkong Textile Co., Ltd. | | | | | | |
| Director | R.O.C. | Jung-Chun Huang | Male 61-70 | 2021.8.31 | 3 years | 2011.6.17 | 914,951 | 0.51 | 914,951 | 0.51 | 0 | 0 | 0 | 0 | Education Graduated from High School Work Experience President, Ifu Enterprise Co., Ltd. | President, Ifu Enterprise Co., Ltd. | Director | Ko-Tseng Li | Second-degree relatives | |
| Director | R.O.C. | Kindasaki Biochemical Technology Co., Ltd. | Female 91-100 | 2021.8.31 | 3 years | 1997.5.24 | 6,031,011 | 3.34 | 6,031,011 | 3.34 | 0 | 0 | 0 | 0 | Education Graduated from Taipei Municipal Zhong Shan Girls High School Work Experience Teacher, Shanjia Elementary School; Chairman, Mr. Chen Gen-Chu Foundation for Education and Culture | None | Chairman Director | Ho-Chia Chen Hui-Chun Chen Wu | First-degree relatives First-degree relatives | |
| | | Representative: Pao-Kway Chen Chien | | | | | 224,424 | 0.12 | 224,424 | 0.12 | 0 | 0 | 0 | 0 | | | | | | |
| Director and President | R.O.C. | Veterans Affairs Council | Male 61-70 | 2021.8.31 | 3 years | 1972.11.25 | (46,556,713) | (25.79) | (46,556,713) | (25.79) | 0 | 0 | 0 | 0 | Education 2000 Year Class, War College, National Defense University Work Experience Director, Department of Veterans Service and Assistance; Director, Kaohsiung City Veterans Service Office; Director, Yunlin Veterans Home; Director, Pingtung County Veterans Service Office; Director, Taitung County Veterans Service Office, Veterans Affairs Council; | President, EVFA International Co., Ltd. | None | None | None | Re-assigned on March 16, 2023 |
| | | Representative: Kun-chung Huang | | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | | | | | |
| Director | R.O.C. | The Great Taipei Gas Corporation | Female 41-50 | 2021.8.31 | 3 years | 2003.6.20 | 10,534,066 | 5.83 | 10,534,066 | 5.83 | 0 | 0 | 0 | 0 | Education MBA, Columbia Business School, Columbia University, New York, USA Work Experience President, Shin Kong Financial Holding Co., Ltd., Director, Shin Kong Life | Director, Shin Kong Financial Holding Co., Ltd., Special Assistant to Chairman, Shin Kong Wu Ho-Su Memorial Hospital | Director | Richard H Wu | Second-degree relatives | |
| | | Representative: Hsin-Ju Wu | | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | | | | | |

| Title | Nationality or place of registration | Name | Gender Age (years old) | Date elected (onboard) | Term of office | Date first elected | Shares held when elected | | Shares currently held | | Shares held by spouse & minors | | Shares held in the name of others | | Selected education and professional qualification | Selected current Positions at the Company and Other Companies | Other officers, directors or supervisors who are spouses or within second-degree relative of consanguinity to each other | | | Remark |
|----------|--------------------------------------|---|------------------------|------------------------|----------------|---|---------------------------|---------------------------|---------------------------|---------------------------|--------------------------------|---------------------------|-----------------------------------|---|---|--|--|------|--------------|---|
| | | | | | | | Number of shares (Shares) | Shareholding percentage % | Number of shares (Shares) | Shareholding percentage % | Number of shares (Shares) | Shareholding percentage % | Number of shares (shares) | Shareholding percentage (%) % | | | Title | Name | Relationship | |
| | | | | | | | | | | | | | | Insurance Co., Ltd., Director, Shin Kong Bank, Director, Shin Kong Wu Ho-Su Memorial Hospital | | | | | | |
| Director | R.O.C. | Shin-Hai Gas Co. Representative: Rung-Fu Hsieh | Male 71-80 | 2021.8.31 | 3 years | 2002.6.21 elected supervisor until 2021.8.31 elected director | 4,668,441 | 2.59 | 4,668,441 | 2.59 | 0 | 0 | 0 | 0 | Education Graduated from Department of Business, National Open University Work Experience Vice Chairperson, Gas Association of the Republic of China | The Great Taipei Gas Corporation Chairman, Shin-Hai Gas Co, Ltd. Chairman | None | None | None | Passed away and dismissed on April 14, 2024 |
| Director | R.O.C. | Tung Chan Enterprise Corporation Representative: Hung-Wen Chuang | Male 51-60 | 2021.8.31 | 3 years | 2006.6.23 elected director until 2009.6.19 elected supervisor, until 2021.8.31 elected director | 31,506 | 0.02 | 31,506 | 0.02 | 0 | 0 | 0 | 0 | Education Masters, Cornell University, USA Work Experience Vice President, Yang Ming Shan Gas Co., Ltd. | Chairman, Shin Tai Gas Co., Ltd. | None | None | None | |
| Director | R.O.C. | Cheng-Cheng Wong | Male 61-70 | 2021.8.31 | 3 years | 1988.4.29 elected director until 2006.6.23 elected supervisor, until 2021.8.31 elected director | 1,139,698 | 0.63 | 1,139,698 | 0.63 | 187,854 | 0.10 | 0 | 0 | Education Graduated from Tamsui Institute of Business Administration Work Experience Director, Shengfa International Co., Ltd. | Director, HONDA Cars Tucheng, Director, Shunyi International Co., Ltd. | None | None | None | |
| Director | R.O.C. | Veterans Affairs Council Representative: Chy-Chung Chang | Male 61-70 | 2021.8.31 | 3 years | 1972.11.25 | (46,556,713) | (25.79) | (46,556,713) | (25.79) | 0 | 0 | 0 | 0 | Education Masters, Department of Statistics, National Chengchi University (NCCU) Work Experience Chief of Inspection Division, Department of Budget, Accounting and Statistics, Taipei City Government; Deputy Director, Department of Statistics, Ministry of Education | Veterans Affairs Council, Department of Statistics, Director | None | None | None | |
| Director | R.O.C. | Veterans Affairs Council Representative: Chien-ching Tsai | Female 41-50 | 2021.8.31 | 3 years | 1972.11.25 | (46,556,713) | (25.79) | (46,556,713) | (25.79) | 0 | 0 | 0 | 0 | Education Master's in Political Science, National Taiwan University Work Experience Director, Ethics Office of Administration for Digital Industries, Ministry of Digital Affairs; Director, | Senior Executive Officer, Department of Civil Service Ethics, Veterans Affairs Council | None | None | None | Reassignment on January 16, 2024 |

| Title | Nationality or place of registration | Name | Gender Age (years old) | Date elected (onboard) | Term of office | Date first elected | Shares held when elected | | Shares currently held | | Shares held by spouse & minors | | Shares held in the name of others | | Selected education and professional qualification | Selected current Positions at the Company and Other Companies | Other officers, directors or supervisors who are spouses or within second-degree relative of consanguinity to each other | | | Remark |
|----------|--------------------------------------|--|------------------------|------------------------|----------------|---|---------------------------|---------------------------|---------------------------|---------------------------|--------------------------------|---------------------------|-----------------------------------|---|--|---|--|----------------------------------|--|------------------------------|
| | | | | | | | Number of shares (Shares) | Shareholding percentage % | Number of shares (Shares) | Shareholding percentage % | Number of shares (Shares) | Shareholding percentage % | Number of shares (shares) | Shareholding percentage (%) % | | | Title | Name | Relationship | |
| | | | | | | | | | | | | | | Ethics Office of Central Deposit Insurance Corporation; Senior Executive Officer, Ethics Office of Bureau of Labor, Ministry of Labor | | | | | | |
| Director | R.O.C. | Veterans Affairs Council | Male 51-60 | 2021.8.31 | 3 years | 1972.11.25 | (46,556,713) | (25.79) | (46,556,713) | (25.79) | 0 | 0 | 0 | 0 | Education Master for Eminent Public Administrators in Cross-Strait Study, National Chengchi University Work Experience Director, Gangshan Veterans Home; Directorate-General, Nantou County Veterans Service Office; Deputy Director, Zhongzhang Veterans Home | Director, Department of Administrative Management, Veterans Affairs Council | None | None | None | Reassignment on May 16, 2023 |
| | | Representative: Kuang-yu Chan | | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | | | |
| Director | R.O.C. | Shin Kong Wu Ho-Su Memorial Hospital | Male 71-80 | 2021.8.31 | 3 years | 2002.6.21 | 1,406,821 | 0.78 | 1,406,821 | 0.78 | 0 | 0 | 0 | 0 | Education Masters, Graduate Institute of Earth Science, Chinese Culture University Work Experience Assistant Vice-President, The Great Taipei Gas Corporation, Chairman, Taiwan Meteorological Technology Foundation | Consultant, Shin Kong Wu Ho-Su Memorial Hospital | None | None | None | |
| | | Representative: Po-Ih Wang | | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | | | | |
| Director | R.O.C. | Kindasaki Biochemical Technology Co., Ltd. | Female 61-70 | 2021.8.31 | 3 years | 2006.6.23 elected supervisor until 2009.6.19 elected director | (6,031,011) | (3.34) | (6,031,011) | (3.34) | 0 | 0 | 0 | 0 | Education Graduated from National Keelung Commercial & Industrial Vocational Senior High School (KLCIVS) Work Experience Chairperson, New Taipei City Women's Association; Chairperson, Yungho District Women's Association; CEO, Mr. Chen Gen-Chu Foundation for Education and Culture | None | Chairman Director | Ho-Chia Chen Pao-Kway Chen Chien | First-degree relatives First-degree relatives | |
| | | Representative: Hui-Chun Chen Wu | | | | | 97,862 | 0.05 | 97,862 | 0.05 | 912,010 | 0.51 | 0 | 0 | | | | | | |
| Director | R.O.C. | The Great Taipei | Male | 2021.8.31 | 3 years | 2021.8.31 | (10,534,066) | (5.83) | (10,534,066) | (5.83) | 0 | 0 | 0 | 0 | Education | Director, Taiwan Shin | None | None | None | |

| Title | Nationality or place of registration | Name | Gender Age (years old) | Date elected (onboard) | Term of office | Date first elected | Shares held when elected | | Shares currently held | | Shares held by spouse & minors | | Shares held in the name of others | | Selected education and professional qualification | Selected current Positions at the Company and Other Companies | Other officers, directors or supervisors who are spouses or within second-degree relative of consanguinity to each other | | | Remark |
|----------------------|--------------------------------------|---|------------------------|------------------------|----------------|--------------------|---------------------------|---------------------------|---------------------------|---------------------------|--------------------------------|---------------------------|-----------------------------------|-------------------------------|---|---|--|-----------------|-------------------------|-----------------------------|
| | | | | | | | Number of shares (Shares) | Shareholding percentage % | Number of shares (Shares) | Shareholding percentage % | Number of shares (Shares) | Shareholding percentage % | Number of shares (shares) | Shareholding percentage (%) % | | | Title | Name | Relationship | |
| | | Gas Corporation Representative: Po-Fong Lin | 71-80 | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | College of Law, National Taiwan University Work Experience Chairman, Taiwan Shin Kong Security Co., Ltd., President, Yu Yuan Construction Co., Ltd., Vice President, Asian Culture Publishing Co., Ltd. | Kong Security Co., Ltd, The Great Taipei Gas Corporation | | | | |
| Director | R.O.C. | Kuo-Tai Chang | Male 71-80 | 2021.8.31 | 3 years | 1991.4.26 | 1,327,101 | 0.74 | 1,327,101 | 0.74 | 52,465 | 0.03 | 0 | 0 | Education Graduated from Chihlee Commercial College Work Experience Director, Yuda Commercial Senior High School, Vice President, Shin Shin Natural Gas Co. Ltd. | Vice President, EVFA International Co., Ltd. | None | None | None | |
| Director | R.O.C. | Ko-Tseng Li | Male 71-80 | 2021.8.31 | 3 years | 1994.3.26 | 111,022 | 0.06 | 111,022 | 0.06 | 0 | 0 | 0 | 0 | Education Graduated from Hsing Wu College Work Experience Director, EVFA International Co., Ltd.; Supervisor, Yuanta Securities Co., Ltd.; Manager, Shin Shin Natural Gas Co., Ltd. | Special Assistant to Chairman, EVFA International Co., Ltd. | Director | Jung-Chun Huang | Second-degree relatives | |
| Director | R.O.C. | Veterans Affairs Council Representative: Yee-kong Lee | Male 61-70 | 2021.8.31 | 3 years | 1972.11.25 | (46,556,713) | (25.79) | (46,556,713) | (25.79) | 0 | 0 | 0 | 0 | Education Class of 1982, Fu Hsing Kang College, National Defense University Work Experience Military prosecutor; Division Military Law Team Leader; Directing Military Judge, Military Law Division; Director, Banqiao Veterans Home | Director, Department of Planning, Veterans Affairs Council | None | None | None | Reassignment on May 4, 2022 |
| Independent Director | R.O.C. | Ching-Kuo Lee | Male 71-80 | 2021.8.31 | 3 years | 2018.6.7 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | Education Master's, School of Management, National Taiwan University of Science and Technology Work Experience Lieutenant General and Deputy commander, Army | Chairman, Taipei Golf Club | None | None | None | Audit Committee Convener |

| Title | Nationality or place of registration | Name | Gender Age (years old) | Date elected (onboard) | Term of office | Date first elected | Shares held when elected | | Shares currently held | | Shares held by spouse & minors | | Shares held in the name of others | | Selected education and professional qualification | Selected current Positions at the Company and Other Companies | Other officers, directors or supervisors who are spouses or within second-degree relative of consanguinity to each other | | | Remark |
|----------------------|--------------------------------------|------------------|------------------------|------------------------|----------------|--------------------|---------------------------|---------------------------|---------------------------|---------------------------|--------------------------------|---------------------------|-----------------------------------|--|--|---|--|------|--------------|--|
| | | | | | | | Number of shares (Shares) | Shareholding percentage % | Number of shares (Shares) | Shareholding percentage % | Number of shares (Shares) | Shareholding percentage % | Number of shares (shares) | Shareholding percentage % | | | Title | Name | Relationship | |
| | | | | | | | | | | | | | | General Headquarters; President, Shin Shin Natural Gas Co., Ltd. | | | | | | |
| Independent Director | R.O.C. | Shu-Ping Hsu | Female 41-50 | 2022.6.17 | to 2024.8.30 | 2022.6.17 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | Education Department of Accounting, Tamkang University Work Experience Practice Accountant, CHAMPION CPAs Firm; Assistant Vice President, Deloitte & Touche | CPA at CHAMPION CPA firm | None | None | None | Re-election at the Shareholders' Meeting on June 17, 2022. |
| Independent Director | R.O.C. | Chin-Ming Kuo | Male 61-70 | 2021.8.31 | 3 years | 107.6.7 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | Education PhD, Department of Law, National Chengchi University (NCCU) Work Experience Professor, Department of Law, Chinese Culture University; Visiting Research Fellow, School of Law, Nagoya University; Associate Professor, Department of Law, Management College, National Defense University; Assistant Professor, Department of Law, Management College, National Defense University; Adjunct Professor, Department of Finance, National Taipei College of Business | Dean of the College of Law, Chinese Culture University | None | None | None | Convener of the Remuneration Committee |
| Independent Director | R.O.C. | Ming-Hsiung Chen | Male 71-80 | 2021.8.31 | 3 years | 2021.8.31 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | Education Graduated from High School Work Experience Chairman, Yi-Cheng Mining Corporation; 4-time Councilman, Taipei County Council, National Assembly member, Advisor of Executive Yuan Administrative, National Policy Advisor to the | Chairman, Daxin Investment Co., Ltd., Chairman, Ambassador Construction Co., Ltd. | None | None | None | |

| Title | Nationality or place of registration | Name | Gender Age (years old) | Date elected (onboard) | Term of office | Date first elected | Shares held when elected | | Shares currently held | | Shares held by spouse & minors | | Shares held in the name of others | | Selected education and professional qualification | Selected current Positions at the Company and Other Companies | Other officers, directors or supervisors who are spouses or within second-degree relative of consanguinity to each other | | | Remark |
|----------------------|--------------------------------------|---------------|------------------------|------------------------|----------------|--------------------|---------------------------|---------------------------|---------------------------|---------------------------|--------------------------------|---------------------------|-----------------------------------|---------------------------|---|---|--|------|--------------|--------|
| | | | | | | | Number of shares (Shares) | Shareholding percentage % | Number of shares (Shares) | Shareholding percentage % | Number of shares (Shares) | Shareholding percentage % | Number of shares (shares) | Shareholding percentage % | | | Title | Name | Relationship | |
| | | | | | | | | | | | | | | | Office of the President | | | | | |
| Independent Director | R.O.C. | Han-Lin Tseng | Male 51-60 | 2021.8.31 | 3 years | 2021.8.31 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | Education Masters, Birmingham Business School, University of Birmingham, UK Work Experience Principal, Huikuang Guide Dog School Taiwan, Chairman of the Institute for the Blind of Taiwan, Municipal Consultant, Taipei City Government | Chairman, Tong Hsin Water Business Inc. | None | None | None | |

Note:

1. Representatives of institutional shareholder, Veterans Affairs Council: Yen-chun Wu, Kun-chung Huang, Chy-Chung Chang, Chien-ching Tsai, Kuang-yu Chan, Yee-kong Lee, 6 persons, jointly hold a total number of shares at 46,556,713 shares, which accounts for 25.79% of the total issued shares.
2. Representatives of institutional shareholder, Shin Kong Wu Ho-Su Memorial Hospital: Po-Ih Wang, holds a total number of shares at 1,406,821 shares, which accounts for 0.78% of the total issued shares.
3. Representative of institutional shareholder, Kindasaki Biochemical Technology Co., Ltd.: Pao-Kway Chen Chien, Hui-Chun Chen Wu, 2 persons, jointly hold a total number of shares at 6,031,011 shares, which accounts for 3.34% of the total issued shares.
4. Representatives of institutional shareholder, THE GREAT TAIPEI GAS CORPORATION: Richard H Wu, Hsin-Ju Wu, and Po-Fong Lin, 3 persons, jointly holds a total number of shares at 10,534,066 shares, which accounts for 5.83% of the total issued shares.
5. Representative of institutional shareholder, Shin-Hai Gas Co, Ltd.: Rung-Fu Hsieh, holds a total number of shares at 4,668,441 shares, which accounts for 2.59% of the total issued shares.
6. Representative of institutional shareholder, Tung Chan Enterprise Co., Ltd.: Hung-Wen Chuang, holds a total number of 31,506 shares, which accounts for 0.02% of the total issued shares.
7. The Company's director, president or any managerial officers in charge of finance or accounting affairs have not in the most recent year held a position at the accounting firm of the attesting CPA or an affiliate of the accounting firm.

Table I: Dominant shareholders of institutional shareholders

April 23, 2024

| Name of institutional shareholders | Dominant shareholders of institutional shareholders | Shareholding percentage |
|--|---|-------------------------|
| Veterans Affairs Council | Not applicable for government agencies | Not applicable |
| Shin Kong Wu Ho-Su Memorial Hospital | Shin Kong Life Insurance Co., Ltd. | 33.3% |
| | Shin Kong Wu Foundation | 10% |
| | Company, charities, and Tung-Chin Wu | 56.7% |
| Kindasaki Biochemical Technology Co., Ltd. | Ho-Chia Chen | 53.41% |
| | Shu-Hui Chiu | 19.70% |
| | Pai-Hsuan Chen | 14.85% |
| | Pai-Rong Chen | 6.82% |
| | Chien-Yu Wu | 4.55% |
| | Hui-Chun Chen Wu | 0.68% |
| The Great Taipei Gas Corporation | Tung-Chin Wu | 6.06% |
| | Shin Kong Life Insurance Co., Ltd. | 5.92% |
| | Shin Kong Wu Ho-Su Memorial Hospital | 5.54% |
| | Yueh Hsing Hua Investment Co., Ltd. | 5.18% |
| | Shin Kong Synthetic Gibers Corp. | 3.91% |
| | Chi Yeh Chemical Co., Ltd. | 3.00% |
| | Shin Hu Natural Gas Co., Ltd. | 2.70% |
| | Juying Industrial Co., Ltd. | 2.70% |
| | Shin Kong Life Real Estate Service Co., Ltd. | 2.27% |
| | Shin Kong Textile Co., Ltd. | 2.08% |
| Shin-Hai Gas Co, Ltd. | Pai Hsun Investment Co., Ltd. | 18.09% |
| | The Great Taipei Gas Corporation | 9.43% |
| | CONSCIOUS ENTERPRISES Co., Ltd. | 7.72% |
| | Thousand Islands Investment Co., Ltd. | 6.85% |
| | Chi Yeh Chemical Co., Ltd. | 5.49% |
| | Northeast Corner Recreation Development Co., Ltd. | 2.90% |
| | Jui Hsing International Investment Co., Ltd. | 2.87% |
| | Jang Te Investment Co., Ltd. | 2.60% |
| | Yang Ming Shan Gas Co., Ltd. | 2.41% |
| Tung Chan Enterprise Co., Ltd. | Hung-Wen Chuang | 94.26% |
| | Chen-Yu Chuang | 4.60% |
| | Mei-Ying Chen | 1.14% |

Table 2: The dominant shareholders of the major institutional shareholder in Table 1.
1. The Great Taipei Gas Corporation

April 23, 2024

| Name of institutional shareholders | Dominant shareholders of institutional shareholders (Shareholdings percentage %) |
|--|---|
| Shin Kong Life Insurance Co., Ltd. | Shin Kong Financial Holding Co., Ltd. (100%) |
| Shin Kong Wu Ho-Su Memorial Hospital | Shin Kong Life Insurance Co., Ltd. (33.3%), Shin Kong Wu Foundation (10%), company, charities, and Tung-Chin Wu (56.7%) |
| Yueh Hsing Hua Investment Co., Ltd. | Hui-Liang Hsueh (0.05%), Mei-Liang Hsueh (0.05%) |
| Shin Kong Synthetic Fibers Corp. | Shinkong Co., Ltd. (5.21%), Shinsheng Investment Co., Ltd. (4.99%), Shin Kong Recreation Co., Ltd. (4.66%), Shinkong Textile Co., Ltd. (3.47%), Shinkong Insurance Co., Ltd. (3.04%), Yuanbao Co., Ltd. (2.46%), Jilien Investment Co., Ltd. (2.36%), TORAY Industries Inc. (2.20%), Yiguang Industry Co., Ltd. (2.07%), Jui Hsing Industrial Co., Ltd. (1.98%) |
| Chi Yeh Chemical Co., Ltd. | The Great Taipei Gas Corporation (26.55%), Thousand Islands Investment Co., Ltd. (8.73%), Mienhao Industrial Co., Ltd. (6.33%), Pai Hsun Investment Co., Ltd. (5.64%), Han-Tung Lin (4.07%), Ho Jui Industrial Co., Ltd. (5.03%), Taifeng Investment Co., Ltd. (3.34%), Taiwan Glass Ind. Corp. (3.3%), Hung Hsin Industrial Co., Ltd. (2.28%), Hui-Wen Lin (1.93%) |
| Shin Hu Natural Gas Co., LTD. | Veterans Affairs Council (32.95%), Shin Chuan Investment Corporation (30.72%), You Chen Chia Investment Co., Ltd. (2.39%) |
| Juying Industrial Co., Ltd. | Tung Ying Investment Co., Ltd. (99.8%), Tung-Chin Wu (0.2%) |
| Shin-Kong Life Real Estate Service Co., Ltd. | Shin Kong Life Insurance Co., Ltd. (72.01%), Shin Kong Wu Ho-Su Memorial Hospital (8.78%), Yi-Kong International Apartment Building Management and Maintenance Co., Ltd. (3%), Shinsoft Co., Ltd. (3%), Taiwan Security Co., Ltd. (3%), Yi-Kong Security Co., Ltd. (2.4%), Shin-Po Investment Co., Ltd. (2.4%), E Tech PRO Ltd (2%), Shin-Po Life Care Co., Ltd. (1.6%), Shin-Po Leasing Co., Ltd. (1.6%) |
| Shinkong Textile Co., Ltd. | Shin Kong Synthetic Fibers Corp. (9.45%), Shin Kong Wu Ho-Su Memorial Hospital (6.99%), Chi Chen Co., Ltd. (6.54%), Hung Pu Co., Ltd. (4.68%), Lien Chuan Co., Ltd. (4.54%), Qian Cheng Yi Co., Ltd. (4.29%), Ho Jui Industrial Co., Ltd. (3.99%), Hua Chen Co., Ltd. (3.56%), Cheng Kuang Industrial Co., Ltd. (3.73%), Mienhao Industrial Co., Ltd. (2.70%) |

2. Shin-Hai Gas Co, Ltd.

April 23, 2024

| Name of institutional shareholders | Dominant shareholders of institutional shareholders (Shareholdings percentage %) |
|---|--|
| Pai Hsun Investment Co., Ltd. | The Great Taipei Gas Corporation (100%) |
| The Great Taipei Gas Corporation | Tung-Chin Wu (6.06%), Shin Kong Life Insurance Co., Ltd. (5.92%), Shin Kong Wu Ho-Su Memorial Hospital (5.54%), Yueh Hsing Hua Investment Co., Ltd. (5.18%), Shin Kong Synthetic Fibers Corp. (3.91%), Chi Yeh Chemical Co., Ltd. (3%), Shin Hu Natural Gas Co., Ltd. (2.70%), Juying Industrial Co., Ltd. (2.70%), Shin-Kong Life Real Estate Service Co., Ltd. (2.27%), Shinkong Textile Co., Ltd. (2.08%) |
| Conscious Enterprises Co., Ltd. | Mei-Ying Huang (15.18%), Chung-Ta Chang (9.31%), Wen-Jui Chang (9.18%), Mei-Yun Yeh (8%), Chan-Nan Chang (14.49%), Chu-Chiang Yang(7.24%)、Hui-Fen Chao Chang (7.18%), Pi-Mei Chang (6.53%), Su-Fu Chang Wu (5.06%) |
| Thousand Islands Investment Co., Ltd. | The Great Taipei Gas Corporation (100%) |
| Chi Yeh Chemical Co., Ltd. | The Great Taipei Gas Corporation (26.55%), Thousand Islands Investment Co., Ltd. (8.73%), Mienhao Industrial Co., Ltd. (6.33%), Pai Hsun Investment Co., Ltd. (5.64%), Ho Jui Industrial Co., Ltd. (5.03%), Han-Tung Lin (4.07%), Taifeng Investment Co., Ltd. (3.34%), Taiwan Glass Ind. Corp. (3.30%), Hung Hsin Industrial Co., Ltd. (2.28%), Hui-Wen Lin (1.93%) |
| Northeast Corner Recreation Development Co., Ltd. | Tung-Chin Wu(36.67%), Lung-Shih Lin(16.67%)、Ruying Industrial Co., Ltd. (33%), Penglai Co., Ltd. (13.17%), ENNEAD INC. (11.67%), Hsien-Hsien Hsu (5.00%), Tsai-Hsing Chen (0.16%), Po-Fong Lin (0.16%) |
| Jui Hsing International Investment Co., Ltd. | CHAOLI Co., Ltd. (20%), Jinya Investment Co., Ltd. (12.5%), Dongjie Investment Co., Ltd. (12.5%), Zhiting Investment Co., Ltd. (12.5%), Yaya Investment Co., Ltd. (12.5%), Yunde Investment Co., Ltd. (10%), Jiayu Investment Co., Ltd. (10%), Feikai Investment Co., Ltd. (10%) |
| Jang Te Investment Co., Ltd. | Hui-Lan Wu (16.67%), Ying-Chen Wu (16.66%), Tzu-Hsiu Wu (14.19%), Liang-Hung Wu (14.19%), Yao-Pi Kei (8.01%), Yu-Fen Lin (7.17%), Wen-Hui Pan (5.88%), Chia-Chi Hsu (4.33%), Chen-Liang Wu (3.62%), Hui-Chiung Lai (2.48%) |
| Yang Ming Shan Gas Co., Ltd. | Chiu-Yu Lai (5.47%), Chin-Piao Liu* (3.17%), Chun-Ming Wu (2.98%), Li-Chen Huang (2.93%), Yin-Ju Chen (1.14%), Shih-Hsun Wei (0.77%), I-Qi Liu (0.77%), Wen-Cheng Wu (0.7%), Chiu-Hung Lai (0.68%) Chi-Ming Chen (0.23%) * Chin-Piao Liu passed away on January 19, 2024, and his heirs have not yet completed the transfer of ownership. |

Directors Information (2)

I. Information disclosure on the professional qualifications of the directors and status of independence of the independent directors:

April 23, 2024

| Criteria Name | Professional qualifications and experiences | State of independence | Number of other public companies in which the individual is concurrently serving as an independent director |
|--------------------------|--|--|---|
| Ho-Chia Chen | <p>He has been the Company's Director since 1985 and in the natural gas industry for nearly 40 years. He helped the Company's successful public listing and has been the Chairman of the Company since 1995. He is committed to the improvement of professional technology and assurance of safety, as well as the provision of comprehensive services.</p> <p>Before his current position as the Honorary Chairperson of Gas Association of the Republic of China, he served as the Chairman of Gas Association of the Republic of China for 8 years. During his term, he assisted in the amendments to applicable laws and regulations about natural gas enterprises, coordination and planning of professional skill certification, promotion of fraud prevention, implementation of drills and formulation of construction regulations, and held the Natural Gas Round Table for R.O.C., Japan and Korea to increase exchange of professional technology and citizen diplomacy.</p> <p>During his leisure time, he focuses on social welfare and endeavors to facilitate art and cultural events. He also cares about the environmental sustainability to fulfill the corporate social responsibility.</p> <p>He is familiar with the natural gas industry and equipped with the work experience in leadership, operating judgment, finance, risk management and public welfare needed for the Company's business.</p> | <ol style="list-style-type: none"> 1. Has 2 first-degree relatives assume the director post with the Company. 2. Not in the circumstances regulated under Paragraph 3 and 4, Article 26-3 of the Securities and Exchange Act 3. Not under the circumstances in Article 30 of the Company Act. | None |
| Veterans Affairs Council | He is the Director of Department of Personnel, Veterans Affairs Council | <ol style="list-style-type: none"> 1. No spouse or second-degree relatives assuming director post | None |

| Name \ Criteria | Professional qualifications and experiences | State of independence | Number of other public companies in which the individual is concurrently serving as an independent director |
|--|---|--|---|
| Representative: Yen-Chun Wu | and served as the Director of Department of Personnel, Ocean Affairs Council and the Deputy Director of Department of Personnel, Ministry of Culture. He has the work experience in talent cultivation, education and training, planning and administration needed for the Company's business. | with the Company. 2. Not under the circumstances in Article 30 of the Company Act. | |
| The Great Taipei Gas Corporation Representative: Richard H Wu | He is the Chairman of Taiwan Shin Kong Security Co., Ltd., the Vice Chairperson of the Gas Association of the Republic of China, and the Vice Chairperson of the Great Taipei Gas Corporation. He is committed to the promotion of digital transformation and has been active in the integration of related businesses to accommodate market demand. He majored in Information Management in college and once founded a gaming software company. He attended major international exhibition annually and pays attention to topics such as technology, medicine and care. He has practical work experience in commerce, investment, finance, risk management and company management. He has the work experience in commerce, leadership, operating decision-making, finance and risk management needed for the Company's business. | 1. Has 1 second-degree relative assume the director post with the Company. 2. Not in the circumstances regulated under Paragraph 3 and 4, Article 26-3 of the Securities and Exchange Act 3. Not under the circumstances in Article 30 of the Company Act. | None |
| Jung-Chun Huang | He has been the Company's Director since 2011 and owns extensive experience in the natural gas industry. He has the work experience in commerce, leadership, operation, marketing and risk management needed for the Company's business. | 1. Has 1 second-degree relative assume the director post with the Company. 2. Not in the circumstances regulated under Paragraph 3 and 4, Article 26-3 of the Securities and Exchange Act 3. Not under the circumstances in Article 30 of the Company Act. | None |
| Kindasaki Biochemical Technology Co., Ltd. Representative: Pao-Kway Chen | She is the Chairman of Mr. Chen Gen-Chu Foundation for Education and Culture and committed to social welfare activities to fulfill corporate social responsibility. She has the work experience in talent cultivation, | 1. Has 2 first-degree relatives assume the director post with the Company. 2. Not in the circumstances regulated under Paragraph 3 and 4, Article 26-3 of the | None |

| Name | Criteria | Professional qualifications and experiences | State of independence | Number of other public companies in which the individual is concurrently serving as an independent director |
|--|--|--|-----------------------|---|
| Chien | education and training, general affairs such as coordination and public welfare needed for the Company's business. | 3. Securities and Exchange Act Not under the circumstances in Article 30 of the Company Act. | | |
| Veterans Affairs Council Representative: Kun-chung Huang | He is the President of Shin Shin Natural Gas Co., Ltd. and served as the Director of Department of Veterans Service and Assistance and Director of Kaohsiung City Veterans Home of Veterans Affairs Council. He has the work experience in leadership, operating decision-making, care, planning and administration needed for the Company's business. | 1. No spouse or second-degree relatives assuming director post with the Company. 2. Not under the circumstances in Article 30 of the Company Act. | None | |
| The Great Taipei Gas Corporation Representative: Hsin-Ju Wu | She is the Director of Shin Kong Financial Holding Co., Ltd., the President of Shin Kong Life Insurance Co., Ltd. and the Director of Shin Kong Financial Holding Co., Ltd. She has the work experience in leadership, operating decision-making, banking, insurance, securities, finance and risk management needed for the Company's business. | 1. Has 1 second-degree relative assume the director post with the Company. 2. Not in the circumstances regulated under Paragraph 3 and 4, Article 26-3 of the Securities and Exchange Act 3. Not under the circumstances in Article 30 of the Company Act. | None | |
| Shin-Hai Gas Co, Ltd. Representative: Rung-Fu Hsieh | He is the Chairman of the Great Taipei Gas and Shin-Hai Gas Co., Ltd. and endeavors to improve business performance, expand the application fields and efficacy of natural gas, and accelerate the replacement of old pipes and regular safety checks of user pipe equipment ensuring users' safety. He is familiar with the natural gas industry and equipped with the work experience in leadership, operating decision-making, finance and risk management needed for the Company's business. | 1. No spouse or second-degree relatives assuming director post with the Company. 2. Not under the circumstances in Article 30 of the Company Act. | None | |
| Tung Chan Enterprise Co., Ltd. Representative: Hung-Wen Chuang | He is the Chairman of Hsin Tai Gas Co., Ltd. and subscribes to the principle of "Safety and Service First". He endeavors to improve professional technology and ensure the maintenance of safety in addition to the comprehensive service. He is familiar with the natural gas industry | 1. No spouse or second-degree relatives assuming director post with the Company. 2. Not under the circumstances in Article 30 of the Company Act. | None | |

| Name \ Criteria | Professional qualifications and experiences | State of independence | Number of other public companies in which the individual is concurrently serving as an independent director |
|---|--|--|---|
| | and equipped with the work experience in leadership, operating decision-making, finance and risk management needed for the Company's business. | | |
| Cheng-Cheng Wong | He has been the Company's Director since 1988 and has the ability in long-term development strategy in natural gas industry. He has the work experience in leadership, operating decision-making, finance, insurance and marketing needed for the Company's business. | <ol style="list-style-type: none"> 1. No spouse or second-degree relatives assuming director post with the Company. 2. Not under the circumstances in Article 30 of the Company Act. | None |
| Veterans Affairs Council Representative: Chy-Chung Chang | He is the Chief of Information Division, Department of Statistics, Veterans Affairs Council and served as the Deputy Director of Department of Statistics, Ministry of Education and the Deputy Director of Department of Budget, Accounting and Statistics, Taipei City Government. He has work experience in finance, information management, planning and administration needed for the Company's business. | <ol style="list-style-type: none"> 1. No spouse or second-degree relatives assuming director post with the Company. 2. Not under the circumstances in Article 30 of the Company Act. | None |
| Veterans Affairs Council Representative: Chien-ching Tsai | She is the Senior Executive Officer of the Department of Civil Service Ethics, Veterans Affairs Council, and she has served as the Director of the Administration for Digital Industries, Ministry of Digital Affairs and the Director of Ethics Office of Central Deposit Insurance Corporation. He owns work experience in planning, administration and law needed for the Company's business. | <ol style="list-style-type: none"> 1. No spouse or second-degree relatives assuming director post with the Company. 2. Not under the circumstances in Article 30 of the Company Act. | None |
| Veterans Affairs Council Representative: Kuang-yu Chan | He serves as the Director of the Department of Administrative Management, Veterans Affairs Council. He was the Director of Gangshan Veterans Home and the Director of Nantou County Veterans Service Office. He owns work experience in planning, administration and public welfare needed for the Company's business. | <ol style="list-style-type: none"> 1. No spouse or second-degree relatives assuming director post with the Company. 2. Not under the circumstances in Article 30 of the Company Act. | None |
| Shin Kong Wu Ho-Su Memorial | He is the consultant of Shin Kong Wu Ho-Su Memorial Hospital and has | <ol style="list-style-type: none"> 1. No spouse or second-degree relatives assuming director post | None |

| Name | Criteria | Professional qualifications and experiences | State of independence | Number of other public companies in which the individual is concurrently serving as an independent director |
|--|---|--|-----------------------|---|
| Hospital Representative: Po-Ih Wang | served as the Assistant Vice President of Great Taipei Gas Corporation and the Chairman of Taiwan Meteorological Technology Foundation. He is familiar with the natural gas industry and has the work experience in care and risk management needed for the Company's business. | with the Company. 2. Not under the circumstances in Article 30 of the Company Act. | | |
| Kindasaki Biochemical Technology Co., Ltd. Representative: Hui-Chun Chen Wu | She is Municipal Consultant, Taipei City Government and served as the Chairperson of the New Taipei City Women's Association, the Chairperson of Yungho District Women's Association and the CEO of Mr. Chen Gen-Chu Foundation for Education and Culture She has the work experience in commerce, banking, and public welfare needed for the Company's business. | 1. Has 2 first-degree relatives assume the director post with the Company. 2. Not in the circumstances regulated under Paragraph 3 and 4, Article 26-3 of the Securities and Exchange Act 3. Not under the circumstances in Article 30 of the Company Act. | None | |
| The Great Taipei Gas Corporation Representative: Po-Fong Lin | He is the Director of Great Taipei Gas Corporation and Taiwan Shin Kong Security Co., Ltd., and served as the Chairman of Taiwan Shin Kong Security Co., Ltd. He has the work experience in leadership, operating decision-making, commerce and law needed for the Company's business. | 1. No spouse or second-degree relatives assuming director post with the Company. 2. Not under the circumstances in Article 30 of the Company Act. | None | |
| Kuo-Tai Chang | He is the Vice President of EVFA International Co., Ltd. and served as the Vice President of the Company. He is familiar with business in the natural gas industry and owns expertise in finance, investment, education and training needed for the Company's business. | 1. No spouse or second-degree relatives assuming director post with the Company. 2. Not under the circumstances in Article 30 of the Company Act. | None | |
| Ko-Tseng Li | He is the Special Assistant to the Chairman of EVFA International Co., Ltd. and served as the Manager of the Company's Business Department. He is familiar with business in the natural gas industry and owns expertise in finance, securities and investment needed for the Company's business. | 1. Has 1 second-degree relative assume the director post with the Company. 2. Not in the circumstances regulated under Paragraph 3 and 4, Article 26-3 of the Securities and Exchange Act 3. Not under the circumstances in Article 30 of the Company Act. | None | |
| Yee-kong Lee | He is the Director of the Department of Planning, Veterans Affairs Council and served as the Military Prosecutor | 1. No spouse or second-degree relatives assuming director post with the Company. | None | |

| Name | Criteria | Professional qualifications and experiences | State of independence | Number of other public companies in which the individual is concurrently serving as an independent director |
|---------------|----------|--|--|---|
| | | and the Directing Military Judge of the Military Law Division. He owns work experience in law, planning and administration needed for the Company's business. | 2. Not under the circumstances in Article 30 of the Company Act. | |
| Ching-Kuo Lee | | He served as the President of Shin Shin Natural Gas Co., Ltd. He is familiar with the natural gas industry and equipped with the abilities of leadership, operational decision-making, finance and risk management needed for the Company's business. | <ol style="list-style-type: none"> 1. Neither him/her, his/her spouse, nor relatives within second degree of kinship has held position as the director or employee of the Company or its affiliates. 2. Is not a director, supervisor or employee of a designated company that has specified relationship with the Company. 3. Has not obtained compensation from providing business, legal, finance, or accounting services to the Company or its affiliates in the most recent two years. 4. Not under the circumstances in Article 30 of the Company Act. | None |
| Shu-Ping Hsu | | She is the Practice Accountant at Champion CPAs Firm and has more than 20 years of expertise in finance and accounting. She has work experience in accounting and finance needed for the Company's business. | <ol style="list-style-type: none"> 1. Neither him/her, his/her spouse, nor relatives within second degree of kinship has held position as the director or employee of the Company or its affiliates. 2. Is not a director, supervisor or employee of a designated company that has specified relationship with the Company. 3. Has not obtained compensation from providing business, legal, finance, or accounting services to the Company or its affiliates in the most recent two years. 4. Not under the circumstances in Article 30 of the Company Act. | None |
| Chin-Ming Kuo | | He is the Dean of the College of Law of Chinese Culture University. He is familiar with the family law, succession law, Family Act, commercial law, Criminal Code of the Armed Forces, Military trial, etc. He is an instructor or higher in a department of law related to the business needs of the Company in a | <ol style="list-style-type: none"> 1. Neither him/her, his/her spouse, nor relatives within second degree of kinship has held position as the director or employee of the Company or its affiliates. 2. Is not a director, supervisor or employee of a designated company that has specified | None |

| Name \ Criteria | Professional qualifications and experiences | State of independence | Number of other public companies in which the individual is concurrently serving as an independent director |
|------------------|--|--|---|
| | public or private junior college, college, or university. | relationship with the Company. 3. Has not obtained compensation from providing business, legal, finance, or accounting services to the Company or its affiliates in the most recent two years. 4. Not under the circumstances in Article 30 of the Company Act. | |
| Ming-Hsiung Chen | He worked in the construction industry, which is closely related to the natural gas industry, and served as the 4-time councilman of Taipei County Council, the National Assembly member, the Advisor of Executive Yuan Administrative, and the Advisor to the Office of the President. He has tremendous contribution to the Company by facilitating administrative affairs such as communication and coordination with the competent authority. During his leisure time, he is committed to social welfare to fulfill the corporate social responsibility. He has the work experience in leadership, operational decision-making, commerce, investment, and risk management. | 1. Neither him/her, his/her spouse, nor relatives within second degree of kinship has held position as the director or employee of the Company or its affiliates. 2. Is not a director, supervisor or employee of a designated company that has specified relationship with the Company. 3. Has not obtained compensation from providing business, legal, finance, or accounting services to the Company or its affiliates in the most recent two years. 4. Not under the circumstances in Article 30 of the Company Act. | None |
| Han-Lin Tseng | He is the Vice Chairman of Tong Hsin Water Business Inc., and was engaged in the construction industry, which is closely related to the natural gas industry. In addition, he has been active in social welfare events to give back to the community, and acts as the Chairman of the Institute for the Blind of Taiwan, Municipal Consultant, Taipei City Government and the Director of New Taipei Branch, Taiwan After Care Association, Ministry of Justice. He has the work experience in commerce, finance, accounting, investment, leadership and risk management needed for the Company's business. | 1. Neither him/her, his/her spouse, nor relatives within second degree of kinship has held position as the director or employee of the Company or its affiliates. 2. Is not a director, supervisor or employee of a designated company that has specified relationship with the Company. 3. Has not obtained compensation from providing business, legal, finance, or accounting services to the Company or its affiliates in the most recent two years. 4. Not under the circumstances in Article 30 of the Company Act. | None |

II. Diversity and independence of the Board of Directors:

- (I) The Company's Board of Directors is composed based on the development and scale of its development and the shareholding of its major shareholders by considering the actual operational needs. As stated in the "Corporate Governance Best-Practice Principles" and the "Procedures for Election of Directors," it is advisable that the composition of the Board shall be diverse and attentive to gender equality, professional qualifications and domains of work experience, and the members shall possess knowledge, skills and experience necessary to perform their duties.

There are 24 Directors, including 5 Independent Directors, in the 19th Board of Directors of the Company, and their term of office is from August 31, 2021 to August 30, 2024. These Directors coming from various backgrounds and possessing specific professions and experience listed below have formed a board of diversity.

| Basic information | | | | | | | | | Professional qualification | | | | | | | | | |
|---------------------|--------------|-------------------------|--------|----------|-------|-------|---------|-------------------------------------|----------------------------|---------------------------|----------------------|----------------------------------|-----------------|--------------------|----------------------|-----------------|-------------------------------|---------------------|
| Name | Board member | Employee of the Company | Gender | Age | | | | Independent Director Term of office | | Management and leadership | Natural gas industry | Public administration management | Risk management | Finance management | Accounting expertise | Legal expertise | Government affairs experience | Charity experiences |
| | | | | Below 50 | 51-60 | 61-70 | Over 71 | Less than 3 years | 3~6 years | | | | | | | | | |
| Ho-Chia Chen | Chairman | | Male | | | | V | | | V | V | | V | V | | | V | V |
| Yen-chun Wu | Director | | Male | | V | | | | | | V | | | | | | | |
| Richard H Wu | Director | | Male | V | | | | | | V | V | | V | | | | | V |
| Jung-Chun Huang | Director | | Male | | | V | | | | V | V | | V | | | | | |
| Pao-Kway Chen Chien | Director | | Female | | | | V | | | | V | | | | | | | V |
| Kun-chung Huang | Director | V | Male | | | V | | | | V | V | V | V | | | | | V |
| Hsin-Ju Wu | Director | | Female | V | | | | | | V | | | V | V | | | | V |
| Rung-Fu Hsieh | Director | | Male | | | | V | | | V | V | | V | V | | | | |
| Hung-Wen Chuang | Director | | Male | | V | | | | | V | V | | V | V | | | | |

| Basic information | | | | | | | | | | Professional qualification | | | | | | | | |
|-------------------|----------------------|-------------------------|--------|----------|-------|-------|---------|-------------------------------------|-----------|----------------------------|----------------------|----------------------------------|-----------------|--------------------|----------------------|-----------------|-------------------------------|---------------------|
| Name | Board member | Employee of the Company | Gender | Age | | | | Independent Director Term of office | | Management and leadership | Natural gas industry | Public administration management | Risk management | Finance management | Accounting expertise | Legal expertise | Government affairs experience | Charity experiences |
| | | | | Below 50 | 51-60 | 61-70 | Over 71 | Less than 3 years | 3~6 years | | | | | | | | | |
| Cheng-Cheng Wong | Director | | Male | | | V | | | | V | V | | V | V | | | | |
| Chy-Chung Chang | Director | | Male | | | V | | | | | | V | V | | | | | |
| Chien-ching Tsai | Director | | Female | V | | | | | | | V | | | | V | | | |
| Kuang-yu Chan | Director | | Male | | V | | | | | | V | | | | | | V | |
| Po-Ih Wang | Director | | Male | | | | V | | | V | | V | | | | | | |
| Hui-Chun Chen Wu | Director | | Female | | | V | | | | V | V | | | | | | V | |
| Po-Fong Lin | Director | | Male | | | | V | | | V | | | | | V | | | |
| Kuo-Tai Chang | Director | | Male | | | | V | | | V | | V | | V | | | V | |
| Ko-Tseng Li | Director | | Male | | | | V | | | V | | | | V | | | V | |
| Yee-kong Lee | Director | | Male | | | V | | | | | V | | | | V | | | |
| Ching-Kuo Lee | Independent Director | | Male | | | | V | | V | V | V | | V | V | | | | |
| Shu-Ping Hsu | Independent Director | | Female | V | | | | V | | | | | V | V | | | | |
| Chin-Ming Kuo | Independent Director | | Male | | | V | | | V | V | | | | | V | | | |
| Ming-Hsiung Chen | Independent Director | | Male | | | | V | V | | V | | | | | | V | V | |
| Han-Lin Tseng | Independent Director | | Male | | V | | | V | | V | | | V | | | V | V | |

(II) Regarding the age distribution of Directors, there are 4 Directors below 50 years old, 4 Directors between 51-60 years, 7 Directors between 61-70 years and 9 Directors above 71 years.

Apart from the aforementioned, the Company values gender balance in the members formation. 5 female directors stands at 21%. Will continue to raise the percentage of female directors as a goal.

(III) Specific management goals and current status of the Board of Directors diversity policy:

| Management goals | Achievements | Remark |
|--|--------------|----------------------------|
| At least one seat of female director | V | 5 seats of female director |
| No more than one-third of the directors who are concurrently managers of the company | V | Accounting for 4% |
| Must be more than one-fifth of the directors who are independent directors | V | Accounting for 21% |
| Years of service by independent directors at not more than 9 years | V | None of such situation |

(IV) There are 5 independent directors for the Company, standing at 21%. Each of them exercise authority independently. 3 of the independent directors have served for less than 3 years, 2 of the independent directors have served for 5 years, and all independent directors do not serve for over 3 consecutive terms. There have been no circumstances as regulated under Article 26-3, Paragraph 3 and 4 of the Securities and Exchange Act.

None of the independent directors, their spouses, relatives within the second degree of kinship hold positions as a director, supervisor or employee of the Company, its affiliates or a designated company that has specified relationship with the Company, and hold no company shares; Have not obtained compensation from providing business, legal, finance, or accounting services to the Company or its affiliates in the most recent two years.

The Independent Director Shu-Ping Hsu, who has professional background in accounting or finance, has been the Practice Accountant at CHAMPION CPAs Firm for 7 years and worked as the Assistant Vice President in Deloitte and Touche with 17 years of experience, and she is not under the circumstances in Article 30 of the Company Act.

(V) The Company drives the complete development of the Board of Directors formation and structure to strengthen its corporate governance. Realizing the diversity and complementarity of the board directors to ensure the board members possess the knowledge, skills and competence for the execution of the work.

(VI) Information on president, vice president, assistant VP and, head of each department and branches

| Title | Nationality | Name | Gender | Date elected (onboard) | Shareholding | | Shareholding by spouse or dependents | | Shares held in the name of others | | Selected education and professional qualification | Concurrent Positions at Other Companies | Managerial officers who are spouses or within second-degree relative of consanguinity to each other | | | Remark |
|--|-------------|-------------------|--------|------------------------|---------------------------|---------------------------|--------------------------------------|---------------------------|-----------------------------------|---------------------------|---|---|---|------|--------------|--------|
| | | | | | Number of shares (Shares) | Shareholding percentage % | Number of shares (Shares) | Shareholding percentage % | Number of shares (Shares) | Shareholding percentage % | | | Title | Name | Relationship | |
| President | R.O.C. | Kun-chung Huang | Male | 2023.03.16 | 0 | 0 | 0 | 0 | 0 | 0 | 2000 Year Class, War College, National Defense University | President, EVFA INTERNATIONAL CO., LTD. | None | None | None | |
| Vice President | R.O.C. | Yi-Hsin Chien | Male | 2021.09.11 | 62,011 | 0.03 | 210,919 | 0.12 | 0 | 0 | Bachelor of Chinese Literature, Fu Jen Catholic University | None | None | None | None | |
| Vice President | R.O.C. | Yi-shen Lai | Male | 2023.08.11 | 0 | 0 | 0 | 0 | 0 | 0 | Master of Science, Engineering Management, Tatung University | None | None | None | None | |
| Corporate Governance Officer | R.O.C. | Te-yin Wan | Female | 2023.06.01 | 538 | 0 | 0 | 0 | 0 | 0 | Bachelor of Agricultural Economics, National Taiwan University | None | None | None | None | |
| Manager, Development Department | R.O.C. | Cheng-Hsueh Hsieh | Male | 2021.09.16 | 2,694 | 0.0018 | 0 | 0 | 0 | 0 | Diploma of Electronic Engineering, Tungnan Technical College | None | None | None | None | |
| Internal Auditing Officer | R.O.C. | An-Yi Chen | Female | 2021.09.11 | 275,152 | 0.15 | 548 | 0 | 0 | 0 | Bachelor of Sociology, Soochow University | None | None | None | None | |
| Manager, Department of Engineering | R.O.C. | Chi-Ming Chang | Male | 2020.11.21 | 0 | 0 | 0 | 0 | 0 | 0 | Bachelor of Civil Engineering, Tamkang University | None | None | None | None | |
| Manager, Business Department | R.O.C. | Chong-Yi Liao | Male | 2020.11.16 | 0 | 0 | 0 | 0 | 0 | 0 | Master of Business Administration, National Taipei University | None | None | None | None | |
| Manager, Management Department | R.O.C. | Yuan-liang Liu | Male | 2022.09.16 | 0 | 0 | 0 | 0 | 0 | 0 | Department of Electrical Engineering, Tungnan Institute of Technology | None | None | None | None | |
| Manager, Department of Finance | R.O.C. | Yi-Yang Huang | Male | 2019.04.09 | 0 | 0 | 0 | 0 | 0 | 0 | Master of Resource Management, Management College, National Defense University | None | None | None | None | |
| Head of Labor Safety and Health Office | R.O.C. | Huai-An Liao | Male | 2015.04.01 | 0 | 0 | 0 | 0 | 0 | 0 | Hon. Master and Master of Commerce, Business Information Systems, University of Wollongong, Australia | None | None | None | None | |
| Director of Human Resource Office | R.O.C. | Hung-Wen Li | Male | 2020.12.15 | 2,120 | 0.0012 | 0 | 0 | 0 | 0 | Master of Information Management, National Taiwan University of Science and Technology | None | None | None | None | |

III. Remunerations paid to directors and independent directors, supervisors, president and vice president in the most recent year

(I) Remuneration for directors and independent directors (disclosure of an aggregate amount under the range of compensation and the name of director)

December 31, 2023

| Title | Name | Remuneration for directors | | | | | | | | % of the sum of A to D in the net profit after tax | | Remuneration for concurrent position as an employee | | | | | | | | Compensation received from non-consolidated affiliates or parent company (NTD) | | | |
|----------------------|------------------------------|------------------------------|---------------------------------------|------------------------------|---------------------------------------|---------------------------------|---------------------------------------|--|---------------------------------------|--|---------------------------------------|---|---------------------------------------|------------------------------|---------------------------------------|----------------------------------|--------------|---------------------------------------|--------------|--|--|---------------------------------------|--|
| | | Remunerations Paid (A) (NTD) | | Retirement Pension (B) (NTD) | | Directors remuneration (C)(NTD) | | Expenses for Execution of Business (D) (NTD) | | | | Salaries, Bonus and Special Expenditure (E)(NTD) | | Retirement Pension (F) (NTD) | | Employees remuneration (G) (NTD) | | | | | % of the sum of A to G in the net profit after tax | | |
| | | The Company | All companies in financial statements | The Company | All companies in financial statements | The Company | All companies in financial statements | The Company | All companies in financial statements | The Company | All companies in financial statements | The Company | All companies in financial statements | The Company | All companies in financial statements | The Company | | All companies in financial statements | | | The Company | All companies in financial statements | |
| | | | | | | | | | | | | | | | | Cash amount | Stock amount | Cash amount | Stock amount | | | | |
| Chairman | Ho-Chia Chen | | | | | | | | | | | | | | | | | | | | | | |
| Director | Kun-chung Huang (Remarks 1) | | | | | | | | | | | | | | | | | | | | | | |
| Director | Richard H Wu (Note 4) | | | | | | | | | | | | | | | | | | | | | | |
| Director | Jung-Chun Huang | | | | | | | | | | | | | | | | | | | | | | |
| Director | Pao-Kway Chen Chien (Note 3) | | | | | | | | | | | | | | | | | | | | | | |
| Director | Chy-Chung Chang (Remarks 1) | | | | | | | | | | | | | | | | | | | | | | |
| Director | Hsin-Ju Wu (Note 4) | | | | | | | | | | | | | | | | | | | | | | |
| Director | Po-Ih Wang (Note 2) | | | | | | | | | | | | | | | | | | | | | | |
| Director | Yee-kong Lee (Remarks 1) | 6,220,379 | 7,290,379 | 0 | 0 | 9,472,368 | 9,472,368 | 20,555,000 | 20,663,000 | 10.19 | 10.52 | 5,968,533 | 8,488,533 | 0 | 0 | 176,382 | 0 | 556,382 | 0 | 11.91 | 13.06 | None | |
| Director | Yen-chun Wu (Remarks 1) | | | | | | | | | | | | | | | | | | | | | | |
| Director | Po-Fong Lin (Note 4) | | | | | | | | | | | | | | | | | | | | | | |
| Director | Hui-Chun Chen Wu (Note 3) | | | | | | | | | | | | | | | | | | | | | | |
| Director | Kuo-Tai Chang | | | | | | | | | | | | | | | | | | | | | | |
| Director | Ko-Tseng Li | | | | | | | | | | | | | | | | | | | | | | |
| Director | Kuang-yu Chan (Remarks 1) | | | | | | | | | | | | | | | | | | | | | | |
| Director | Cheng-Cheng Wong | | | | | | | | | | | | | | | | | | | | | | |
| Director | Rung-Fu Hsieh (Note 5) | | | | | | | | | | | | | | | | | | | | | | |
| Director | Hung-Wen Chuang (Note 6) | | | | | | | | | | | | | | | | | | | | | | |
| Director | Fu-hua Ni (Remarks 1) | | | | | | | | | | | | | | | | | | | | | | |
| Independent Director | Ching-Kuo Lee | | | | | | | | | | | | | | | | | | | | | | |
| Independent Director | Chin-Ming Kuo | 0 | 0 | 0 | 0 | 0 | 0 | 2,402,000 | 2,402,000 | 0.67 | 0.67 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.67 | 0.67 | None | |
| Independent Director | Ming-Hsiung Chen | | | | | | | | | | | | | | | | | | | | | | |
| Independent | Han-Lin Tseng | | | | | | | | | | | | | | | | | | | | | | |

Range of Remunerations

| Remuneration ranges for each director of the Company | Director name | | | |
|--|--|---|--|---|
| | Total amount of the first four remunerations (A+B+C+D)(NTD) | | Total amount of the first seven remunerations (A+B+C+D+E+F+G)(NTD) | |
| | The Company | All companies in financial statements | The Company | All companies in financial statements |
| Less than NTD 1,000,000 | Ching-kuo Lee, Kun-chung Huang (1), Chin-Ming Kuo, Ming-Hsiung Chen, Han-Lin Tseng, Shu-ping Hsu, 6 person | 6 person (Name list is the same to the left) | Ching-kuo Lee, Chin-Ming Kuo, Ming-Hsiung Chen, Han-Lin Tseng, Shu-ping Hsu, 5 person | 5 persons (Name list is the same to the left) |
| 1,000,000 (inclusive) – \$2,000,000 (exclusive) | Kuang-yu Chan (1), Yen-chun Wu (1), Yee-kong Lee (1), Fu-hua Ni (1), Chy-Chung Chang (1), Po-Ih Wang (2), Hsin-Ju Wu (4), Rung-Fu Hsieh (5), Hung-Wen Chuang (6), Po-Fong Lin (4), Ko-Tseng Li, Hui-Chun Chen Wu (3), Cheng-Cheng Wong, Pao-Kway Chen Chien (3), 14 person | 14 person (Name list is the same to the left) | Kuang-yu Chan, Yen-chun Wu, Yee-kong Lee, Fu-hua Ni, Chy-Chung Chang, Po-Ih Wang, Hsin-Ju Wu, Rung-Fu Hsieh, Hung-Wen Chuang, Po-Fong Lin, Ko-Tseng Li, Hui-Chun Chen Wu, Cheng-Cheng Wong, Pao-Kway Chen Chien, 14 person | Kuang-yu Chan, Yen-chun Wu, Yee-kong Lee, Fu-hua Ni, Chy-Chung Chang, Po-Ih Wang, Hsin-Ju Wu, Rung-Fu Hsieh, Hung-Wen Chuang, Po-Fong Lin, Hui-Chun Chen Wu, Cheng-Cheng Wong, Pao-Kway Chen Chien, 13 person |
| 2,000,000 (inclusive) – \$3,500,000 (exclusive) | Jung-Chun Huang, Kuo-Tai Chang, Richard H Wu (4), 3 persons | 3 persons (Name list is the same to the left) | Jung-Chun Huang, Kuo-Tai Chang, Richard H Wu (4), 3 persons | Jung-Chun Huang, Richard H Wu, Kuo-Tai Chang, Ko-Tseng Li, 4 persons |
| 3,500,000 (inclusive) – \$5,000,000 (exclusive) | 0 | 0 | Kun-chung Huang, 1 person | 0 |
| 5,000,000 (inclusive) – \$10,000,000 (exclusive) | Ho-Chia Chen, 1 person | Ho-Chia Chen, 1 person | Ho-Chia Chen, 1 person | Ho-Chia Chen, Kun-chung Huang, 2 person |
| 10,000,000 (inclusive) – \$15,000,000 (exclusive) | 0 | 0 | 0 | 0 |
| 15,000,000 (inclusive) – \$30,000,000 (exclusive) | 0 | 0 | 0 | 0 |
| 30,000,000 (inclusive) – \$50,000,000 (exclusive) | 0 | 0 | 0 | 0 |
| 50,000,000 (inclusive) – \$100,000,000 (exclusive) | 0 | 0 | 0 | 0 |
| More than \$100,000,000 | 0 | 0 | 0 | 0 |
| Total | 24 persons | 24 persons | 24 persons | 24 persons |

Note:

1. Representative, Veterans Affairs Council.
2. Representative of juristic person, Shin Kong Wu Ho-Su Memorial Hospital.
3. Representative, Kindasaki Biochemical Technology Co., Ltd.
4. Representative, The Great Taipei Gas Corporation.
5. Representative, Shin-Hai Gas Co, Ltd.
6. Representative, Tung Chan Enterprise Co., Ltd.

(II) Compensation for President and Vice President (name of President and Vice President is disclosed under the aggregate amount attributed to the range of compensation)

| Title | Name | Remunerations Paid (A) (NTD) | | Retirement Pension (B)(NTD) | | Salaries, Bonus and Special Expenditure (C) (NTD) | | Profit sharing remuneration for employees (D) (NTD) | | | | % of the sum of A to D in the net profit after tax | | Compensation received from non-consolidated affiliates or parent company (NTD) |
|----------------|----------------------|------------------------------|---------------------------------------|-----------------------------|---------------------------------------|---|---------------------------------------|---|--------------|---------------------------------------|--------------|--|---------------------------------------|--|
| | | The Company | All companies in financial statements | The Company | All companies in financial statements | The Company | All companies in financial statements | The Company | | All companies in financial statements | | The Company | All companies in financial statements | |
| | | | | | | | | Cash amount | Stock amount | Cash amount | Stock amount | | | |
| President | Fu-Hua Li(3) | | | | | | | | | | | | | |
| President | Kun-chung Huang | | | | | | | | | | | | | |
| Vice President | Yi-Hsin Chien | 6,677,955 | 6,677,955 | 0 | 0 | 4,490,722 | 5,360,722 | 416,575 | 0 | 616,575 | 0 | 3.26 | 3.56 | None |
| Vice President | Yi-shen Lai | | | | | | | | | | | | | |
| Vice President | Chung-Chieh Chen (4) | | | | | | | | | | | | | |

Note:

1. The “expensed retirement pension” amount set aside was NTD 296,581 for 2023 President and Vice President.
2. 2023 employee remunerations was passed by the Board of Directors meeting.
3. President Fu-Hua Li retired on March 16, 2023, and Mr. Kun-Chung Huang succeeded as the President.
4. On August 11, 2023, Vice President Chung-Chieh Chen retired, Yi-shen Lai to succeed the Vice President position.

Range of Remunerations

| Remuneration range for president and vice president as paid by the Company | Names of president and vice president | |
|--|---------------------------------------|---------------------------------------|
| | The Company | All companies in financial statements |
| Less than NTD 1,000,000 | Yi-shen Lai | Yi-shen Lai |
| 1,000,000 (inclusive) – \$2,000,000 (exclusive) | Fu-Hua Li, Chung-Chieh Chen | Fu-Hua Li, Chung-Chieh Chen |
| 2,000,000 (inclusive) – \$3,500,000 (exclusive) | Yi-Hsin Chien | Yi-Hsin Chien |
| 3,500,000 (inclusive) – \$5,000,000 (exclusive) | Kun-chung Huang | Kun-chung Huang |
| 5,000,000 (inclusive) – \$10,000,000 (exclusive) | 0 | 0 |
| 10,000,000 (inclusive) – \$15,000,000 (exclusive) | 0 | 0 |
| 15,000,000 (inclusive) – \$30,000,000 (exclusive) | 0 | 0 |
| 30,000,000 (inclusive) – \$50,000,000 (exclusive) | 0 | 0 |
| 50,000,000 (inclusive) – \$100,000,000 (exclusive) | 0 | 0 |
| More than \$100,000,000 | 0 | 0 |
| Total | 5 persons | 5 persons |

Profit sharing remuneration for employees, manager names and distribution

April 23, 2024

| | Title | Name | Share bonus (NTD) | Cash bonus (NTD) | Total (NTD) | % in net earnings |
|--------------------|------------------------------|----------------------|-------------------|------------------|-------------|-------------------|
| Managerial Officer | President | Fu-Hua Li (2) | 0 | 633,084 | 633,084 | 0.18 |
| | President | Kun-chung Huang | | | | |
| | Vice President | Yi-Hsin Chien | | | | |
| | Vice President | Yi-shen Lai | | | | |
| | Vice President | Chung-Chieh Chen (3) | | | | |
| | Corporate Governance Officer | Te-yin Wan | | | | |
| | Manager | Yi-Yang Huang | | | | |

- Note: 1. The 2023 employee remuneration was approved by the Remuneration Committee and Board of Directors meeting.
 2. President Fu-Hua Li retired on March 16, 2023, and Mr. Kun-Chung Huang succeeded as the President.
 3. On August 11, 2023, Vice President Chung-Chieh Chen retired, Yi-shen Lai to succeed the Vice President position.

(III) Analysis of the total remuneration as a percentage of net income, as stated in the parent company's financial reports or individual financial reports, paid by the Company and each other company in the consolidated financial statements to directors, the President, and Vice Presidents during the past 2 fiscal years.

| Items Title | The Company | | | | In the consolidated statements | | | |
|---|--------------|---|--------------|---|--------------------------------|---|--------------|---|
| | 2022 | | 2023 | | 2022 | | 2023 | |
| | Total amount | to net earnings after tax in percentage | Total amount | to net earnings after tax in percentage | Total amount | to net earnings after tax in percentage | Total amount | to net earnings after tax in percentage |
| Remuneration for directors (including Independent Director) | 32,748,955 | 22.76% | 38,649,747 | 10.86% | 33,589,555 | 23.35% | 39,827,747 | 11.19% |
| Supervisor | | | | | | | | |
| Remuneration for president and vice president | 10,278,962 | 7.15% | 11,585,252 | 3.26% | 10,795,362 | 7.50% | 12,655,252 | 3.56% |
| Income after tax | 143,858,839 | | 355,885,301 | | 143,858,839 | | 355,885,301 | |

Note: Remuneration policies, standards, and package:

- Remuneration for directors:
The principle for directors' remuneration is prescribed in Article 33 of the Articles of Incorporation of the Company. The Company's Board of Directors may resolve to have directors' remuneration appropriated for an amount not more than 2.2% of the profits, if any.
- Remuneration for president and vice president:
The Company shall appropriate employee compensation for an amount equivalent to 2.2% of the profits to be distributed in shares or cash by resolution of the Board of Directors. The employees of subordinate companies who meet certain conditions are also entitled to such earnings distribution.
- The proposal for the distribution of employee compensation and directors' remuneration shall be reported to the shareholders' meeting. However, when the Company has accumulated losses, an equivalent amount should be reserved in advance for making up such losses before appropriating the employee compensation and directors' remuneration under the ratio stated in the preceding paragraph.

IV. Operations of corporate governance

(I) Operation of the Board of Directors

The number of Board meetings held in the most recent fiscal year was 6 (A), and the attendance by the Directors is:

| Title | Name | Actual attendance (B) | Attendances by proxy | Compulsory attendance (A) | In-person attendance rate (%) 【B/A】 | Remark |
|--------------------|------------------------------|-----------------------|----------------------|---------------------------|--|--|
| Chairman | Ho-Chia Chen | 6 | 0 | 6 | 100 | Re-election on August 31, 2021, re-elected |
| Director | Yen-chun Wu (Note 1) | 6 | 0 | 6 | 100 | Reassignment on February 23, 2023, newly elected |
| Executive Director | Richard H. Wu (Note 2) | 6 | 0 | 6 | 100 | Re-election on August 31, 2021, re-elected |
| Director | Jung-Chun Huang | 6 | 0 | 6 | 100 | Re-election on August 31, 2021, re-elected |
| Director | Pao-Kway Chen Chien (Note 3) | 6 | 0 | 6 | 100 | Re-election on August 31, 2021, re-elected |
| Director | Fu-Hua Li (Note 1) | 1 | 0 | 1 | 100 | Dismissed on March 16, 2023 |
| | Kun-chung Huang (Note 1) | 5 | 0 | 5 | 100 | Reassignment on March 16, 2023, newly elected |
| Director | Hsin-Ju Wu (Note 2) | 4 | 2 | 6 | 67 | Re-election on August 31, 2021, re-elected |
| Director | Rung-Fu Hsieh (Note 4) | 6 | 0 | 6 | 100 | Re-election on August 31, 2021, newly elected |
| Director | Hung-Wen Chuang (Note 5) | 6 | 0 | 6 | 100 | Re-election on August 31, 2021, newly elected |
| Director | Cheng-Cheng Wong | 5 | 1 | 6 | 83 | Re-election on August 31, 2021, newly elected |
| Director | Chy-Chung Chang (Note 1) | 6 | 0 | 6 | 100 | Re-election on August 31, 2021, re-elected |
| Director | Fu-hua Ni (Note 1) | 6 | 0 | 6 | 100 | Reassignment on July 25, 2022, newly elected |
| Director | Wei-an Lee (Note 1) | 2 | 0 | 2 | 100 | Dismissed on May 16, 2023 |
| | Kuang-yu Chan (Note 1) | 4 | 0 | 4 | 100 | Reassignment on May 16, 2023, newly elected |
| Director | Po-Ih Wang (Note 6) | 5 | 1 | 6 | 83 | Re-election on August 31, 2021, re-elected |
| Director | Hui-Chun Chen Wu (Note 3) | 6 | 0 | 6 | 100 | Re-election on August 31, 2021, re-elected |
| Director | Po-Fong Lin (Note 2) | 5 | 1 | 6 | 83 | Re-election on August 31, 2021, newly elected |
| Director | Kuo-Tai Chang | 6 | 0 | 6 | 100 | Re-election on August 31, 2021, re-elected |
| Director | Ko-Tseng Li | 6 | 0 | 6 | 100 | Re-election on August 31, 2021, re-elected |

| Title | Name | Actual attendance (B) | Attendances by proxy | Compulsory attendance (A) | In-person attendance rate (%)【B/A】 | Remark |
|----------------------|-----------------------|-----------------------|----------------------|---------------------------|------------------------------------|---|
| Director | Yee-kong Lee (Note 1) | 6 | 0 | 6 | 100 | Reassignment on May 4, 2022, newly elected |
| Independent Director | Ching-Kuo Lee | 6 | 0 | 6 | 100 | Re-election on August 31, 2021, re-elected |
| Independent Director | Chin-Ming Kuo | 6 | 0 | 6 | 100 | Re-election on August 31, 2021, re-elected |
| Independent Director | Ming-Hsiung Chen | 6 | 0 | 6 | 100 | Re-election on August 31, 2021, newly elected |
| Independent Director | Han-Lin Tseng | 5 | 1 | 6 | 83 | Re-election on August 31, 2021, newly elected |
| Independent Director | Shu-Ping Hsu | 6 | 0 | 6 | 100 | By-election on June 17, 2022, newly elected |

Note: 1. Representative of the Veterans Affairs Council.
2. Representative, The Great Taipei Gas Corporation.
3. Representative, Kindasaki Biochemical Technology Co., Ltd.
4. Representative, Shin-Hai Gas Co, Ltd.
5. Representative, Tung Chan Enterprise Co., Ltd.
6. Representative of juristic person, Shin Kong Wu Ho-Su Memorial Hospital.

Other matters required to be recorded:

- I. If the operation of the Board of Directors is under these circumstances, the date, period, proposal content, all independent directors' opinions and the Company's handling of the independent directors' opinions should be described:
 - (I) Matters in Article 14-3 of the Securities and Exchange Act:

The Company has 24 directors (including 5 independent directors). Regarding matters under Article 14-3 of the Securities and Exchange Act, a proposal is made accordingly and submitted to the Board meeting for discussions; Independent directors have made their expert suggestions. The Board shall decide with full considerations of the independent directors' opinions to exercise the due care of a good administrator.

(Please refer to page 61 to 63 for the important resolutions of the Board of Directors).
 - (II) Unless otherwise stated, other Independent Directors who expressed opposition or qualified opinions recorded or declared in writing: None.
- II. When there is recusal due to conflicts of interest by a director, the name of that director, the involved proposal(s), the cause(s) of the recusal due to conflicts of interest, and the participation in voting of that director shall be specified: None.
- III. The TWSE/TPEX listed company shall disclose information such as the assessment cycle, assessment period, scope and method of assessment, and items of self-assessment (or peer assessment) by individual board members. See below table on the board's assessment implementation state.
- IV The goals for strengthening the functions of the board in the current and recent fiscal years (e.g. establishing the Audit Committee, promoting information transparency, etc.) and conducting performance assessment: None

Implementation of appraisal by Board of Directors

Evaluation cycle: Once a year

Evaluation period: January 1, 2023 to December 31, 2023

| Scope of evaluation | Evaluation method | Evaluation content | Evaluation results |
|---------------------------------------|------------------------------------|---|--|
| All members of the Board of Directors | Board of Directors self-evaluation | <ol style="list-style-type: none"> 1. Participation in the company's operations. 2. Improvement in the quality of decision making by the board of directors. 3. The composition and structure of the board of directors. 4. The election of the directors and their continuing education. 5. Internal controls. | <p>There are 5 major aspects, 8 indicators, overall score is 94.38 points (100 points as the full score). This demonstrates that the Board has exercised due care in guiding and supervising the company strategies leading to the overall operations in good state. The Company will continue to strengthen based on this appraisal results to enhance its corporate governance effects and outcomes.</p> |
| Individual Board member | Self-evaluation by director | <ol style="list-style-type: none"> 1. Grasp of the company's goals and missions. 2. Recognition of director's duties. 3. Participation in the company's operations. 4. Management of internal relationships and communication. 5. Director's professionalism and continuing education. 6. Internal control. | <p>There are 6 major aspects, 7 indicators, overall score is 95.32 points (100 points as the full score). This demonstrates the Board members' professionalism and responsibility to each of the operating indicators. Communications have been good, and meets the corporate governance requirements.</p> |

(II) Audit committee operation:

Audit committee operation

The Company's Audit Committee was established on August 31, 2021. Independent Director Ching-Kuo Lee, the convener of the Audit Committee, has convened 4 (A) regular meetings in 2023, and the attendance of the committee members is:

| Title | Name | Actual attendance (B) | Attendances by proxy | Actual attendance rate (%) (B/A) | Remark |
|-------------------------------|------------------|-----------------------|----------------------|----------------------------------|--|
| Convener Independent Director | Ching-Kuo Lee | 3 | 1 | 75 | Re-elected Re-election on August 31, 2021 |
| Independent Director | Chin-Ming Kuo | 4 | 0 | 100 | Re-elected Re-election on August 31, 2021 |
| Independent Director | Ming-Hsiung Chen | 4 | 0 | 100 | Newly elected Re-election on August 31, 2021 |
| Independent Director | Han-Lin Tseng | 3 | 1 | 75 | Newly elected Re-election on August 31, 2021 |
| Independent Director | Shu-Ping Hsu | 4 | 0 | 100 | Newly elected By-election on June 17, 2022 |

Other matters required to be recorded:

I. (I) Matters in Article 14-5 of the Securities and Exchange Act:

| Meeting date | Motion content | Resolution and result | State of implementation |
|--|--|--|---|
| 2023.03.13 (1st Term, 7th Meeting) | Report of the Company's 2022 annual accounting final report and statements including Business Report, Financial Statements, and Consolidated Financial Statements. | Passed by all attending members as proposed. | The proposal has been submitted to the 10th Meeting of the 19th Board of Directors and approved by all attending Directors as proposed. |
| | Review of the Company's 2022 earnings distribution and cash dividend distribution. | Passed by all attending members as proposed. | |
| | Review of the Company's 2022 "Statement of Internal | Passed by all attending members as proposed. | |

| Meeting date | Motion content | Resolution and result | State of implementation |
|--|--|--|--|
| | Control System.” | | |
| | Report of the change of attesting CPAs. | Passed by all attending members as proposed. | |
| 2023.05.10 (1st Term, 8th Meeting) | Report of the Company’s 2023Q1 (January to March) Consolidated Financial Statements. | Passed by all attending members as proposed. | The proposal has been submitted to the 11th Meeting of the 19th Board of Directors and approved by all attending Directors as proposed. |
| | Adoption of the “Audit of the Procedures for Reporting Public Information” of the Internal Audit Implementation Rules. | Passed by all attending members as proposed. | |
| 2023.08.11 (1st Term, 9th Meeting) | Report of the Company’s 2023Q2 (January to June) Consolidated Financial Statements. | Passed by all attending members as proposed. | The proposal has been submitted to the 13th Meeting of the 19th Board of Directors and approved by all attending Directors as proposed. |
| | Amendment to partial contents of the internal audit implementation rules’ “loan cycle”. | Passed by all attending members as proposed. | |
| 2023.11.10 (1st Term, 10th Meeting) | Report of the Company’s “2024 Audit Plan” (draft). | Passed by all attending members as proposed. | Along with the 2024 “Operational Plan”, the proposal was submitted to the 14th Meeting of the 19th Board of Directors and approved by all attending Directors as proposed. |
| | Report of the Company’s 2023Q3 (January to September) Consolidated Financial Statements. | Passed by all attending members as proposed. | The proposal has been submitted to the 14th Meeting of the 19th Board of Directors and approved by all attending Directors as proposed. |
| | Amendments to part of the “Procedures for Handling Issues and | Committee member Chin-Ming Kuo provided an | Submitted to the 14th meeting of the 19th Board of Directors. |

| Meeting date | Motion content | Resolution and result | State of implementation |
|--------------|--|---|---|
| | Disputes of Contracts” of the internal control system. | instructive opinion, and the amended proposal was passed by all attending members. | The amended proposal based on the Audit Committee’s suggestion was passed by all attending directors. |
| | Amendments to part of the “Procedures for Handling Issues and Disputes of Contracts” of the Internal Audit Implementation Rules. | Committee member Chin-Ming Kuo provided an instructive opinion, and the amended proposal was passed by all attending members. | Submitted to the 14th meeting of the 19th Board of Directors. The amended proposal based on the Audit Committee’s suggestion was passed by all attending directors. |
| | Review of the Company’s evaluation on the CPA’s independence and suitability and continued appointment. | Passed by all attending members as proposed. | The proposal has been submitted to the 14th Meeting of the 19th Board of Directors and approved by all attending Directors as proposed. |

(II) Other resolution matters agreed by over two thirds of the directors but have yet been approved by the Audit Committee: None.

II. Independent director recusal due to conflicts of interest: None.

III. Communication between independent directors, and internal audit officer and accountant (include communications on significant matter, method, and results of the company finance, business situation, and so on):

(I) The Company’s internal chief auditor communicates regularly with the audit committee members on the audit report results and reports to the audit committee meetings on a quarterly basis on the internal audit report. Where there are special circumstances, will report to the audit committee members immediately.

There were no special circumstances in 2023. The Company’s audit committee and internal audit officer are of good communication status.

(II) The Company’s attesting CPAs report in the Audit Committee’s meetings on a quarterly basis on the results of the financial statements audit or review for the quarter and other matters for discussion required by related laws. Where there are special circumstances, they will report to the Audit Committee immediately. There were no special circumstances in 2023. The Company’s audit committee and CPAs are of good communication status.

Matters for Communications Between the Independent Directors and Internal Audit Officer or CPAs Are as in the Table Below:

[2023 Status of Communications Between the Independent Directors and Internal Audit Officer]

| Meeting date | Communication content | State of Communication |
|--------------|--|--|
| 2023.03.13 | <ol style="list-style-type: none"> 1. Implementation status of the audit plan. 2. 2022 Statement of internal control system 3. Legal compliance to appoint the “Corporate Governance Officer.” | <ol style="list-style-type: none"> 1. All independent directors have been informed. 2. Agreed after propose to audit committee for discussions, it is to be sent to the Board of Directors for review. 3. All independent directors have been informed. |
| 2023.05.10 | <ol style="list-style-type: none"> 1. Implementation status of the audit plan. 2. Addition to the Internal Audit Implementation Rules – partial addition to the “Information Processing Cycle.” | <ol style="list-style-type: none"> 1. All independent directors have been informed. 2. Agreed after propose to audit committee for discussions, it is to be sent to the Board of Directors for review. |
| 2023.08.11 | <ol style="list-style-type: none"> 1. Implementation status of the audit plan. 2. Addition to the Internal Audit Implementation Rules – partial addition to the “Finance Cycle.” | <ol style="list-style-type: none"> 1. All independent directors have been informed. 2. Agreed after propose to audit committee for discussions, it is to be sent to the Board of Directors for review. |
| 2023.11.10 | <ol style="list-style-type: none"> 1. Implementation status of the audit plan. 2. 2024 Audit Plan’s planning items. 3. Amendments to part of the “Procurement and Payment Cycle” of the internal control system. Synchronous amendments to the Internal Audit Implementation Rules. | <ol style="list-style-type: none"> 1. All independent directors have been informed. 2. Agreed after propose to audit committee for discussions, it is to be sent to the Board of Directors for review. |

[2023 Status of Communications Between the Independent Directors and CPAs]

| Meeting date | Communication content | State of Communication |
|---|---|---|
| 2023.03.13 Meeting before the Board of Directors' meeting | Audit result about 2022 financial statements.. | Independent Directors communicated with the CPAs and raised no objections. |
| Meeting before the Board of Directors' meeting on December 13, 2023 | Audit plan for 2023 financial statements and matters regarding internal control audit. | Independent Directors communicated with the CPAs and raised no objections. |
| 2023.12.13 Board of Directors | <p>The 2023 financial statements audit plan and communication matters with the corporate governance unit are listed below:</p> <ol style="list-style-type: none"> 1. Communicate on the audit plan. 2. Responsibilities of Management and those in Charge with Governance of the Financial Statements. 3. Role and responsibility of lead accountant. 4. Independence of accountant. 5. 2024 audit plan. | <ol style="list-style-type: none"> 1. Discussions and communications on the company's project contents. 2. Good communications, and no expressions of objections. |

(III) Operations of corporate governance and differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor

| Evaluation items | State of operation | | | Differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor |
|---|--------------------|----|---|--|
| | Yes | No | Summary description | |
| I. Has the Company formulated and disclosed its corporate governance best practice principles under the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies”? | V | | The Company adopted the “Corporate Governance Best Practice Principles” in the 12th meeting of the 17th Board of Directors, and with the amendments made in the 8th meeting of the 19th Board of Directors disclosed on the MOPS and company website. | In compliance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies |
| II. Shareholding Structure and Shareholders’ Rights | | | | |
| (I) Does the Company have Internal Operation Procedures for handling shareholders’ suggestions, concerns, disputes and litigation matters. If yes, has these procedures been implemented accordingly? | V | | (I) The Company has established the spokesperson, deputy spokesperson, and has a professional stock affairs agency and external website’s “stakeholders” contact window, and “investor information” and so on communications channels, and has designated personnel to handle shareholders’ concerns and suggestions. | In compliance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies |
| (II) Does the Company possess a list of major shareholders and beneficial owners of these major shareholders? | V | | (II) The Company has according to Article 25 of the Securities and Exchange Act, submits report to the Taiwan Stock Exchange (TWSE) via the MOPS monthly on any changes to the equity held by its internal personnel (directors, supervisors, managers, and shareholders holding more than 10% of total shares). | |

| Evaluation items | State of operation | | | Differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor |
|--|--------------------|----|---|--|
| | Yes | No | Summary description | |
| (III) Has the Company built and executed a risk management system and “firewall” between the Company and its affiliates? | V | | (III) The risk control and management of the affiliates is based on the Company’s “Rules Governing the Management of Long Term Investment” and “Rules Governing the Management of Investees” as the control and management system. | |
| (IV) Has the Company established internal rules prohibiting insider trading on undisclosed information? | V | | (IV) The Company has established the “Procedures Governing Internal Material Information and Preventing Insider Trading” to regulate and control relevant matters and announced them on the Company’s external website under the corporate governance area. | |
| III. Composition and responsibilities of the Board of Directors | V | | (I) The Company has specified its requirement for Board diversity in its “Corporate Governance Best Practice Principles” and “Rules Governing the Election of Directors” Directors possess the competency required for their performance of duties. The Company values gender equality in its Board, which includes 5 female seats accounting for 21% of the total seats. The concrete goals and related implementation status are disclosed on the company website and MOPS. | In compliance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies |
| (I) Has the Board of Directors established a diversity policy, set goals, and implemented them? | | | | |
| (II) Other than the Compensation Committee and the | | V | (II) Other than the Compensation Committee and the Audit Committee required by law, | |

| Evaluation items | State of operation | | | Differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor |
|---|--------------------|----|--|--|
| | Yes | No | Summary description | |
| <p>Audit Committee required by law, does the Company plan to set up other Board committees?</p> <p>(III) Has the Company established methodology for evaluating the performance of its Board of Directors annually reported the results of performance to the Board of Directors, and use the results as reference for directors' remuneration and renewal?</p> | V | | <p>the Company has not set up other functional committees.</p> <p>(III) The Company's 18th Term 10th Meeting of the Board of Directors has approved the "Rules Governing the Performance Evaluation of the Board of Directors." The personnel office will conduct the evaluation at the end of each year. The performance evaluation and review is to be completed by the end of February in the subsequent year and to be reported to the Board of Directors and shareholders meeting.</p> | |
| <p>(IV) Does the Company regularly evaluate its external auditors' independence?</p> | V | | <p>(IV) The Audit Committee of the Company evaluates the independence and suitability of the attesting CPAs. In addition to requiring the attesting CPAs to issue the "CPA's Statement of Independence" and the "Audit Quality Indicators (AQI) Report," it also conducts an assessment according to the criteria and 13 AQIs in the attached schedule. After reviewing the AQI Report and the Statement of Independence, the engaged CPAs of the Company meet no criteria listed in the assessment. Thus, the CPAs' independence and suitability have been confirmed. The assessment result for</p> | |

| Evaluation items | State of operation | | | Differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor |
|---|--------------------|----|--|--|
| | Yes | No | Summary description | |
| | | | the most recent fiscal year was approved at the 10th meeting of the 1st Audit Committee on November 10, 2023, and submitted to and approved at the 14th meeting of the 19th Board of Directors on November 10, 2023. | |
| IV. Does the listed or OTC company have the qualified and suitable number of corporate governance personnel, and does the company appoint a corporate governance officer to be responsible for matters regarding corporate governance (including but not limited to providing directors and supervisors with the information required for implementing business operations, assisting directors and supervisors to comply with laws and regulations, and preparing meeting minutes for the board of directors' meeting, shareholders' meeting and so on)? | V | | (I) The Company has established the "Corporate Governance Best Practice Principles." All matters relating to corporate governance are supervised by the Vice President, the corporate governance officer and the corporate management department, finance department, and personnel office will each be responsible based on their functions, and the company appoints a professional shareholder services agency to organize shareholders affairs, completing them together through division of work. (II) The status for continuing education of the Corporate Governance Officer will be attached separately in a table. | In compliance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies |
| V. Has the Company established communication channels with stakeholders (including, but not limited to, shareholders, employees, customers | V | | The Company has established various communications channels on its company website through the "stakeholders," "investor information," and "user comments and feedbacks" webpages. The dedicated personnel can make timely responses (shareholders, users, | In compliance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies |

| Evaluation items | State of operation | | | Differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor |
|---|--------------------|----|---|--|
| | Yes | No | Summary description | |
| and suppliers) and set up an area dedicated to stakeholders on the Company website and does the Company respond appropriately to corporate social responsibility issues that stakeholders consider important? | | | suppliers, employees, etc.) on the corporate governance related questions that requires understanding. It reports the status about the communication with stakeholders to the Board of Directors annually. | |
| VI. Does the Company entrust a professional shareholder services agency | V | | The Company appoints the professional agency, KGI Securities Co., Ltd., to organize shareholders meeting matters. | In compliance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies |
| VII. Information disclosure (I) Does the Company create a website to disclose information regarding its finance, business operations and corporate governance? | V | | (I) The Company files the financial, business and corporate governance matters on the MOPS according to the regulations, and discloses necessary matters on the company's external website. | In compliance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies |
| (II) Does the Company adopt other methodology of information disclosure (such as creating an English website, appointing a dedicated person to be responsible for the collection and disclosure of the Company's information, implementing the spokesperson system, and uploading videos of the investor conferences on the company's website)? | V | | (II) 1. The Company established a dedicated unit to be responsible for the company's business information collection and release; and has dedicated personnel to update the external website information promptly and to provide summarized English version of the information. 2. The Company fulfils the spokesperson, deputy spokesperson system, and as approved by the Board of Directors, the positions are to be filled | |

| Evaluation items | State of operation | | | Differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor |
|--|--------------------|----|---|--|
| | Yes | No | Summary description | |
| (III) Has the Company published and reported its annual financial report within two months after a fiscal year and published and reported its financial reports for the first, second and third quarters as well as its operating status for each month before the specified deadline? | | V | <p>with the persons who understands the company's overall business, and who can speak independently to the public on behalf of the company according to the spokesperson procedures.</p> <p>3. The Company has in 2023 organized the corporate briefing according to the regulations, and disclosed the processes on the company's external website.</p> <p>(III) The Company has completed announcements under Article 36 of the Securities and Exchange Act, and has reported and filed with the competent authority.</p> | |
| VIII. Has the Company disclosed other information to facilitate a better understanding of its corporate governance practices (including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' continuing education, | V | | (I) The company established the "Rules Governing the Management of Long Term Investment," "Rules Governing the Management of Investees," "Regulations for Acquisition or Disposal of Assets," and the supervisor authorization approval system, which clearly stipulate the responsibilities of all levels. Also, the company did not engage in high risk investments and did not | In compliance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies |

| Evaluation items | State of operation | | | Differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor |
|---|--------------------|----|--|--|
| | Yes | No | Summary description | |
| the implementation of risk management policies and risk evaluation standards, the implementation of customer relations policies, and purchasing liability insurance for directors and supervisors)? | | | <p>make guarantees for external parties.</p> <p>(II) The Company meets with the pipeline construction contractors regularly to assist in solving technical demands for constructions.</p> <p>(III) Risk Management Policy</p> <ol style="list-style-type: none"> 1. The Company amends its “Plans of Disaster Prevention and Protection” biennially under the regulations promulgated by the competent authority and establishes a disaster support system to refine its daily preparedness for disasters, responsive measures in a disaster and recovery after a disaster. It also adopted the “Implementation Plan for Strengthening the Management of Public Natural Gas Transmission and Storage Facilities” as required by the Energy Administration in the hope to enhance the Company’s abilities in coordination, integration, commendation and arrangement in a disaster or an emergency repair through building up a risk management mechanism for the natural gas pipeline network to increase the efficiency and safety when reacting to an emergency. 2. Labor Safety and Health Office has established the annual “Occupational Health and Safety Management Plan” and its | |

| Evaluation items | State of operation | | | Differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor |
|------------------|--------------------|----|--|--|
| | Yes | No | Summary description | |
| | | | <p>budget preparation. Every department of the Company has eradicate the harmful factors at the workplace according to the items in the “automatic inspection plan” for its progress, methods, and implementation one by one, achieving zero disaster targets.</p> <p>3. The Maintenance Section of the Department of Engineering conducts the user pipeline safety inspection by area each month following the “Regular Inspection of User Pipelines”; the Gas Supply Section routinely adds the odorous substance; the Pipeline Second Section discovers leakage and patrols pipelines; the Headquarters conducts the “Emergency Drill” for the gas-holder tank to ensure gas supply and public safety for users.</p> <p>4. It has prepared the “Pipeline Extension Plan” and the “Promotional Plan”, executed replacements for “overdue meters” and provided customer service to achieve the Company’s business targets.</p> <p>5. The finance department has planned the “Preparation for Business Budget,” for analysis and control the “Budget and Execution Status,” to</p> | |

| Evaluation items | State of operation | | | Differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor |
|--|--------------------|----|--|--|
| | Yes | No | Summary description | |
| | | | <p>ensure the effective financial management of the company.</p> <p>6. The audit office provides timely suggestions to every unit for the amendments to the “Internal Control System” and amendments to the “Internal Audit Implementation Rules,” and conducts scheduled audits on related processes of the company, to ensure implementation of the company’s management system.</p> <p>(IV) Status of purchasing liability insurance for the directors by the company: The Company has in 2023 purchased liability insurance for the directors according to legal requirements, and reported to the 19th Term 12th Meeting of the Board of Directors.</p> <p>(V) The status for continuing education of the directors and manager will be attached separately in a table.</p> | |
| <p>IX. The improvement status for the result of Corporate Governance Evaluation announced by Taiwan Stock Exchange.</p> <p>(I) The Company appointed the Corporate Governance Officer on June 1, 2023, and the Officer completed the 18-hour continuing education as required.</p> <p>(II) The Company completed the performance evaluations for the Board of Directors and the functional committees in 2023 and submitted the results to the 16th meeting of the 19th Board of Directors.</p> <p>(III) The Company plans to complete its Sustainability Report and greenhouse gas inventory in 2025.</p> | | | | |

Schedule 1: Criterion for Independence Evaluation of the CPA

| Items | Indicator for independence and suitability | Evaluation results | |
|-------|---|--------------------|----|
| | | Yes | No |
| 1. | The CPA does not serve as the attesting CPA for more than 7 years. | ✓ | |
| 2. | The CPA and any member of the assurance team are not, or have not been directors, or officers of the Company, or in a position to exert significant influence over the topic of the engagement within the last two years. | ✓ | |
| 3. | The CPA and any member of the engagement team do not have a close or immediate family member who is a director or officer of the Company or an employee of the Company in a position to exert significant influence over the topic of the engagement. | ✓ | |
| 4. | A former CPA, within one year of disassociating from the firm, shall not join the Company as a director or officer or be in a key position to exert significant influence over the topic of the engagement. | ✓ | |
| 5. | The CPA does not have a direct financial interest or material indirect financial interest with the Company. | ✓ | |
| 6. | The accounting firm does not have undue dependence on total fees from a client (the Company). | ✓ | |
| 7. | The CPA does not have a significant close business relationship with the Company. | ✓ | |
| 8. | The CPA does not enter into any potential employment negotiations with the Company. | ✓ | |
| 9. | The CPA does not enter into a contingent fee arrangement relating to the audit engagement. | ✓ | |
| 10. | The non-assurance service which performed by the CPA for the Company would not affect directly a material item of the assurance engagement. | ✓ | |
| 11. | The CPA does not act as an advocate on behalf of the Company in litigation or disputes with third parties. | ✓ | |
| 12. | The CPA does not promote or broker shares in the Company or other securities issued by the Company. | ✓ | |
| 13. | The CPA does not accept gifts or preferential treatment from the Company, the Company's director, officer or major stockholder. | ✓ | |
| 14. | The CPA or any member of the engagement team does not keep the Company's money. | ✓ | |
| 15. | Whether disciplinary actions have been taken against the CPA according to the Securities and Exchange Act and the Certified Public Accountant Act, or by the Competent Authority or CPA associations. | ✓ | |

Schedule 2:

Status of continuing education for the Company's directors in 2023 relating to corporate governance:

| Title | Name | Organizer | Course | Duration/Hr | Total hours |
|--------------------|-----------------|---|---|-------------|-------------|
| Chairman | Ho-Chia Chen | Taiwan Stock Exchange, Taipei Exchange | Action plans for sustainability of TWSE or TPEX listed companies | 3 | 6 |
| | | Chinese National Association of Industry and Commerce | 2023 Taishin Net Zero Power Summit | 3 | |
| Director | Yen-chun Wu | Taiwan Corporate Governance Association | 2023 Seminar on corporate management for directors and supervisors and seminar suggested for middle and senior executives | 12 | 12 |
| Director | Kun-chung Huang | Chinese National Association of Industry and Commerce | 2023 Taishin Net Zero Power Summit | 3 | 15 |
| | | Accounting Research and Development Foundation | 2023 Seminar on corporate management for directors and supervisors and seminar suggested for middle and senior executives | 12 | |
| Executive Director | Richard H Wu | Taipei Foundation Of Finance | Corporate governance – a sustainable society – local revitalization and circular economy | 3 | 6 |
| | | Taiwan Corporate Governance Association | Tax reform in the globe and in Taiwan and corporate tax governance under the ESG trend and in the pandemic. | 3 | |
| Director | Jung-Chun Huang | Taiwan Stock Exchange | 2023 Cathay Sustainable Finance and Climate Change Summit | 6 | 6 |
| Director | Pao-Kway Chen | Chinese National Association of Industry and Commerce | 2023 Taishin Net Zero Power Summit | 3 | 6 |
| | Chien | Taiwan Stock Exchange | 2023 Cathay Sustainable Finance and Climate Change Summit | 3 | |
| Director | Hsin-Ju Wu | Taiwan Corporate Governance Association | Practice of a board member in the wave of information technology | 3 | 6 |
| | | Taiwan Corporate Governance Association | Solutions for business litigations and disputes | 3 | |
| Director | Rung-Fu | Taiwan Corporate Governance Association | Case study in Corporate Governance 3.0 – | 3 | 6 |

| Title | Name | Organizer | Course | Duration/Hr | Total hours |
|----------|------------------|---|---|-------------|-------------|
| | Hsieh | | “Sustainability Report” | | |
| | | Securities and Futures Institute | 2023 Insider trading laws and regulations compliance promotion session | 3 | |
| Director | Hung-Wen Chuang | Chinese National Association of Industry and Commerce | 2023 Taishin Net Zero Power Summit | 3 | 6 |
| | | Taipei Foundation Of Finance | Corporate governance – carbon management for a sustainable environment – planning the low carbon transition pathways – carbon inventory | 3 | |
| Director | Cheng-Cheng Wong | Taiwan Stock Exchange | 2023 Cathay Sustainable Finance and Climate Change Summit | 6 | 6 |
| Director | Chy-Chung Chang | Taiwan Corporate Governance Association | 2023 Seminar on corporate management for directors and supervisors and seminar suggested for middle and senior executives | 12 | 12 |
| Director | Fu-hua Ni | Taiwan Corporate Governance Association | 2023 Seminar on corporate management for directors and supervisors and seminar suggested for middle and senior executives | 12 | 12 |
| Director | Kuang-yu Chan | Taiwan Corporate Governance Association | 2023 Seminar on corporate management for directors and supervisors and seminar suggested for middle and senior executives | 12 | 12 |
| Director | Po-Ih Wang | Securities and Futures Institute | 2023 Insider trading prevention promotion session | 3 | 6 |
| | | Securities and Futures Institute | 2023 Insider trading laws and regulations compliance promotion session | 3 | |
| Director | Hui-Chun Chen Wu | Taiwan Stock Exchange, Taipei Exchange | Action plans for sustainability of TWSE or TPEX listed companies | 3 | 6 |
| | | Chinese National Association of Industry and Commerce | 2023 Taishin Net Zero Power Summit | 3 | |
| Director | Yee-kong Lee | Accounting Research and Development Foundation | 2023 Seminar on corporate management for directors and supervisors and | 12 | 12 |

| Title | Name | Organizer | Course | Duration/Hr | Total hours |
|----------------------|---------------|---|--|-------------|-------------|
| | | | seminar suggested for middle and senior executives | | |
| Director | Po-Fong Lin | Taipei Foundation Of Finance | Corporate governance – sustainable environment and climate change – climate change (causes and human impacts on the climate) | 2 | 14 |
| | | Chinese National Association of Industry and Commerce | Embracing opportunities and fair competition on digital platforms | 3 | |
| | | Taiwan Corporate Governance Association | How to effectively manage risks that are everywhere | 3 | |
| | | Taiwan Insurance Institute | Corporate Governance Forum for directors, supervisors (including independent directors) and corporate governance officer (session 12 of 2023) –information security insurance and corporate governance | 3 | |
| | | Chinese National Association of Industry and Commerce | Practical applications of AI and applicable laws | 3 | |
| Director | Kuo-Tai Chang | Chinese National Association of Industry and Commerce | 2023 Taishin Net Zero Power Summit | 3 | 9 |
| | | Taiwan Stock Exchange | 2023 Cathay Sustainable Finance and Climate Change Summit | 6 | |
| Director | Ko-Tseng Li | Chinese National Association of Industry and Commerce | 2023 Taishin Net Zero Power Summit | 3 | 9 |
| | | Taiwan Stock Exchange | 2023 Cathay Sustainable Finance and Climate Change Summit | 6 | |
| Independent Director | Ching-Kuo Lee | Chinese National Association of Industry and Commerce | Sustainability transformation series: the development trend of global sustainable finance and practice | 3 | 6 |
| | | Chinese National Association of Industry and Commerce | How can corporates react to international anti-avoidance measures | 3 | |
| Independent Director | Chin-Ming Kuo | Chinese National Association of Industry and Commerce | Sustainability transformation series: the development trend of | 3 | 6 |

| Title | Name | Organizer | Course | Duration/Hr | Total hours |
|----------------------|------------------|---|--|-------------|-------------|
| | | | global sustainable finance and practice | | |
| | | Chinese National Association of Industry and Commerce | Generative AI situation room – take the lead and seize opportunities | 3 | |
| Independent Director | Ming-Hsiung Chen | Chinese National Association of Industry and Commerce | Sustainability transformation series: global circular economy trend and challenges and opportunities thereof | 3 | 6 |
| | | Chinese National Association of Industry and Commerce | Generative AI situation room – take the lead and seize opportunities | 3 | |
| Independent Director | Han-Lin Tseng | Chinese National Association of Industry and Commerce | Sustainability transformation series: global circular economy trend and challenges and opportunities thereof | 3 | 6 |
| | | Chinese National Association of Industry and Commerce | Generative AI situation room – take the lead and seize opportunities | 3 | |
| Independent Director | Shu-Ping Hsu | Chinese National Association of Industry and Commerce | Sustainability transformation series: the development trend of global sustainable finance and practice | 3 | 6 |
| | | Chinese National Association of Industry and Commerce | Topics in corporate information security governance of the Board of Directors – performance and risk agendas | 3 | |

Schedule 3:

Status of participation on continuing education by the managers of the Company relating to corporate governance:

| Title | Name | Organizer | Course | Duration/Hr | Total hours |
|------------------------------|-----------------|---|---|-------------|-------------|
| President | Kun-chung Huang | Chinese National Association of Industry and Commerce | 2023 Taishin Net Zero Power Summit | 3 | 15 |
| | | Accounting Research and Development Foundation | 2023 Seminar on corporate management for directors and supervisors and seminar suggested for middle and senior executives | 12 | |
| Corporate Governance Officer | Te-yin Wan | Chinese National Association of Industry and Commerce | 2023 Taishin Net Zero Power Summit | 3 | 24 |
| | | Securities and Futures Institute | 2023 Insider trading prevention promotion session | 3 | |
| | | Taiwan Stock Exchange | 2023 Cathay Sustainable Finance and Climate Change Summit | 6 | |
| | | Taiwan Corporate Governance Association | Talent cultivation for net zero and sustainability – strategy for corporate low carbon transition | 9 | |
| | | Securities and Futures Institute | 2023 Insider trading laws and regulations compliance promotion session | 3 | |
| Finance Department Manager | Yi-Yang Huang | KGI Securities | 2023 Stock Affairs Seminar | 3 | 18 |
| | | Accounting Research and Development Foundation | Continuing Education for Accounting Supervisors of Issuers, Securities Firms and Stock Exchanges | 12 | |
| | | Taiwan Stock Exchange | 2023 Listed Companies Seminar | 3 | |

(IV) The composition, function, and operation of the Remuneration Committee:

1. Information of the Remuneration Committee members

December 31, 2023

| Identity (Note 1) | Name | Criteria | Professional qualifications and experiences (Note 2) | State of independence (Note 3) | Number of other public companies where the member is also a member of their remuneration committees |
|---------------------------------|---------------|----------|--|--------------------------------------|---|
| Independent Director (Convener) | Chin-Ming Kuo | | More than 5 years of work experience in commerce, law, finance, accounting or others as required by the company, Lecturer and above in public and private institutions of higher education | (1) No (2) No (3) No (4) No | 0 |
| Independent Director | Han-Lin Tseng | | More than 5 years of work experience in commerce, law, finance, accounting or others as required by the company | (1) No (2) No (3) No (4) No | 0 |
| Others | Xiang-Rui Kuo | | More than 5 years of work experience as judge, prosecutors, lawyers, accountants or other professional and technical personnel, who has passed the national examination and obtained license certificate, as required by the company | (1) No (2) No (3) No (4) No | 0 |

Note 1: For the related number of working years, professional qualifications and experiences, and status of independence of the remuneration committee members, please refer to page 21 of Schedule 1 on Directors information.

Note 2: Professional qualifications and experiences: Describe the professional qualifications and experiences of each remuneration committee members.

Note 3:

- (1) Does the Committee member, the member's spouse, or relatives within second degree of kinship hold position as a director, supervisor, or employee of the Company or its affiliates?
- (2) The number of shares held by the Committee member, the member's spouse, or relatives within second degree of kinship and shareholding percentage.
- (3) Is the Committee member acting as a director, supervisor or employee of a designated company that has specified relationship with the Company?
- (4) The compensation amount from providing business, legal, finance, or accounting services to the Company or its affiliates in the most recent two years.

2. Information on the operation of the Remuneration Committee

- I. The Company's remuneration committee consists of 3 members.
- II. Term of office: From September 10, 2021 to August 30, 2024 (the tenure for the 19th Board of Directors expires), the remuneration committee held 2 meetings in the most recent year (2023).
Committee member qualifications and attendance:

| Title | Name | Actual attendance (B) | Attendances by proxy | Actual attendance rate (%) (B/A) (Note) | Remark |
|------------------|---------------|-----------------------|----------------------|---|--|
| Convener | Chin-Ming Kuo | 2 | 0 | 100 | Re-election on September 10, 2021, re-elected |
| committee member | Xiang-Rui Kuo | 2 | 0 | 100 | Re-election on September 10, 2021, re-elected |
| committee member | Han-Lin Tseng | 2 | 0 | 100 | Re-election on September 10, 2021, newly elected |

Other matters required to be recorded:

- I. When the Board of Directors rejects or modifies the recommendations made by the Remuneration Committee, please state the date and session of board meeting, the proposal, board resolutions, and settlement on the opinions of Remuneration Committee members (if the salary and compensation approved by board are superior to that recommended by the Remuneration Committee, please specify the differences and causes): None.
- II. When there are objections or qualified opinions for the records or with written statements of Remuneration Committee members to committee resolutions, state the date and session of the committee meeting, the proposal, and the settlement of the opinions for and against the resolution: None.
- III. Scope of job responsibilities:
The Company's remuneration committee shall exercise the care of a good administrator in faithfully performing the official powers listed below, and shall submit its recommendations for deliberation by the board of directors:
- (I) Prescribe and periodically review the performance review and remuneration policy, system, standards, and structure for the Company's directors and managerial officers.
 - (II) Periodically evaluate and prescribe the remuneration of the Company's directors and managerial officers. When performing the official powers of the preceding paragraph, the Remuneration Committee shall follow the principles listed below:
 1. Regarding the performance assessment and remuneration of directors and managerial personnel of the Company, it shall refer to the typical pay levels adopted by peer companies, and consider the reasonableness of the correlation between remuneration and individual performance, the Company's business performance, and future risk exposure.
 2. It shall not produce an incentive for the directors or managerial officers to engage in activity to pursue remuneration exceeding the risks that the Company may tolerate.
 3. It shall consider the characteristics of the industry and the nature of the Company's business when determining the ratio of bonus payout based on the short-term performance of its directors and senior management and the time for payment of the variable part of remuneration.
 4. The Remuneration Committee's members shall not join in the discussions and voting of the decision for his/her individual remuneration.

2023 Remuneration Committee's discussion matters and resolution result

| Meeting date | Motion content | Resolution and result | State of implementation |
|--|--|--|---|
| 2023.02.09 (5th Term, 4th Meeting) | 2023 Managerial Officer salary for approval. | Passed by all attending members as proposed. | Submitted to the 19th Term 10th Meeting of the Board of Directors for recordation. |
| | The distribution of Directors and managers' remuneration of 2022. | Passed by all attending members as proposed. | The proposal has been submitted to the 10th Meeting of the 19th Board of Directors and approved by all attending Directors as proposed. |
| 2023.11.16 (5th Term, 5th Meeting) | 2023 Directors and Managerial Officers end of year bonus appropriation standard | Passed by all attending members as proposed. | The proposal has been submitted to the 15th Meeting of the 19th Board of Directors and approved by all attending Directors as proposed. |
| | The Company's 2024 Managerial Officer (including employees) salary adjustments suggestions. | Passed by all attending members as proposed. | |
| | Amendment to the Self-Evaluation or Peer Evaluation of the Board of Directors of the Company and addition of the questionnaire for the functional committees' self-evaluations (the Audit Committee and the Remuneration Committee). | Passed by all attending members as proposed. | |

(V) Differences in promoting sustainable development implementation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor:

| Promoting item: | State of implementation (Note 1) | | | Differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor |
|---|----------------------------------|----|---|---|
| | Yes | No | Summary description | |
| I. Does the Company have a governance structure for sustainability development and a dedicated (or ad-hoc) sustainable development organization with Board of Directors authorization for senior management, which is reviewed by the Board of Directors? | V | | <p>The Company appointed Management Department as the ad-hoc unit to promote sustainable development, other units to help execute various related business, and to report to the Board of Directors on related significant work for review and discussions to fulfill corporate sustainable development implementation outcomes.</p> <p>The Company has established the timeline for the “Sustainable Development Roadmap for TWSE/TPEX-listed Companies” and reported such to the 6th meeting of the 19th Board of Directors of the Company on May 25, 2022. It has participated in the counseling courses held by the government and private organizations to better understand related rules and schedule control. The kickoff meeting was held jointly with the consulting firm on November 16, 2023 to determine the inventory scope and boundary, and the data for inventory will be collected starting from 2024.</p> <p>The Company reports to the Board of Directors about implementing sustainability quarterly, and based on directors’ suggestions, it convenes regular sustainability team meetings at the early stage to review the implementation progress ensuring accurate inventory and complete content of the sustainability report later</p> | Mostly conforms to the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies. |

| Promoting item: | State of implementation (Note 1) | | | Differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor | | | | | | | | | | | | | | | |
|--|-------------------------------------|---|---|---|------------------|-------------|-------------|-------------------------------------|---|---------|---------------------|---|--|----------------|--|----------------------|-------------------------------------|--|---|
| | Yes | No | Summary description | | | | | | | | | | | | | | | | |
| | | | on. | | | | | | | | | | | | | | | | |
| II. Does the Company follow materiality principle to conduct risk assessment for environmental, social and corporate governance topics related to company operation, and establish risk management related policy or strategy? | V | | <p>The disclosure covers information from January to December 2023, and the boundary of risk assessment is the Hsin Hsin Building of the Company. The risk assessed is described:</p> <table border="1"> <thead> <tr> <th>Material topics</th> <th>Assessment items</th> <th>Explanation</th> </tr> </thead> <tbody> <tr> <td>Environment</td> <td>Environmental impact and management</td> <td>The Company has adopted the “Energy Saving and Carbon Reduction” policy and provides education and training to employees to promote self-initiated environmental protection and waste reduction and classification, which has shown a great result. It upholds the concept and principle of “Energy Saving and Carbon Reduction” and implements such for all equipment to reduce the impact and shock on the environment.</td> </tr> <tr> <td>Society</td> <td>Occupational safety</td> <td>It hosts firefighting drills, emergency medical technician training and occupational safety education and training annually to cultivate employees’ abilities in response to emergency and self-protection.</td> </tr> <tr> <td></td> <td>Product safety</td> <td>To properly transfer the risk of accidents, the Company applies the public liability insurance every year and lawfully reports to the Ministry of Economics for reference.</td> </tr> <tr> <td>Corporate governance</td> <td>Social economy and legal compliance</td> <td>1. Based on the business concept of responsibility, the Company adopts ethics-oriented policies. Through the establishment</td> </tr> </tbody> </table> | Material topics | Assessment items | Explanation | Environment | Environmental impact and management | The Company has adopted the “Energy Saving and Carbon Reduction” policy and provides education and training to employees to promote self-initiated environmental protection and waste reduction and classification, which has shown a great result. It upholds the concept and principle of “Energy Saving and Carbon Reduction” and implements such for all equipment to reduce the impact and shock on the environment. | Society | Occupational safety | It hosts firefighting drills, emergency medical technician training and occupational safety education and training annually to cultivate employees’ abilities in response to emergency and self-protection. | | Product safety | To properly transfer the risk of accidents, the Company applies the public liability insurance every year and lawfully reports to the Ministry of Economics for reference. | Corporate governance | Social economy and legal compliance | 1. Based on the business concept of responsibility, the Company adopts ethics-oriented policies. Through the establishment | Mostly conforms to the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies. |
| Material topics | Assessment items | Explanation | | | | | | | | | | | | | | | | | |
| Environment | Environmental impact and management | The Company has adopted the “Energy Saving and Carbon Reduction” policy and provides education and training to employees to promote self-initiated environmental protection and waste reduction and classification, which has shown a great result. It upholds the concept and principle of “Energy Saving and Carbon Reduction” and implements such for all equipment to reduce the impact and shock on the environment. | | | | | | | | | | | | | | | | | |
| Society | Occupational safety | It hosts firefighting drills, emergency medical technician training and occupational safety education and training annually to cultivate employees’ abilities in response to emergency and self-protection. | | | | | | | | | | | | | | | | | |
| | Product safety | To properly transfer the risk of accidents, the Company applies the public liability insurance every year and lawfully reports to the Ministry of Economics for reference. | | | | | | | | | | | | | | | | | |
| Corporate governance | Social economy and legal compliance | 1. Based on the business concept of responsibility, the Company adopts ethics-oriented policies. Through the establishment | | | | | | | | | | | | | | | | | |

| Promoting item: | State of implementation (Note 1) | | | Differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor |
|-----------------|----------------------------------|----|--|---|
| | Yes | No | Summary description | |
| | | | <p>of effective governance environment and implementation of internal control system in addition to the compliance with the Company's "Operation Rules for Legal Compliance", it timely grasps and reacts to changes of policies and regulations by conducting quarterly laws and regulations inspection and strictly requiring compliance of laws for all operations to create a sustainable business environment.</p> <p>2. Each department conducts internal control self-evaluation every year to review the implementation status of internal control and legal compliance in the past year.</p> <p>3. The Company's products and services comply with relevant laws and international rules and standards, and there is dedicated unit responsible for handling customer feedbacks to ensure best efficiency of customer service and protection of customer rights.</p> <p>4. In addition, it continues to encourage Directors to participate in courses regarding corporate governance and improve employees'</p> | |

| Promoting item: | State of implementation (Note 1) | | | Differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor |
|-----------------|----------------------------------|----|--|---|
| | Yes | No | Summary description | |
| | | | <p>Director competency enhancement</p> <p>Stakeholder communication</p> <p>awareness of legal compliance. Directors possess the competencies required for their performance of duties, and the Company also provides relevant information regarding laws and courses related to director competency. Directors must take certain hours of continuing education for the enhancement of Board operation and composition. It has also applied director liability insurance to protect them from litigations or claims.</p> <p>1. It has taken initiative to communicate with stakeholders to improve its connection with all stakeholders and worked on action plan for issues of their concern to eliminate any conflict or misunderstanding, e.g., the Company's annual reports, shareholders' meetings and investor conferences have provided excellent communication channels. In addition, it has set up the "Stakeholder Section" and the "Investor Relations Contact Window" where the spokesperson and deputy spokesperson are responsible for handling and responding.</p> <p>2. The Company and its major suppliers have signed the</p> | |

| Promoting item: | State of implementation (Note 1) | | | Differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor |
|---|----------------------------------|----|---|---|
| | Yes | No | Summary description | |
| | | | contracts, including the compliance with the “Ethical Management Clauses”. Regarding supply chain management, it partners with suppliers seeking long-term cooperation to jointly establish a steadily growing supply chain, and assists upstream and downstream vendors to enhance green competitiveness. There has been not any circumstance affecting the environment and society or violating its corporate social responsibility, and it wishes to attain the win-win goals of safety and service first and sustainable development. | |
| <p>III. Environmental topic</p> <p>(I) Has the Company set an environmental management system designed to industry characteristics?</p> | V | | (I) To ensure the construction environment safety, the Company has framed the automatic inspection process, including facility inspection and testing, material quality management, maintenance of operating machine and motor vehicle and so on, and provide maintenance safety information, discussions on occupational hazards case studies, prevention of epidemic disease, and more in the weekly business meeting, safeguarding personal safety of the employees. | Conforms to the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies. |
| (II) Is the Company committed to improving resource efficiency and to | V | | (II) The Company strengthens promotion to users to use high efficiency natural gas burning | |

| Promoting item: | State of implementation (Note 1) | | | Differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor |
|---|----------------------------------|----|--|---|
| | Yes | No | Summary description | |
| using renewable materials with low environmental impact? | | | appliance and actively promotes to schools and hospitals to make the switch to using natural gas as the main fuel for large boilers; implements the double sided paper copying usage, reuse of recycled papers and more, to enhance the resource reuse efficiency. | |
| (III) Does the Company evaluate current and future climate change potential risks and opportunities and take measures related to climate related topics? | V | | (III) To lower the impacts to the environment, the Company promotes “energy saving and carbon reduction,” advocates for resource recycling and reuse, and strengthens promotion to users to use high efficiency natural gas burning appliance and actively promotes to schools and hospitals to make the switch to using natural gas as the main fuel for large boilers. | |
| (IV) Did the Company collect data for the past two years on greenhouse gas emissions, volume of water consumption, and the total weight of waste, and establish policies for greenhouse gas reduction, reduction of water consumption, or management of other wastes? | V | | (IV) In upholding the concept and spirit of “energy saving and carbon reduction,” the Company proceeds to energy saving with every equipment, and discloses on its website the total carbon dioxide emissions statistics for over the past two years, and framed the “Energy Saving and Carbon Reduction Policy.” Examples are using energy saving electric appliances, and regular cleaning and maintenance, installing water saving devices in washrooms and encouraging the use of environmental-friendly tableware and to boosting the waste sorting | |

| Promoting item: | State of implementation (Note 1) | | | Differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor | | | | | | | | | | | | | | | | | | |
|--|----------------------------------|---------|---|---|------|------|-------------------------------|---------|---------|-------------------------------------|-------|-------|----------------------------|------|------|-------------------------------|---------|---------|-----------------------------------|---|----|--|
| | Yes | No | Summary description | | | | | | | | | | | | | | | | | | | |
| | | | <p>and categorization, to lower the impacts to the environment.</p> <p>Statistics for the water, electricity and gas emissions volume of the Company's Shin Shin Main Building</p> <table border="1"> <thead> <tr> <th>Year</th> <th>2021</th> <th>2022</th> </tr> </thead> <tbody> <tr> <td>Greenhouse gas emissions (kg)</td> <td>197,610</td> <td>201,976</td> </tr> <tr> <td>Water consumption (m³)</td> <td>1,840</td> <td>2,052</td> </tr> <tr> <td>Total weight of waste (MT)</td> <td>10.1</td> <td>11.2</td> </tr> <tr> <td>Electricity consumption (kWh)</td> <td>393,400</td> <td>398,600</td> </tr> <tr> <td>Gas consumption (m³)</td> <td>9</td> <td>15</td> </tr> </tbody> </table> <p>Source of data: Electricity carbon emission factor: Taiwan Power Company The emission per kilowatt-hour of electricity is around 0.495kg CO₂e/kWh. Water carbon emission factor: Taipei Water Department The emission per m³ of water is around 0.0554kg CO₂e/m³. Gas emission factor: Environmental Protection Administration, Executive Yuan The emission per m³ of gas is around 1.879kg CO₂e/m³. Total weight of waste: Environmental Protection Administration, Executive Yuan Garbage bags calculated using the maximum weight held by designated garbage bags.</p> | Year | 2021 | 2022 | Greenhouse gas emissions (kg) | 197,610 | 201,976 | Water consumption (m ³) | 1,840 | 2,052 | Total weight of waste (MT) | 10.1 | 11.2 | Electricity consumption (kWh) | 393,400 | 398,600 | Gas consumption (m ³) | 9 | 15 | |
| Year | 2021 | 2022 | | | | | | | | | | | | | | | | | | | | |
| Greenhouse gas emissions (kg) | 197,610 | 201,976 | | | | | | | | | | | | | | | | | | | | |
| Water consumption (m ³) | 1,840 | 2,052 | | | | | | | | | | | | | | | | | | | | |
| Total weight of waste (MT) | 10.1 | 11.2 | | | | | | | | | | | | | | | | | | | | |
| Electricity consumption (kWh) | 393,400 | 398,600 | | | | | | | | | | | | | | | | | | | | |
| Gas consumption (m ³) | 9 | 15 | | | | | | | | | | | | | | | | | | | | |
| IV. Social topic (I) Does the Company set | V | | (I) Under the Labor Standards Act and | Conforms to the | | | | | | | | | | | | | | | | | | |

| Promoting item: | State of implementation (Note 1) | | | Differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor |
|--|----------------------------------|----|---|---|
| | Yes | No | Summary description | |
| <p>policies and procedures in compliance with regulations and internationally recognized human rights principles?</p> <p>(II) Has the Company established appropriately managed employee welfare measures (include salary and compensation, leave and others), and link operational performance or achievements with employee salary and compensation?</p> <p>(III) Does the Company provide employees with a safe and healthy working environment, with regular safety and health training?</p> | V | | <p>related personnel regulations, the Company processes the employees' labor and health insurance, allocates employee pension, and implements policies about human rights protection with reference to the core international labor standards of the conventions issued by the International Labor Organization. It treats every employee equally regardless of religion, political party and gender in ensuring the legal rights of employees.</p> <p>(II) The Company provides employees the welfare measures according to the Labor Standards Act, and set up the Employee Welfare Committee to organize various employee welfare activities; The Company also distributes earnings to the employees as compensation as stipulated in the company's Articles of Incorporation.</p> <p>(III) Occupational Safety and Health Policy: To avoid the occurrences of occupational disasters, the company management must fulfill the latest laws and regulations, and to build the concept of disaster prevention, providing employees a more safe, comfortable, and efficient work environment. This can motivate work production capacity, leading the company into occupational safety and health development so that labor and management can achieve the same goals as the sustainable business</p> | <p>Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.</p> |

| Promoting item: | State of implementation (Note 1) | | | Differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor | | | | | | | | | | | | |
|-----------------|----------------------------------|--------------------------|---|---|---------------------------|--------------------------|------|-----|-----|------|-----|-----|------|-----|-------|--|
| | Yes | No | Summary description | | | | | | | | | | | | | |
| | | | <p>goals, co-creating a safer and healthier future.</p> <p>Monitoring of the operating environment: Cleaning is done for the office each day. Every quarter, there is the drinking water cleanliness testing and the maintenance and cleaning of the central air conditioning system. Every half a year, there is the office disinfection and environmental testing for the office lighting and carbon dioxide concentration.</p> <p>Industrial safety: In 2023, the occupational safety and health audit of the construction sites have been carried out on an irregular basis for a total of 116 times, to monitor the contractor to check its compliance to the safety operations regulations in the contract.</p> <p>Occupational safety educational trainings and promotion: Number and ratio of fire incidents in the year:</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Number of people attended</th> <th>Number of hours attended</th> </tr> </thead> <tbody> <tr> <td>2021</td> <td>314</td> <td>858</td> </tr> <tr> <td>2022</td> <td>395</td> <td>953</td> </tr> <tr> <td>2023</td> <td>505</td> <td>1,498</td> </tr> </tbody> </table> <p>There was not fire incident in 2023, and the number of casualties and that to the number of employees were both 0.</p> <p>Improvement measures related to fire incidents: The Company organizes two earthquake and firefighting group</p> | Year | Number of people attended | Number of hours attended | 2021 | 314 | 858 | 2022 | 395 | 953 | 2023 | 505 | 1,498 | |
| Year | Number of people attended | Number of hours attended | | | | | | | | | | | | | | |
| 2021 | 314 | 858 | | | | | | | | | | | | | | |
| 2022 | 395 | 953 | | | | | | | | | | | | | | |
| 2023 | 505 | 1,498 | | | | | | | | | | | | | | |

| Promoting item: | State of implementation (Note 1) | | | Differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor |
|--|----------------------------------|----|---|---|
| | Yes | No | Summary description | |
| (IV) Has the Company established effective career development training plans? | V | | drills every year and promote related knowledge about disaster prevention properly. (IV) The company has defined the annual training plan based on business to provide professional training courses, and to encourage further education obtaining licenses, in response to the company's future development and cultivating one's second expertise. | |
| (V) Does the Company's product and service comply with related regulations and international rules for customers' health and safety, privacy, sales, labelling and set policies to protect consumers' or customers' rights and consumer appeal procedures? | V | | (V) The Company purchases pipes, equipment and devices, and more materials from overseas, processed under the "Natural Gas Enterprise Act" and relevant laws and regulations. In meeting the government policy order to ensure public safety, the Company has formulated related policies protecting consumers or customer rights and complaint channels exercising corporate social responsibility | |
| (VI) Does the Company set supplier management policy and request suppliers to comply with related standards on the topics of environmental, occupational safety and health or labor right, and their implementation status? | V | | (VI) Through suitable assessment, management and careful selection of suppliers, the Company builds a stable development, values corporate social responsibility, and formulated the suppliers' management policy. Requests suppliers to abide with environmental protection, occupational safety and labor rights, so on topics, to jointly build the steady development of a green supply chain. | |
| V. Does the Company refer to international reporting rules or guidelines to publish Sustainability | | V | The Company makes public disclosure of information lawfully and expects to disclose information regarding to the development of sustainability report in | Conforms to the Sustainable Development Best Practice |

| Promoting item: | State of implementation (Note 1) | | | Differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor |
|--|----------------------------------|----|---|---|
| | Yes | No | Summary description | |
| Report to disclose non-financial information of the Company? Has the assurance or opinion from third-party certifying institutions been obtained for the reports of the preceding paragraph? | | | 2025 under the GRI Universal Standards in improving its information transparency. | Principles for TWSE/TPEX Listed Companies. |
| VI. If the company has established ethical corporate governance policies based on Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, please describe any discrepancy between the policies and their implementation: None. | | | | |
| VII. Other important information to facilitate better understanding of the Company's implementation of sustainable development: | | | | |
| <p>(I) The Company builds the natural gas supply gas pipeline network segmentation, conducts regular patrol inspection, and maintains pipelines, to ensure safety in supplying of gas.</p> <p>(II) Each year, will organize the gas-holder tank safety emergency response drill in boosting the disaster prevention trainings to maintain public safety.</p> <p>(III) The Company actively promotes regular inspection fraud prevention measures. Users are asked to verify the safety inspector of the Company before opening the door for safety inspection, and emphasize that no fees will be collected onsite, to prevent unscrupulous vendors from collecting fees through impersonation. This is for guaranteeing users' rights.</p> <p>(IV) To protect the consumers' rights, the Company formulated related regulations based on the "Personal Data Protection Act" and announced them on the company external website.</p> <p>(V) The Company established the "Mobile SMS Service Hotline for the Hearing Impaired," strengthening services to disadvantaged groups to fulfill corporate operations responsibilities.</p> <p>(VI) The Company has since 2013 continued to care for the low and middle income users within the operating areas, and implemented the basic fee discounts regulation. As of the end of 2023, an accumulated discount amount of NTD 5,201,160.</p> <p>(VII) The Company has since 2015 continued to care for the gas supply safety to the single living elderlies within the operating areas. Thus, processed the "Application to Change to Microcomputer Gas Meter" and discounts for its gas fees.</p> <p>(VIII) The Company works to enhance safety during use in cooperation with local and central government policies in natural gas use safety knowledge and promoting installation, or changing to microcomputer gas meter.</p> <p>(IX) The Company upholds to the philosophy of "Taking and Giving Back to the Society." In 2023, sets aside funds as consolations to the veterans and dependents during festivals,</p> | | | | |

| Promoting item: | State of implementation (Note 1) | | | Differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor |
|-----------------|----------------------------------|----|--|---|
| | Yes | No | Summary description | |
| | | | care for the orphans and so on activities, and actively supports local art performances to return to the society, the total amount at NTD 3,037,000. | |

(VI) Climate-Related information

Implementation of Climate-Related Information

| Items | State of implementation | | | | | | | | | | | | | | | | | | | | | |
|--|--|------------------------------------|--------------|-----------|---|------|------------------------------------|--|--------|------------|--|------|----------------------|---|------|------------------------|--|--------|----------|-------------------|------|-------------|
| <p>1. Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.</p> <p>2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).</p> | <p>1. The Company reports to the Board of Directors about the implementation status of sustainability quarterly, and based on directors' suggestions, it convenes regular sustainability team meetings reviewing the implementation progress to enable greenhouse gas inventory and complete content of the sustainability report and evaluating the impact of climate change on the Company.</p> <p>2. Natural gas is a relatively clean-burning fossil fuel at the current stage, and the short- and mid-term energy policies are expected to further promote the use of natural gas in the country. The Company has been searching for and testing new substitute materials to prevent any operating issues caused by a material interruption. It has reinforced the disaster prevention facilities to mitigate the impacts that may be caused by extreme weather events such as catastrophic rainstorms, typhoons, and floods.</p> <table border="1" data-bbox="798 1120 1372 2042"> <thead> <tr> <th data-bbox="798 1120 1069 1187">Risk topic</th> <th data-bbox="1069 1120 1197 1187">Impact level</th> <th data-bbox="1197 1120 1372 1187">Timeframe</th> </tr> </thead> <tbody> <tr> <td data-bbox="798 1187 1069 1344">Increased price of greenhouse gas emissions</td> <td data-bbox="1069 1187 1197 1344">High</td> <td data-bbox="1197 1187 1372 1344">Short term, mid term and long-term</td> </tr> <tr> <td data-bbox="798 1344 1069 1478">Enhanced emissions-reporting obligations</td> <td data-bbox="1069 1344 1197 1478">Middle</td> <td data-bbox="1197 1344 1372 1478">Short term</td> </tr> <tr> <td data-bbox="798 1478 1069 1635">Mandates on and regulation of existing products and services</td> <td data-bbox="1069 1478 1197 1635">High</td> <td data-bbox="1197 1478 1372 1635">short term, mid term</td> </tr> <tr> <td data-bbox="798 1635 1069 1814">Changes in precipitation patterns and extreme variability in weather patterns</td> <td data-bbox="1069 1635 1197 1814">High</td> <td data-bbox="1197 1635 1372 1814">mid term and long-term</td> </tr> <tr> <td data-bbox="798 1814 1069 1993">Increased severity of extreme weather events such as typhoons and floods</td> <td data-bbox="1069 1814 1197 1993">Middle</td> <td data-bbox="1197 1814 1372 1993">Mid term</td> </tr> <tr> <td data-bbox="798 1993 1069 2042">Increased cost of</td> <td data-bbox="1069 1993 1197 2042">High</td> <td data-bbox="1197 1993 1372 2042">Short term,</td> </tr> </tbody> </table> | Risk topic | Impact level | Timeframe | Increased price of greenhouse gas emissions | High | Short term, mid term and long-term | Enhanced emissions-reporting obligations | Middle | Short term | Mandates on and regulation of existing products and services | High | short term, mid term | Changes in precipitation patterns and extreme variability in weather patterns | High | mid term and long-term | Increased severity of extreme weather events such as typhoons and floods | Middle | Mid term | Increased cost of | High | Short term, |
| Risk topic | Impact level | Timeframe | | | | | | | | | | | | | | | | | | | | |
| Increased price of greenhouse gas emissions | High | Short term, mid term and long-term | | | | | | | | | | | | | | | | | | | | |
| Enhanced emissions-reporting obligations | Middle | Short term | | | | | | | | | | | | | | | | | | | | |
| Mandates on and regulation of existing products and services | High | short term, mid term | | | | | | | | | | | | | | | | | | | | |
| Changes in precipitation patterns and extreme variability in weather patterns | High | mid term and long-term | | | | | | | | | | | | | | | | | | | | |
| Increased severity of extreme weather events such as typhoons and floods | Middle | Mid term | | | | | | | | | | | | | | | | | | | | |
| Increased cost of | High | Short term, | | | | | | | | | | | | | | | | | | | | |

| | | | | | | | | | | |
|--|---|------------------------|--|------------------------|--------------------------|--------|------------------------|------------------|--------|------------------------|
| <p>3. Describe the financial impact of extreme weather events and transformative actions.</p> <p>4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.</p> <p>5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.</p> <p>6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.</p> <p>7. If internal carbon pricing is a planning tool, the basis for setting the price should</p> | <table border="0"> <tr> <td data-bbox="805 150 1077 257">raw materials</td> <td data-bbox="1077 150 1189 257"></td> <td data-bbox="1189 150 1396 257">mid term and long-term</td> </tr> <tr> <td data-bbox="805 257 1077 369">Rising mean temperatures</td> <td data-bbox="1077 257 1189 369">Middle</td> <td data-bbox="1189 257 1396 369">mid term and long-term</td> </tr> <tr> <td data-bbox="805 369 1077 481">Rising sea level</td> <td data-bbox="1077 369 1189 481">Middle</td> <td data-bbox="1189 369 1396 481">mid term and long-term</td> </tr> </table> <p>3. Extreme weather may cause damage to facilities, rising operating expenses, declined or disrupted service productivity, disrupted supply chain and reduced gas usage due to warmer weather. The transition plan may give rise to an increase in costs (such as carbon levy), investment in the acquisition of facilities required for green energy and environmental protection, cost of raw materials and various insurance expenses because of carbon reduction policies and legal compliance.</p> <p>4. Regarding the risk management system, each business unit shall identify and manage risks incurred in its scope of business. Based on the risk property, it then shall design and implement effective internal control procedures. The management review the risks involved in various business activities of the Company, and the internal audit unit shall audit and evaluate the effectiveness of risk management and relevant internal control systems with timely suggestions for improvement afterwards. The Board of Directors shall approve risk management policies and the material risk management system while supervising the implementation of such a risk management system.</p> <p>5. To be discussed</p> <p>6. To be discussed</p> <p>7. To be discussed</p> | raw materials | | mid term and long-term | Rising mean temperatures | Middle | mid term and long-term | Rising sea level | Middle | mid term and long-term |
| raw materials | | mid term and long-term | | | | | | | | |
| Rising mean temperatures | Middle | mid term and long-term | | | | | | | | |
| Rising sea level | Middle | mid term and long-term | | | | | | | | |

| | |
|---|---|
| <p>be stated.</p> <p>8. If climate-related targets have been set, the activities covered, greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.</p> <p>9. Greenhouse gas inventory and assurance status.</p> | <p>8. At the early stage, the Company purchased the biomass energy certificates from the National Renewable Energy Certification Center, which may reduce the carbon emissions by 495 kg CO₂e, to promote the development of local renewable energy enterprises with an eco-friendly mind, and it is expected to gradually increase the purchase amount.</p> <p>9. The Company plans to complete the greenhouse gas inventory of the parent company and its subsidiaries in 2026 and the greenhouse gas inventory assurance for the parent company and its subsidiaries in 2028.</p> |
|---|---|

(VII) Fulfilling ethical management and differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons thereof:

| Evaluation items | State of operation (Note) | | | Differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor |
|---|---------------------------|----|--|--|
| | Yes | No | Summary description | |
| <p>I. Establishment of ethical corporate management policy and plan</p> <p>(I) Does the company have a clear ethical corporate management policy approved by its Board of Directors, and bylaws and publicly available documents addressing its corporate conduct and ethics policy and measures, and commitment regarding implementation of such policy from the Board of Directors and the top management team?</p> <p>(II) Whether the company has established an assessment mechanism for the risk of unethical conduct; regularly analyzes and evaluates within a business context, the business activities with a higher risk of unethical conduct; has formulated a program to prevent unethical conduct with a scope no less than the activities prescribed in paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies?</p> <p>(III) Whether the company has established relevant policies that are duly enforced to</p> | V | | <p>(I) The Company's 18th Term 9th Meeting of the Board of Directors has approved the establishment of the "Ethical Corporate Management Best Practice Principles." The Board of Directors and management commit to actively fulfil the ethical principles, and instructed all employees to abide to them to prevent unethical behaviors.</p> <p>(II) In ensuring the fulfillment of ethical management, the Company builds a complete accounting system and internal control system, and internal auditors conduct regular audits to check the compliance status of relevant laws and regulations.</p> <p>(III) Under the "Ethical Corporate Management Best Practice Principles"</p> | <p>No differences</p> <p>The Company has formulated the "Ethical Corporate Management Best Practice Principles," which is the basis of every operations.</p> |

| Evaluation items | State of operation (Note) | | | Differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor |
|---|---------------------------|----|--|---|
| | Yes | No | Summary description | |
| prevent unethical conduct, provided implementation procedures, guidelines, consequences of violation and complaint procedures, and periodically reviews and revises such policies? | | | on prevention of unethical behaviors, the Company established matters of attention and scope of the report system, punishment for violations, and complaint system. And, encourage the directors, managers, and all employees to make suggestions based on the reviews and amendments of the ethical management and measures for continuous review and improvements of the policy and promotion measures, to achieving the results of enhanced implementation of ethical management. | |
| II. Ethic Management Practice (I) Whether the company has assessed the ethics records of whom it has business relationship with and include business conduct and ethics related clauses in the business contracts? | V | | (I) The Company's employees must abide to the "Work Rules" when conducting business with the users and vendors; Relating to signing of contracts with external parties, there is a need to state that the parties, the company and suppliers and construction contractors must abide to the ethical terms, to fulfill the ethical management service philosophy to users. | No differences The Company has formulated the "Ethical Corporate Management Best Practice Principles," which is the basis of every operations. |
| (II) Whether the company has set up a unit dedicated to promoting the company's ethical standards and regularly (at least once a year) reports directly to the | V | | (II) Or a complete management of ethical management for the Company, the personnel office is responsible for the formulation of the ethical | |

| Evaluation items | State of operation (Note) | | | Differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor |
|---|---------------------------|----|--|--|
| | Yes | No | Summary description | |
| <p>Board of Directors on its ethical corporate management policy and relevant matters, and program to prevent unethical conduct and monitor its implementation?</p> <p>(III) Whether the company has established policies to prevent conflict of interests, provide communication and complaint channels and implement such policies properly?</p> <p>(IV) To implement relevant policies on ethical conducts, has the company established effective accounting and internal control systems, audit plans based on the assessment of unethical conduct, and have its ethical conduct program audited by internal auditors or CPA periodically?</p> <p>(V) Does the company provide internal and external ethical conduct training programs regularly?</p> | | | <p>management policy and prevention guidelines, and the supervision of the execution. The office must report to the 19th Term 9th Meeting of the Board of Directors, assists the directors and management in evaluation of the effectiveness of the ethical management policy.</p> <p>(III) The Company has established the “Work Rules” and “Insider Trading Prevention Management Procedures,” to avoid company employees gain personal benefits affecting the company’s rights and development.</p> <p>(IV) The Company has built a thorough internal control system and accounting system as basis for execution. Based on laws and regulations, and annual audit plan, the internal audit unit regularly audits every process and the legal compliance status to meet the relevant regulations.</p> <p>(V)</p> <ol style="list-style-type: none"> 1. The Company’s finance and audit unit participates in related seminars and training courses each year. 2. The Company regularly organizes the “Employee Monthly Meeting,” “Labor- | |

| Evaluation items | State of operation (Note) | | | Differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor |
|---|---------------------------|----|---|---|
| | Yes | No | Summary description | |
| | | | Management Meeting,” “Contractors Management Working Group Meeting” and so on, and makes timely promotion to realize commitments to ethical management. | |
| <p>III. Implementation of Complaint Procedures</p> <p>(I) Does the company establish specific complaint and reward procedures, set up conveniently accessible complaint channels, and designate responsible individuals to handle the complaint received?</p> <p>(II) Whether the company has established standard operation procedures for investigating the complaints received, follow-up measures after investigation are completed, and ensuring such complaints are handled confidentially?</p> | V | | <p>(I) The Company stipulates and announces punishments for violations of the regulations for ethical management and the complaint system, and discloses the handlings on its intranet.</p> <p>(II) There is the personal data protection and confidentiality affidavit established between the Company and employees which regulates the parties must abide to the protection and confidentiality agreement when performing confidential work or processing personal information. The Company also adopted the “Regulations for Filing Complaints and Whistleblowing,” which stipulates the procedures and mechanisms for accepting whistleblowing about any violation of laws, abuse of authority or mistreatment that may infringe the rights of the Company or individuals.</p> | No differences The Company has formulated the “Ethical Corporate Management Best Practice Principles,” which is the basis of every operations. |

| Evaluation items | State of operation (Note) | | | Differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor |
|--|---------------------------|----|---|--|
| | Yes | No | Summary description | |
| (III) Does the company adopt proper measures to prevent a complainant from retaliation for his/her filing a complaint? | V | | <p>This is done to protect employees' rights and improve the effectiveness of corporate governance.</p> <p>(III) A dedicated unit is responsible for handling the complaint matter in ensuring the protection of the complainant's identity and contents. The "Regulations for Filing Complaints and Whistleblowing" provides the policy for whistleblower protection. The identity of whistleblowers shall be kept confidential from top to bottom. If the identity of a whistleblower is exposed, disciplinary actions shall be taken according to the work rules after an investigation.</p> | |
| <p>IV. Enhancing Information Disclosure</p> <p>Has the company disclosed on its website and Market Observation Post System the content and promotion effect of its "Ethical Corporate management Best-Practice Principles?"</p> | V | | <p>The Company has based on related laws and regulations processed the information release on its external website which has a link to the MOPS, regularly disclosed relevant and reliable information to provide to the public for reading and established the "Ethical Corporate Management Best Practice Principles" promptly.</p> | <p>No differences</p> <p>The Company has formulated the "Ethical Corporate Management Best Practice Principles," which is the basis of every operations.</p> |
| <p>V. If the company has established ethical corporate governance policies based on Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, please describe any discrepancy between the policies and their implementation: None.</p> | | | | |
| <p>VI. Other important information to facilitate a better understanding of the status of operations of the Company's ethical corporate management policies:</p> | | | | |

| Evaluation items | State of operation (Note) | | | Differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor |
|------------------|---------------------------|----|---|--|
| | Yes | No | Summary description | |
| (I) | | | The Company's management regularly promotes ethical behaviors during company meetings or educational trainings. It expects to build a consistent belief with all employees and abide to relevant laws and regulations or others relating to regulating business behavior. | |
| (II) | | | When signing and contracting with contractors, contents on abiding to ethical management are also adopted into the contract terms, promoting and fulfilling the ethical management policy and convening regular meetings for its promotion. | |

(VIII) If the Company has formulated the Corporate Governance Best Practice Principles and related rules, it shall disclose its inquiry methods:

The Company has established the "Corporate Governance Best Practice Principles," the "Procedures for the Shareholders' Meeting," the "Rules of Procedures for Board of directors' meetings," the "The Rules Governing the Election of Directors," the "Remuneration Committee Charter," the "Ethical Corporate Management Best Practice Principles," the "Audit Committee Charter," and the "Regulations for Filing Complaints and Whistleblowing," and all have been disclosed on the MOPS and the Company's website.

(IX) Other important information to facilitate a better understanding of the status of operations of the Company's corporate governance: Certificates obtained by personnel in relation to financial transparency:

1. Certified Public Accountant, 1 person.
2. Certified Internal Auditor, 1 person.
3. Professional capability test for shareholders affairs, 2 persons passed.
4. Corporate Governance Basic Competency Exam, 3 persons passed.

(X) Internal Control System Execution Status

1. 2023 Statement of internal control system

Shin Shin Natural Gas Co., LTD.
Statement of internal control system

Date: March 12, 2024

The internal control system of the Company in 2023, the declaration based on the results of self-assessment is as below:

- I. The Company's Board of Directors and management are responsible for establishing, implementing, and maintaining an adequate internal control system. Its purpose is to reasonably assure the achievement of objectives such as the effectiveness and efficiency of operations (including profitability, performance and asset security, etc.), the reliability, timeliness, and transparency of reporting and compliance with relevant rulings, laws and regulations, etc.
- II. An internal control system has inherent limitations. No matter how designed, an effective internal control system can provide only reasonable assurance of accomplishing its stated objectives. The effectiveness of an internal control system may be subject to changes due to extenuating circumstances beyond our control. However, the Company's internal control system has a self-monitoring mechanism. Once a defect is identified, the Company will take corrective actions.
- III. The Company evaluates the design and operating effectiveness of its internal control system based on the criteria in the Regulations Governing the Establishment of Internal Control Systems by Public Companies (herein below, the "Regulations"). The criteria adopted by the Regulations identify five key components of managerial internal control: (1) control environment, (2) risk assessment, (3) control activities, (4) information and communication, and (5) monitoring activities. Each component consists of several items. Please refer to the "Regulations" for these items.
- IV. The Company has evaluated the design and operating effectiveness of its internal control system according to the Regulations.
- V. Based on the preceding findings of such evaluation, the Company believes that, on December 31, 2023, it has maintained, materially, an effective internal control system (that includes the supervision and management of our subsidiaries), to provide reasonable assurance over our operational effectiveness and efficiency, reliability, timeliness, transparency and regulatory compliance of reporting, and compliance with applicable rulings, laws and regulations.
- VI. This Statement is an integral part of the Company's annual report and prospectus, and will be made public. If the above-mentioned disclosures have falsehood or concealment, legal liability under Articles 20, 32, 171 and 174 of the Securities and Exchange Act will be incurred.
- VII. This Statement was passed by the Board of Directors in their meeting held on March 12, 2024, with 0 of the 24 attending directors expressing dissenting opinions, and the remainder all affirming the content of this Statement.

Shin Shin Natural Gas Co., LTD.
Chairperson: Ho-Chia Chen

signature stamp

President: Kun-chung Huang

signature stamp

2. The company auditing its internal control system by a CPA shall disclose the CPA audit report: None.

(XI) In the most recent year and up to publication of the annual report, disclose any sanctions imposed under the law upon the Company or its internal personnel, any sanctions imposed by the Company upon its internal personnel for violations of internal control system, and the penalties which may have a significant impact on shareholders' equity or the price of securities, and list the content of penalties, principal deficiencies, and state any efforts to make improvements: None.

(XII) Important resolutions of the shareholder meeting and board meeting from the most recent year up to publication of the annual report:

1. Important resolutions of the shareholder meeting from the most recent year up to publication of the annual report:

| Meeting date | Important resolution | Resolution and result | State of implementation |
|--------------|--|-------------------------------|---|
| 2023.06.27 | Proposal for the Company's annual business report and financial statement of 2022. | Passed as proposed by a vote. | To be processed accordingly. |
| | Proposal for the Company's surplus distribution of 2022. | Passed as proposed by a vote. | The 2022 earnings distributions to shareholders in cash dividends at NTD 1 per share. Established July 23, 2023 as the ex-dividend date, and distribution is completed on August 9, 2023. |
| | Amendments to some articles of the "Procedures for the Shareholders' Meeting." | Passed as proposed by a vote. | Promulgated for implementation. |
| | Amendments to part of the "Rules Governing the Election of Directors". | Passed as proposed by a vote. | Promulgated for implementation. |

2. In the most recent year and as of the annual report publication date, major decisions of Board meetings

| Meeting date | Motion content | Resolution and result | State of implementation |
|--|---|--|--|
| 2023.03.13 (19th Term, 10th Meeting) | Review of the distribution of Directors and managers' remuneration of 2022. | Approved as proposed by all attending Directors. | Reported to the 2023 shareholders general meeting. |
| | Review the Company's 2022 "Business Report, Financial Statements, and Consolidated Financial Statements and so on." | Approved as proposed by all attending Directors. | Proposed in the 2023 shareholders general meeting. |
| | Review of the 2022 "Earnings Distribution." | Approved as proposed by all attending Directors. | Proposed in the 2023 shareholders general meeting. |
| | Review of the amendments to part of the "Procedures for the Shareholders' Meeting". | Approved as proposed by all attending Directors. | Discussed and approved in the 2023 shareholders general meeting. |
| | Review of the amendments to part of the "Rules Governing the Election of Directors". | Approved as proposed by all attending Directors. | Discussed and approved in the 2023 shareholders general meeting. |
| | Convening 2023 shareholders meeting on June 27, 2023. | Approved as proposed by all attending Directors. | To be processed accordingly. |
| | Independent Director's opinion: None. Handling of the Independent Director's opinion by the company: None. | | |
| 2023.05.10 (19th Term, 11th Meeting) | Review the 2023Q1 (January to March) Consolidated Financial Statements. | Approved as proposed by all attending Directors. | Announced and filed according to regulations. |
| | Review of the appointment of the Corporate Governance Officer. | Approved as proposed by all attending Directors. | To be processed accordingly. |
| | Independent Director's opinion: None. Handling of the Independent Director's opinion by the company: None. | | |
| 2023.06.27 (19th Term, 12th Meeting) | Confirmed the cash dividends distribution record date. | Approved as proposed by all attending Directors. | To be processed accordingly. |
| | Independent Director's opinion: None. Handling of the Independent Director's opinion by the company: None. | | |
| 2023.08.11 (19th Term, 13th Meeting) | Review the 2023Q2 (January to June) Consolidated Financial Statements. | Approved as proposed by all attending Directors. | Announced and filed according to regulations. |
| | Independent Director's opinion: None. Handling of the Independent Director's opinion by the company: None. | | |
| 2023.11.10 (19th Term, 14th Meeting) | Review the 2024 "Operations Plan." | Approved as proposed by all attending Directors. | To be processed accordingly. |
| | Review the 2023Q3 (January to September) Consolidated Financial Statements. | Approved as proposed by all attending Directors. | To be processed accordingly. |
| | Review of the evaluation on the CPA's independence and suitability | Approved as proposed by all attending Directors. | To be processed accordingly. |

| Meeting date | Motion content | Resolution and result | State of implementation |
|--|---|--|--|
| | and continued appointment. | Directors. | |
| | Independent Director's opinion: None. Handling of the Independent Director's opinion by the company: None. | | |
| 2023.12.13 (19th Term, 15th Meeting) | Review the 2024 "Operations Budget." | Approved as proposed by all attending Directors. | To be processed accordingly. |
| | Independent Director's opinion: None. Handling of the Independent Director's opinion by the company: None. | | |
| 2024.03.12 (19th Term, 16th Meeting) | Review of the distribution of Directors and managers' remuneration of 2023. | Approved as proposed by all attending Directors. | To be processed accordingly and reported to the (2024) shareholders' general meeting. |
| | Review the Company's 2023 "Business Report, Financial Statements, and Consolidated Financial Statements and so on." | Approved as proposed by all attending Directors. | To be processed accordingly and raised to the (2024) shareholders' general meeting for ratification. |
| | Review of the Company's 2023 earnings distribution and cash dividend distribution. | Approved as proposed by all attending Directors. | To be processed accordingly and raised to the (2024) shareholders' general meeting for ratification. |
| | Convening the 2024 shareholders general meeting on June 21, 2024. | Approved as proposed by all attending Directors. | To be processed accordingly. |
| | Independent Director's opinion: None. Handling of the Independent Director's opinion by the company: None. | | |
| 2024.04.16 (1st Term, 19th Temporary Meeting) | Review the signing of a joint investment and construction contract with HanHuang Development Co., Ltd. | Approved as proposed by all attending Directors. | The contract signing with HanHuang Company has been completed. |
| | Review the purchase of the "Farglory Qingguang" building from Farglory Construction Co., Ltd. | All attending Directors agreed to delete the words "and lease" in the description as recommended by the Audit Committee, and the amendment was approved. | The contract will be signed in due course. |
| | Independent Director's opinion: Delete the words "and lease" in the description of the purchase of a building. Handling of the Independent Director's opinion by the company: Agree to delete. | | |
| 2024.05.10 (19th Term, 17th Meeting) | Review the 2024Q1 (January to March) Consolidated Financial Statements. | Approved as proposed by all attending Directors. | Announced and filed according to regulations. |
| | Nomination and review the qualifications of the 20th Directors and Independent Directors candidates. | Approved as proposed by all attending Directors. | To be processed accordingly and submitted to the (2024) shareholders' general |

| Meeting date | Motion content | Resolution and result | State of implementation |
|---|--|--|---|
| | | | meeting for election. |
| | Release of 20th directors and representatives from non-competition restrictions. | Approved as proposed by all attending Directors. | To be processed accordingly and submitted to the (2024) shareholders' general meeting for a resolution. |
| Independent Director's opinion: None. Handling of the Independent Director's opinion by the company: None. | | | |

- (XIII) Contents of the objections for the records or with written statements of directors to important Board resolutions in the previous year and by the date of report publication: None.
- (XIV) From the most recent year up to publication of the annual report, summary of resignation and dismissal of the Company's chairperson, president, accounting officer, finance officer, internal audit officer, corporate governance officers and R&D officer: None.

V. Information on CPA's professional fees

- (I) If the audit fee of the year is less than that of the previous years after changing CPA firm, then the audit fee before and after the change and the reason for change shall be disclosed: None.
- (II) If the audit fee is less than that of the previous year by over 10%, then the less amount of audit fee, its proportion, and the reason shall be disclosed: None.
- (III) Information on CPA's professional fees in the most recent year:

Amount Unit: Thousands of NTD

| CPA firm | CPA name | | CPA audit period | Audit fee | Non-audit fee | Total | Remark |
|------------|---------------|-------------|--------------------------------------|-----------|---------------|-------|--------|
| BDO Taiwan | Jiunn-huei Ko | Li-Yen Wang | January 1, 2023 to December 31, 2023 | 1,830 | 0 | 1,830 | |

VI. Information on change of CPAs

(I) Former CPAs:

| | | | |
|---|--|------------------------|------------------------------------|
| Date of change | February 3, 2023 | | |
| Reasons and Explanation of Changes | Internal rotation change of the CPA firm | | |
| State Whether the Appointment is Terminated or Rejected by the Consignor or CPAs | The party | CPA | Consignor |
| | Situations | | |
| | Appointment terminated automatically | None | None |
| | Appointment rejected (discontinued) | None | None |
| The Opinions Other than Unmodified Opinion Issued in the Last Two Years and the Reasons for the Said Opinions | None of such situation | | |
| Is There Any Disagreement in Opinion with the Issuer | Yes | | Accounting principles or practices |
| | | | Financial report disclosure |
| | | | Auditing scope or procedure |
| | | | Others |
| | None | V | |
| | Explanation | None of such situation | |
| Supplementary Disclosure (Disclosures Specified in Article 10.6.1.4~7 of the Regulations Governing Information to be Published in Annual Reports of Public Companies) | None of such situation | | |

(II) Successor CPAs:

| | |
|--|----------------------------|
| Accounting Firm | BDO Taiwan |
| CPA name | Jiunn-huei Ko, Li-yen Wang |
| Date of Engagement | February 3, 2023 |
| Before the Formal Engagement, Any Inquiry or Consultation on the Accounting Treatment or Accounting Principles for Specific Transactions, and the Type of Audit Opinion that Might be Rendered on the Financial Report | None of such situation |
| Written Opinions from the Successor CPAs that differ from the Former CPA's Opinions | None of such situation |

(III) The reply of former CPAs on Article 10 Paragraph 6 Subparagraph 1 and Article 10 Paragraph 6 Subparagraph 2 Point 3 of the Standards: None.

VII. Anyone among the Company's Chairman, president or any managerial officers in charge of finance or accounting affairs who have in the most recent year held a position at the accounting firm of the attesting CPA or an affiliate of the accounting firm: None.

VIII. Any equity transfer or change in equity pledge by a director, managerial officer, or shareholder with 10% stake or more from the most recent year up to the date of publication of the annual report:

Changes in shareholdings of directors, managerial officers and major shareholders

Unit: Shares

| Title | Name | 2023 | | The current year as of April 23 | | Remark |
|------------------------|--|----------------------------|------------------------------|---------------------------------|------------------------------|---|
| | | Net Change in Shareholding | Net Change in Shares Pledged | Net Change in Shareholding | Net Change in Shares Pledged | |
| Chairman | Ho-Chia Chen | 0 | 0 | 0 | 0 | |
| Director | Veterans Affairs Council | 0 | 0 | 0 | 0 | Institutional representatives, 6 directors: Kun-chung Huang, Chy-Chung Chang, Yen-chun Wu, Fu-hua Ni, Kuang-yu Chan, Chien-ching Tsai |
| Director | Shin Kong Wu Ho-Su Memorial Hospital | 0 | 0 | 0 | 0 | Institutional Representative: Po-Ih Wang |
| Director | Jung-Chun Huang | 0 | 0 | 0 | 0 | |
| Director | Kindasaki Biochemical Technology Co., Ltd. | 0 | 0 | 0 | 0 | Institutional representatives, 2 directors: Pao-Kway Chen Chien, Hui-Chun Chen Wu |
| Director and President | Veterans Affairs Council | 0 | 0 | 0 | 0 | Institutional representatives: Kun-chung Huang |
| Director | The Great Taipei Gas Corporation | 0 | 0 | 0 | 0 | Institutional representatives, 3 directors: Hsin-Ju Wu, Richard H Wu, Po-Fong Lin |
| Director | Shin-Hai Gas Co, Ltd. | 0 | 0 | 0 | 0 | Institutional representative: Rung-Fu Hsieh |
| Director | Cheng-Cheng Wong | 0 | 0 | 0 | 0 | |
| Director | Tung Chan | 0 | 0 | 0 | 0 | Institutional |

| Title | Name | 2023 | | The current year as of April 23 | | Remark |
|--------------------------------|----------------------|----------------------------|------------------------------|---------------------------------|------------------------------|------------------------------------|
| | | Net Change in Shareholding | Net Change in Shares Pledged | Net Change in Shareholding | Net Change in Shares Pledged | |
| | Enterprise Co., Ltd. | | | | | Representative: Hung-Wen Chuang |
| Director | Kuo-Tai Chang | 0 | 0 | 0 | 0 | |
| Director | Ko-Tseng Li | 0 | 0 | 0 | 0 | |
| Independent Director | Ching-Kuo Lee | 0 | 0 | 0 | 0 | |
| Independent Director | Chin-Ming Kuo | 0 | 0 | 0 | 0 | |
| Independent Director | Ming-Hsiung Chen | 0 | 0 | 0 | 0 | |
| Independent Director | Han-Lin Tseng | 0 | 0 | 0 | 0 | |
| Independent Director | Shu-Ping Hsu | 0 | 0 | 0 | 0 | |
| Vice President | Yi-Hsin Chien | 0 | 0 | 0 | 0 | |
| Manager, Department of Finance | Yi-Yang Huang | 0 | 0 | 0 | 0 | |

- Note: 1. Stock trade information: None for the Company's directors, managerial officers and major shareholders with shareholding at over 10%, with related party.
2. Stock pledge information: None for the Company's directors, managerial officers and major shareholders with shareholding at over 10%, with related party.

IX. Information on the top ten shareholders in shareholding ratio and are related parties or with a relationship of being a spouse or a relative within the 2nd degree of kinship

Information of top ten shareholders who are related

| Name | Shares held | | Shareholding by spouse or dependents | | Total shares held in the name of others | | Related Party Relationship among the Company's 10 Largest Shareholders | | Remark |
|--|---------------------------|-----------------------------|--------------------------------------|-----------------------------|---|-----------------------------|---|---|--------|
| | Number of shares (Shares) | Shareholding percentage (%) | Number of shares (Shares) | Shareholding percentage (%) | Number of shares (Shares) | Shareholding percentage (%) | Name | Relationship | |
| Veterans Affairs Council | 46,556,713 | 25.79 | 0 | 0 | 0 | 0 | None | None | |
| Thousand Islands Investment Co., Ltd. | 14,203,712 | 7.87 | 0 | 0 | 0 | 0 | THE GREAT TAIPEI GAS CORPORATION | Equity-method investees | |
| Chairman: Rung-Fu Hsieh | | | | | | | | | |
| THE GREAT TAIPEI GAS CORPORATION | | | | | | | | | |
| Chairman: Rung-Fu Hsieh | 10,534,066 | 5.83 | 0 | 0 | 0 | 0 | Thousand Islands Investment Co., Ltd. Pai Hsun Investment Co., Ltd. Shin-Hai Gas Co, Ltd. | Equity-method investment company | |
| Pai Hsun Investment Co., Ltd. | | | | | | | | | |
| Chairman: Rung-Fu Hsieh | 9,030,716 | 5.00 | 0 | 0 | 0 | 0 | The Great Taipei Gas Corporation | Equity-method investees | |
| Shunyi International Co., Ltd. | | | | | | | | | |
| Chairman: Cheng-Cheng Wong | 6,945,984 | 3.85 | 0 | 0 | 0 | 0 | None | None | |
| Shintao Natural Gas Co. | | | | | | | | | |
| Chairman: Hao-Yu Chou | 6,945,984 | 3.85 | 0 | 0 | 0 | 0 | None | None | |
| Kindasaki Biochemical Technology Co., Ltd. | | | | | | | | | |
| Chairman: Ho-Chia Chen | 6,031,011 | 3.34 | 0 | 0 | 0 | 0 | None | None | |
| Shin-Hai Gas Co, Ltd. | | | | | | | | | |
| Chairman: Rung-Fu Hsieh | 4,668,441 | 2.59 | 0 | 0 | 0 | 0 | The Great Taipei Gas Corporation Hsin Wa Investment Co., Ltd. | Equity-method investees Equity-method investment company | |
| Hsin Wa Investment Co., Ltd. | | | | | | | | | |
| Chairman: Chen-Lung Li | 3,666,000 | 2.03 | 0 | 0 | 0 | 0 | Shin-Hai Gas Co, Ltd. | Equity-method investees | |
| EVFA International Co., Ltd. | | | | | | | | | |
| Chairman: Ho-Chia Chen | 2,527,863 | 1.40 | 0 | 0 | 0 | 0 | None | None | |

X. Investments jointly held by the company, the company’s directors, managers, and enterprises directly (indirectly) controlled by the company, with shareholdings disclosed in aggregate of the parties:

Shareholding percentage

April 23, 2024
Unit: Shares; %

| Non-consolidated (note) | Ownership by the Company | | Ownership by Directors, Managers and Directly/Indirectly Owned Subsidiaries | | Total Ownership | |
|------------------------------------|-----------------------------|----------------------------|--|----------------------------|---------------------|----------------------------|
| | Number of shares | Shareholding percentage | Number of shares | Shareholding percentage | Number of shares | Shareholding percentage |
| EVFA INTERNATIONAL CO., LTD. | 58,410,000 | 100 | 0 | 0 | 58,410,000 | 100 |

Note: The Company’s investments accounted for using equity method.

Four. Capital Overview

I. Processing of the company's capital, issuing shares, corporate bonds, preferred shares, global depository receipts, and employee stock warrants, new restricted employee shares, any merger and acquisition activities (including mergers, acquisitions, and demergers)

(I) Capital and share

1. Source of capital

Source of capital

May 17, 2024 Unit: Shares; NTD

| Year Month | Issued price (NTD) | Authorized capital | | Paid-in Capital | | Remark | | |
|----------------|--------------------|---------------------------|---------------|---------------------------|---------------|---|---|--|
| | | Number of shares (Shares) | Amount (NTD) | Number of shares (Shares) | Amount (NTD) | Source of capital | Substitution of capital stock with assets other than cash | Others |
| May 1971 | 10 | 6,000,000 | 60,000,000 | 6,000,000 | 60,000,000 | Cash flow generated from operations | None | Original capital |
| August 1996 | 10 | 143,000,000 | 1,430,000,000 | 103,400,998 | 1,034,009,980 | Employee bonus 3,646,680 and increased capital from earnings of 134,395,210 | None | (1996)Tai-Cai-Zheng (I) No. 36642 issued on June 25, 1996 |
| September 1997 | 10 | 143,000,000 | 1,430,000,000 | 114,034,444 | 1,140,344,440 | Employee bonus 2,933,470 and increased capital from earnings of 103,400,990 | None | (1997)Tai-Cai-Zheng (I) No.50639 issued on June 25, 1997 |
| September 1998 | 10 | 143,000,000 | 1,430,000,000 | 134,533,592 | 1,345,335,920 | Employee bonus 5,431,210 and increased capital from earnings of 199,560,270 | None | (1998)Tai-Cai-Zheng (I) No.58665 issued on July 7, 1998 |
| September 1999 | 10 | 151,300,000 | 1,513,000,000 | 145,539,111 | 1,455,391,110 | Employee bonus 2,428,320 and increased capital from earnings of 107,626,870 | None | (1999)Tai-Cai-Zheng (I) No.63751 issued on July 12, 1999 |
| September 2000 | 10 | 185,800,000 | 1,858,000,000 | 161,221,204 | 1,612,212,040 | Employee bonus 4,004,870 and increased capital from earnings of 152,816,060 | None | (2000)Tai-Cai-Zheng (I) No.59458 issued on July 11, 2000 |
| September 2006 | 10 | 185,800,000 | 1,858,000,000 | 170,318,352 | 1,703,183,520 | Employee bonus 2,299,820 and increased capital from earnings of 88,671,660 | None | On July 19th, 1996, FSC's Jin-Guan-Zheng-Yi-Zi No. 0950131511 |
| October 2010 | 10 | 185,800,000 | 1,858,000,000 | 180,537,453 | 1,805,374,530 | Increased capital from earnings of 102,191,010 | None | On August 4th, 2010, FSC's Jin-Guan-Zheng-Fa-Zi No. 0990040779 |

May 17, 2024
Unit: Shares

| Share Types | Authorized capital | | | Remark |
|--------------|---------------------------|-----------------|-------------|--------|
| | Outstanding shares (Note) | Unissued shares | Total | |
| Common stock | 180,537,453 | 5,262,547 | 185,800,000 | None |

Note: All issued shares are listed stocks.

2. Type of Shareholders

April 23, 2024

| Type of Shareholders Numbers | Government Agencies | Financial Institutions | Other Juridical Persons | Domestic Natural Persons | Foreign Institutions and Natural Persons | Total |
|------------------------------|---------------------|------------------------|-------------------------|--------------------------|--|-------------|
| Number of Shareholders | 1 | 2 | 198 | 23,183 | 42 | 23,426 |
| Shareholding (Shares) | 46,556,713 | 21,000 | 68,817,709 | 60,603,115 | 4,538,916 | 180,537,453 |
| Shareholding percentage (%) | 25.79 | 0.01 | 38.11 | 33.57 | 2.52 | 100.00 |

3. Distribution of Shareholding

Common Share Per Share Issue Price is NTD 10

April 23, 2024

| Shareholding Range | Number of Shareholders | Shareholding (Shares) | Shareholding percentage (%) |
|----------------------|------------------------|-----------------------|-----------------------------|
| 1 to 999 | 21,416 | 385,990 | 0.21 |
| 1,000 to 5,000 | 1,417 | 2,633,488 | 1.46 |
| 5,001 to 10,000 | 192 | 1,421,864 | 0.79 |
| 10,001 to 15,000 | 59 | 725,081 | 0.40 |
| 15,001 to 20,000 | 44 | 785,637 | 0.44 |
| 20,001 to 30,000 | 54 | 1,364,228 | 0.76 |
| 30,001 to 40,000 | 28 | 996,798 | 0.55 |
| 40,001 to 50,000 | 27 | 1,232,775 | 0.68 |
| 50,001 to 100,000 | 50 | 3,601,645 | 1.99 |
| 100,001 to 200,000 | 51 | 7,135,714 | 3.95 |
| 200,001 to 400,000 | 33 | 9,533,766 | 5.28 |
| 400,001 to 600,000 | 14 | 6,904,437 | 3.82 |
| 600,001 to 800,000 | 11 | 7,266,128 | 4.02 |
| 800,001 to 1,000,000 | 4 | 3,460,300 | 1.92 |
| Over 1,000,001 | 26 | 133,089,602 | 73.73 |
| Total | 23,426 | 180,537,453 | 100 |

Preferred Share: None.

4. Major Shareholders (name, number of shares and stake held of each shareholder with a stake of 5 percent or greater or each shareholder who rank in the top 10 in shareholding percentage)

April 23, 2024

| Name of Major Shareholder | Shares | Shareholding (Shares) | Shareholding percentage (%) |
|---|--------|-----------------------|-----------------------------|
| Veterans Affairs Commission, Executive Yuan | | 46,556,713 | 25.79 |
| Thousand Islands Investment Co., Ltd. | | 14,203,712 | 7.87 |
| The Great Taipei Gas Corporation | | 10,534,066 | 5.83 |
| Pai Hsun Investment Co., Ltd. | | 9,030,716 | 5.00 |
| Shunyi International Co., Ltd. | | 6,945,984 | 3.85 |
| Shintao Natural Gas Co., Ltd. | | 6,346,196 | 3.52 |
| Kindasaki Biochemical Technology Co., Ltd. | | 6,031,011 | 3.34 |
| Shin-Hai Gas Co, Ltd. | | 4,668,441 | 2.59 |
| Hsin Wa Investment Co., Ltd. | | 3,666,000 | 2.03 |
| EVFA International Co., Ltd. | | 2,527,863 | 1.40 |

5. Information on market price, net worth, earnings, dividends per share for the most recent two years

| Items | | Year | 2022 | 2023 | The Year 2024 until March 31, 2024 (Note 8) |
|---------------------------------|--|------|-------------|-------------|---|
| Market price per share (Note 1) | Highest (NTD) | | 48.15 | 44.00 | 40.85 |
| | Lowest (NTD) | | 41.05 | 39.90 | 39.55 |
| | Average (NTD) | | 42.93 | 41.38 | 40.32 |
| Net worth per share (Note 2) | Before distribution (NTD) | | 16.78 | 17.79 | 17.27 |
| | After distribution (NTD) | | 15.76 | — | — |
| Earnings per share | Weighted average number of shares (shares) | | 178,009,590 | 178,009,590 | 178,009,590 |
| | Earnings per share (Note 3)(NTD) | | 0.81 | 2.00 | 1.00 |

| Items | | Year | 2022 | 2023 | The Year 2024 until March 31, 2024 (Note 8) |
|-----------------------------------|----------------------------------|---|-------|----------|--|
| | | | | | |
| Dividends per share | Cash dividends (NTD) | | 1 | (Note 9) | - |
| | Free- Gratis Dividends | Retained Shares Distribution (shares) | None | - | - |
| | | Capital Reserve Shares Distribution (shares) | None | - | - |
| | Retained Dividends (Note 4) | | None | None | - |
| Investment returns analysis | Price/Earnings ratio (Note 5) | | 53 | 20.69 | - |
| | Price/Dividend ratio (Note 6) | | 42.93 | (Note 9) | - |
| | Cash dividend yield (%) (Note 7) | | 2.33% | (Note 9) | - |

* For capital increase with stock dividend from earnings or capital surplus, information on the market price and cash dividends retroactively adjusted with the number of shares to be issued should be disclosed.

Note 1: Set forth the highest and lowest market prices per common share for each year, and calculate each year's average market price based upon that year's transaction value and transaction volume.

Note 2: Please fill in according to the issued number of shares at the end of the year and resolution for distribution by the Board of Directors or the following year's shareholders meeting.

Note 3: If there is a retroactive adjustment due to stock dividends, etc., the earnings per share before and after the adjustment should be shown.

Note 4: If equity securities are issued with terms that allow dividends to be accrued and accumulated until the year the Company makes profits, the amount of cumulative undistributed dividends up till this year is disclosed separately.

Note 5: Price to earnings ratio = average closing price per share for the year/earnings per share.

Note 6: Price to dividends ratio = average closing price per share for the year/cash dividend per share.

Note 7: Cash dividends yield = dividend per share/average closing price per share for the year.

Note 8: Net worth per share and earnings per share are data from 2024 Q1 that has been reviewed by the accountant.

Note 9: The 2023 Distribution of stock dividends was approved by the Board, estimated distributed cash dividend per share is NTD 1.5, to be proposed to the shareholders general meeting for resolution.

6. Dividends policy and implementation

(1) Dividends policy

The Company adopts the fixed cash dividend payout ratio policy, and depending on its current share capital, financial structure, future operational development needs and earnings, no less than 20% of the distributable surplus shall be allocated as dividends, and no less than 20% of the dividend shall be distributed in cash.

(2) Implementation of dividend distribution:

Under Article 33-1 of the Company's Articles of Association, if dividends and bonuses are distributed in cash, the Board of Directors may adopt such a distribution by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of Directors.

By a resolution made in the Company's Board of Directors' meeting on March 12, 2024, NT\$270,806,180 from the distributable earnings of 2023 was allocated as shareholder bonus, approximately NT\$1.5 per share, and the Chairman could determine the ex-dividends date and other related matters.

(3) If a material change in dividend policy is expected, provide an explanation: None.

7. Effect upon business performance and earnings per share of any stock dividend distribution proposed or adopted at the shareholders' meeting:

There is no stock dividend proposed in the 2024 Annual General Meeting of Shareholders of the Company, so there is no influence on its business performance and earnings per share.

8. Remuneration for employees and for directors

(1) Information on employee and director's remuneration as stipulated in Article 33 of the Company's Articles of Incorporation:

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

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

However, when the Company has accumulated losses, an equivalent

amount should be reserved in advance for making up such losses before appropriating the employee compensation and directors' remuneration under the ratio stated in the preceding paragraph.

- (2) The Board has approved the proposed distribution amount for employees and directors remuneration and the calculation for the earnings per share. Its information:

The Company's 2023 employees and directors remuneration distribution proposal, has been approved by the Board on March 12, 2024. The approved earnings distribution is: ① Distribute cash compensation to employees for NTD 9,472,368 and to directors for NTD 9,472,368. If the actual distribution amount differs from the estimated amount in subsequent resolutions, the difference is treated as a change in accounting estimate. ② The calculation for the earnings per share at NTD 2.00 is based on considerations for after the employees and directors remuneration distribution.

- (3) Distribution of remuneration to employees and directors from the earnings of 2022:

| Items | <u>June 27, 2023</u> | <u>March 13, 2023</u> | Differences | Reasons for differences |
|---|--|--|-------------|-------------------------|
| | Actual distribution amount resolved by the shareholders' meeting | Proposed distribution amount resolved by the Board of Directors' meeting | | |
| Employee cash compensation (in thousands of NTD) | 4,750 | 4,750 | — | — |
| Employees compensation in stocks | | | | |
| Number of shares (Thousands of Shares) | — | — | — | — |
| Amount (In thousands of NTD) | — | — | — | — |
| % of 2023 outstanding shares | — | — | — | — |
| Profit sharing remuneration for directors (in thousands of NTD) | 4,750 | 4,750 | — | — |

9. The company has in the most recent year and as of the annual report publication date, file for buyback of common stock: None.

- (II) Processing of the company's capital, issuing shares, corporate bonds, preferred shares, global depository receipts, and employee stock warrants, new restricted employee shares, any merger and acquisition activities (including mergers, acquisitions, and demergers): None.

II. The status of implementation of capital allocation plans

(I) Contents of the Plan

1. The Company has none of such situation on issuance of securities beforehand, or private placement securities that have not yet completed or have achieved within most recent 3 years, of which the benefits of the plan has not shown yet.
2. No cash capital increase for the Company in the most recent three years.

(II) State of implementation

Not applicable.

Five. Operation Overview

I. Business activities

(I) Business scope

1. Principal business activities

- (1) D201011 Natural Gas Utility Enterprise
- (2) CR01010 Gas Apparatus and Parts Manufacturing
- (3) E502010 Fuel Catheter Installation Engineering
- (4) JE01010 Rental and Leasing
- (5) B102010 Extraction of Crude Petroleum and Natural Gas
- (6) E603130 Gas Water Heater Contractors
- (7) D401010 Thermal Energy Supply
- (8) E603040 Fire Safety Equipment Installation Engineering
- (9) E603050 Automatic Control Equipment Engineering
- (10) F401181 Measuring Instruments Import
- (11) F213050 Retail Sale of Measuring Instruments
- (12) F113060 Wholesale of Measuring Instruments
- (13) ID01010 Measuring Instruments Certification
- (14) D101050 Combined Heat and Power
- (15) F105050 Wholesale of Furniture, Bedding Kitchen Utensils and Fixtures
- (16) F205040 Retail Sale of Furniture, Bedding Kitchen Utensils and Fixtures
- (17) E801070 Kitchenware and Sanitary Fixtures Installation Engineering
- (18) F401010 International Trade
- (19) ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

2. Revenue distribution (%)

| Business activities | Operating revenues (in thousands of NTD) | Revenue distribution (%) |
|-------------------------|--|--------------------------|
| Gas sales revenue | 1,537,894 | 80.42 |
| Installation revenue | 199,756 | 10.45 |
| Other operating revenue | 174,794 | 9.13 |
| Total | 1,912,444 | 100.00 |

3. Products and major services

The Company's major services are conducted within the business areas approved by the competent authorities for installation of pipes to supply natural gas as fuel to users, and to provide users natural gas pipeline equipment and emergency shut-off safety equipment design and construction.

4. Plans for new product (services) development: None.

(II) Industry Overview

1. The current status and development of the industry

There are 25 domestic public natural gas businesses providing natural gas as fuel to users through pipelines. The source of gas is supplied by CPC Corporation, Taiwan. In response to insufficient gas sources produced within Taiwan, CPC has since 1990 entered into long term gas procurement contract with overseas importing gas sources from overseas. With urban renewal, development of tourism industry and rising environmental awareness, natural gas has become an important fuel in the daily lives of modern urban city.

2. Correlation among the upstream, midstream and downstream aspects of the industry:

Natural gas is combustible gas produced underground with hydrocarbons as its main composition. All the domestic natural gas are produced by CPC Corporation, Taiwan or transported into Taiwan from overseas. The major import countries are Indonesia, Qatar, Malaysia, Papua New Guinea, Australia and USA. Besides supplying for electricity power and part of the industrial users, it is used for supplying to every public natural gas business. Odorant is added to the gas source purchased from CPC Corporation, Taiwan. After the gas is compressed, it is transported via pipelines to the users within the operating districts for use as fuel.

3. Development trends and state of competition of the product

In response to the restrictions and regulations of the "Kyoto Protocol," "Paris Agreement" and previous global climate change agreements, the government established the "Greenhouse Gas Reduction and Management Act" to establish carbon reduction targets in 2015. In 2023, the "Climate Change Response Act" was adopted to meet global trend and complete the corresponding regulations and guidelines, thereby leading to the launch and construction of the goal of zero greenhouse gas emission in the future. Amidst the carbon reduction trends and energy policies, increasing the use of natural gas is already a future trend,

and it will become more diverse. For example, using natural gas to power electricity, air conditioner and more. There are also active promotions to the hospitals, schools, factories within the operating areas on changing oil fuel to natural gas for the boilers. This can reduce air pollution. Diverse use of natural gas is beneficial to the company for promoting to its users and increase gas sales volume.

Because natural gas business belongs to public business, its gas supply areas need to be approved by competent authorities before beginning the supplying of gas. The operating areas do not overlap with peer companies, thus, there are no situations of competition.

(III) Technology and R&D overview

1. In 1986, the Company established the “Research and Development Committee,” which plans and decides the R&D projects for the coming year at the beginning of each year based on industry characteristics; in 2023, the Committee set the “revolution of revenue collection service and the vision thereof” and the “prevention of occupational accidents in a confined space” as the research topics, which were then followed up by relevant units conducting researches and putting into practices to assist in the Company’s business management.
2. Installation of wireless pressure sensors: Originally, the Company relied on the twenty-four seven autonomous pressure gauges manually installed at the end of pipelines and personnel on patrol to monitor the gas supply pressure. However, to receive real-time data for effective control of pipeline gas supply pressure in its operating areas, since 2022, 24 wireless pressure sensors have been installed at the end of the pipeline network, 9 in 2022 and 15 in 2023, and they have shown positive result in optimizing the timely management of the Company’s pipeline network and enabling stable gas supply quality.
3. Plan to build a real-time engineering task management system: Aiming at strengthening the real-time management of controlled cases, including control of irregular cases, positioning of field staff, summary of repair records, digitalization of paper documents, repair history management of major key facilities, etc. The plan will take place in 2024 with a budget of NT\$5 million aiming at managing repair history of key facilities, strengthening positioning of field staff, accelerating pipeline emergency response and repair and effectively controlling leakage hotspots.
4. Upgrade of remote pressure regulating valve actuators: In 2023, the middle pressure regulating valve actuators at all gas governor stations were upgraded, and the monitoring system can now adjust supply pressure based on the need of pipeline network, and the automatic pressure adjustment function has allowed the stable gas supply quality.

(IV) Business development plans for the long and short term

1. Short term development plan

- (1) The main work is to promote cases and actively pursue complete installation for the new building constructions within the operating areas, and to process branch tubes extension for existing users, and to seek after business users, and potential users, to expand the gas supply scope seeking after household users to apply for natural gas installation, and enhance the safety and maintenance work of existing users.
- (2) In terms of gas supply safety, the company continues to enrich the equipment, upgrade pipelines for anti-rust, maintain technologies, and utilize the gas supply segmentation built within the operation areas. All information on its gas-holder tanks, the automatic monitoring system among the various gas governor stations and constructions, maps and more are incorporated into the computer management, to assure the gas supply safety.
- (3) In response to the government's energy-saving and carbon-reduction policy: Open up the applications for electronic bills service and put the slogan on all notices for continuous promotion, plan the addition and revision of software and improve hardware at the counters and replace paperwork with electronic files aiming at paperless services.

Regarding convenient service: Work with the mobile payment service providers in arrangement with the Company's contracted banks to add the natural gas fee collection service to provide users with diverse and convenient means of bill payment. Make the name change service jointly available when a change or a transfer of land rights is registered with the land offices of New Taipei City and Taipei City. Respond to the Ministry of Finance's policy that requires public utilities to work with electronic payment institutions and convenient stores that collecting service charges on behalf of public utilities to echo the policy to link the electronic payment account with personal smartphone carriers to improve the usage rate of personal smartphone carriers and prevent any miss of information about invoice lottery.

- (4) Complying with the natural gas business laws and regulations and conforming to government policies, actively promotes to users to install microcomputer gas meter. The microcomputer gas meter will be installed for all new users, raising the user gas safety.
- (5) To ensure just calculations for users, the Company is replacing "overdue meters" which has been used for over 10 years based on the annual replacement plan.

2. Long term development plan
 - (1) The Company is committed to the management philosophy “Safety First and Superior Service” replacing old pipelines based on the annual plan to ensure gas supply safety.
 - (2) Review the changes of current environment to grasp the urban development trends and dynamic, to expand new users.
 - (3) Cooperating with the Taipei City and New Taipei City government’s “underground sewerage,” “MRT” and so forth major constructions and local governments’ sewerage system improvements, carry out the moving of pipelines and renewal construction.
 - (4) The Company acts according to the annual patrol inspection plan, continues to conduct inspections and maintenance for the small gas governor stations, cork, water dispenser and so on equipment within the operating areas.
 - (5) Conforming to the environmental protection carbon reduction and air pollution policies, expands promotion to oil fuel boiler vendors to switch to using natural gas, a low polluting environmental-friendly energy source.

II. Market, production and sales overview:

(I) Market analysis

1. Sales and service areas for major products

The major business of the Company is providing natural gas to families, businesses and service sector and so on users to use as fuel. The operation areas are wide-ranging. The existing areas where there are gas supplies are Zhonghe District, Yonghe District, Xindian District, and Shenkeng District in New Taipei City, and Wenshan District in Taipei City. Due to the rapid development of urban cities and towns, people’s quality of life is improving constantly. Natural gas is a modernized fuel which is highly safe, low pollution, and abundance. Therefore, under the government’s energy policy promotion, there are much potential for developments in the Company’s existing operating areas and areas to be developed (Shiding, Pinglin, Wulai).

2. Market share

As of December 2023, the Company’s number of users sharing gas supply is at 369,573 users, ranking 4th in the public natural gas business out of the 25 companies nationwide, which accounts for 10.72% of the natural gas users in Taiwan. The penetration rate in the Company’s operating areas, Zhonghe, Yonghe, Xindian, and Shenkeng in New Taipei City and Wenshan Districts in Taipei City, is at 71.10%% by end of 2023.

3. State of supply demand and growth for the market

The CPC Corporation, Taiwan is the only natural gas supplier in Taiwan. To stabilize supply for the market demand, CPC established long term procurement contract with overseas, and due to international abundance in shale gas and more energy sources of rich reserves and large-scale exploitations, domestic natural gas supply in the future seems to be in no shortage. The new users in the Company's operating areas can grow in moderation each year, future natural gas supply demands for use can be met with steady supply.

4. Competitive niche

According to the "Natural Gas Enterprise Act" regulations, public natural gas business cannot provide gas services extending to outer areas beyond its existing operating areas without permission from central authority. The operating areas of the 25 public natural gas businesses as approved by the central government's Ministry of Economic Affairs do not overlap. Thus, the Company has the advantage of exclusive supply within its approved operating areas.

5. Advantageous and disadvantageous factors in development vision

Advantageous factors:

- (1) The natural gas possesses four major advantages safety, clean, economical, and convenient, which is a necessity for the public. Especially at this moment due to environmental protection policies, it has become an indispensable energy in modern cities. It can also relieve energy insufficiencies and adjust the country's overall energy supply demand, is significantly important.
- (2) The government has imported large volumes of liquid natural gas from Indonesia and other countries since 1990, and encourage the use of natural gas. Businesses actively invests in and constantly expands the transmission pipelines and gas storage equipment. Natural gas has become a major gas fuel of Taiwan's city areas.
- (3) Under the government's environmental protection policy promotion, the hospitals, restaurants, schools or government agencies and users of oil fuel boilers within the operating areas, all plan to switch to natural gas. It will likely increase the Company's sales volumes.
- (4) The Company has set up a complete natural gas supply system within the gas supply areas, maintaining a steady gas supply pressure, and to provide 24 hours emergency inspection and maintenance services, guaranteeing the safety of gas supply.

Disadvantageous factors:

- (1) Investment costs are huge for the gas storage equipment of the public natural gas business. The return period is longer as compared

to other general sectors. Natural gas price adjustments needs to be approved by the competent authority, so it cannot reflect the business management difficulties promptly.

- (2) Legislations regulate the natural gas pipelines installation, the materials for the gas transmission and storage equipment, must all adopt to the national safety standards. Natural gas businesses bear responsibilities in the long term maintenance, after-sales services, educational personnel trainings and so forth, this increases the personnel costs of management burdens.
- (3) Alternative energy and green energy research and development will affect the natural gas growth in sales volume. In recent years, the greenhouse effect leading to rising temperatures and the great use of microwaves and electric stoves reduces the usage volume of household users.

6. Countermeasures:

- (1) Strengthen the expansion work to recruit more users within the gas supply areas where there are ready natural gas pipelines but potential users who have not yet applied for installations or meter use.
- (2) Continue to promote the sales of family use natural gas stove and high efficiency forced exhaust type safe instant gas water heater, to raise the market share.
- (3) Within the gas supply areas, actively visit the village chiefs or participate in the neighborhood residents' activities and community management committees to jointly promote public safety. The company will extend its services into the communities built in the earlier phases, and convert the users from using barreled liquefied petroleum gas (LPG) to using natural gas, enhancing the Company's user penetration rate.

(II) Important use and manufacturing process of major product

1. The natural gas supplied by the Company is bought from CPC Corporation, Taiwan, it is then transmitted through pipelines to the families, businesses and service industries users within the supply operating areas as fuel. Natural gas is safer, more economical and convenient than LPG or heavy oil, and it helps in raising environmental quality. Source of gas is from CPC Corporation, Taiwan, the Company does not engage to receive and manufacturing of natural gas.
2. According to the Natural Gas Enterprise Act on public safety regulations, we continue to introduce natural gas disaster prevention safety equipment, such as procurement of safety intercepting valves, microcomputer gas meter, gas alarm device, and emergency shutoff valves equipment, in guaranteeing safety for the users using natural gas.

(III) Supply situation of main raw resources

Gas source that the Company supplies is from the exclusive supply of CPC Corporation, Taiwan. Apart from the domestically produced natural gas, CPC imports partial natural gas from overseas. Gas source is not in shortage.

(IV) List of customers contributing to at least 10% of the total purchases and sales in the year within the past two years:

1. Major vendors for purchases:

As of current, CPC Corporation, Taiwan is the only supplier for gas source domestically. Differences to the gas purchase volume are due to factors such as economy, user quantity, climate temperature changes, which affect the changes to the purchase amount.

Major suppliers information in the most recent two years

| Items | 2022 | | | | 2023 | | | | 2024 as of Q1 | | | |
|-------|-------------------------|---------------|--|------------------------------|-------------------------|--------------|--|------------------------------|-------------------------|--------------|---|------------------------------|
| | Account | Amount (NTD) | Percentage in annual net procurement (%) | Relationship with the issuer | Account | Amount (NTD) | Percentage in annual net procurement (%) | Relationship with the issuer | Account | Amount (NTD) | Percentage in the year until previous quarter's net procurement (%) | Relationship with the issuer |
| 1 | CPC Corporation, Taiwan | 880,401,122 | 87.16 | None | CPC Corporation, Taiwan | 853,818,261 | 87.35 | None | CPC Corporation, Taiwan | 283,101,809 | 89.72 | None |
| | Others | 129,665,400 | 12.84 | | Others | 123,657,019 | 12.65 | | Others | 32,421,808 | 10.28 | |
| | Purchases Net amount | 1,010,066,522 | 100 | | Net procurement | 977,475,280 | 100 | | Net procurement | 315,523,617 | 100 | |

2. Major sales vendors:

The Company is a public natural gas business, sales clients are family households, businesses and service sectors, and there has been no single user whose use amount accounts for 10% of the net sales.

(V) Production in 2023 and 2022:

Output refers to the natural gas quantity supplied by CPC Corporation, Taiwan, amount is the purchase fees including transmission fees (without tax) for payment to CPC Corporation, Taiwan:

Unit: M³/NTD

| Production Major products | Year | 2022 | | | 2023 | | |
|---------------------------------|------|----------|-------------|-------------|----------|-------------|-------------|
| | | Capacity | Output | Amount | Capacity | Output | Amount |
| Natural gas | | 0 | 113,511,770 | 880,401,122 | 0 | 110,081,412 | 853,818,261 |

(VI) Sales in 2023 and 2022:

Sales refers to the volume for sales of gas, net revenue refers to the amount for sales of gas (without tax):

Unit: M³/NTD

| Year Sales | 2022 | | | | 2023 | | | |
|----------------|-------------|---------------|----------|-------------|-------------|---------------|----------|-------------|
| | Local | | Export | | Local | | Export | |
| Major products | Quantity | Net Revenue | Quantity | Net Revenue | Quantity | Net Revenue | Quantity | Net Revenue |
| Natural gas | 114,195,156 | 1,570,312,368 | 0 | 0 | 110,523,724 | 1,537,893,537 | 0 | 0 |

III. Human resources

(I) As of the most recent two years and as of the annual report publication date, human resources information

| Distinguish | | 2022 | 2023 | The Year 2024 until May 17, 2024 |
|--------------------------|--------------------------|----------------|---------------|----------------------------------|
| Number of Employees | Employees | 151 | 147 | 144 |
| | Contract technicians | 17 | 18 | 14 |
| | Contract staff | 3 | 5 | 3 |
| | Total | 171 | 170 | 161 |
| Average Age | | 46.93 | 46.73 | 45.83 |
| Average Years of Service | | 13 yrs 10 mths | 13 yrs 9 mths | 13 yrs 3 mths |
| Education (%) | Ph.D. | 0.58% | 0.58% | 0.62% |
| | Masters | 8.19% | 8.24% | 9.94% |
| | Bachelor's Degree | 63.75% | 64.12% | 66.46% |
| | Senior High School | 25.73% | 25.88% | 21.74% |
| | Below Senior High School | 1.75% | 1.18% | 1.24% |

(II) Protection measures in work environment and employee personal safety:

1. Provide a safe and healthy work environment:

- (1) The Company purchases the “Laser Remote Gas Leak Detector,” XP720, HXG-3P Combustible Gas Leak Detector, microcomputer readout and Gas Detector 4 in 1. Also, leakage checks, detection, immediate repair machine tools and purchased timely to detect gas leak spots immediately and repair. Onsite staffs can operate at a safe distance for ensuring gas supply safety.
- (2) Each year the Company purchases field clothing (fire-proof), construction safety helmets, safety shoes, reflective vests, and sufficient respiratory protective equipment (RPE), fire-fighting suits, and other safety equipment based on the work descriptions to prevent hazards and disasters at work.
- (3) The pre-construction trainings must be completed before the

construction for safety was begun and alert deployment. The construction site shall be setup based on the traffic and maintenance plan and measures, and add traffic controllers (including electronic flag hand) to assure construction work safety.

- (4) Shin Shin Main Building implements 2 times work environment detection for carbon dioxide and lighting twice a year to maintain workers' health.
 - (5) Under the laws and regulations, the Company assigns 1 officer in charge of the occupational safety and health business and 2 personnel in occupational safety and health management (better than the legal requirement of 1 personnel). Each year, will establish the occupational safety and health management plan and occupational safety and health automatic inspection plan are not according to the law and regulations, and distribute to every office requesting for its execution.
 - (6) Request the contractors to abide to the "Contract" on safety processes regulations. Each year, the occupational safety and health promotion will be conducted 2 times at the contractors meetings. Within the year, the occupational safety and health audit work for the construction sites are conducted frequently at 116 times. This is to monitor the contractors to see if they have been acting based on the regulations.
2. The Company defined its four major labor health protection plans (Workplace Maternal Health Protection Plan, Preventing and Managing Ergonomic Hazards Plan, Preventing and Managing Abnormal Workload-triggered Disorders Plan, Prevention and Management of Unlawful Infringement in the Performance of Duties Plan) based on the Ministry of Labor's four major plans for labor health protection and reference of professional opinions of the on-site health nurses, which are listed it into the automatic inspection plan for execution.
 3. Conduct regular safety and health education for the employees, including:
 - (1) Each year, the Company regularly organizes the "General Emergency Life-Saving Training," and participates in the educational trainings by competent authority such as: "First Responder Training," "General Safety and Health Education and Training," "Occupational Safety and Health Managers On-the-Job Education and Training," "Safety and Health Promotion for Confined Space Operations" and various construction work related educational trainings.
 - (2) Encourage employees to actively apply for examinations for obtaining related technical specialist licenses.

- (3) From October 28, 2009 to December 31, 2023 (14 years 2 months), the Company actively promotes zero hazards, zero incident activities, and non-disaster hours has been accumulated to 5,310,477 hours. The Company has continuously won 10 award certificates “The Non-Disaster Hours Record” from the Occupational Safety and Health Administration, Ministry of Labor. None of the employees were injured nor disabled from 2021 to 2023.

(III) Employee behavior or ethical principles:

1. The Company has established the “Work Rules” to provide the employees a basis and rules to abide to when executing business and workplace ethics; There is the orientation training program for new employees to strengthen their understandings for their work, and for timely appraisal of related functions, summary as below:
 - (1) The Company’s “Work Rules” consists of 14 chapters the “General Principles,” “Service Principles,” “Employee Selection,” “Work Time,” “Salary,” “Rest, Holidays, Leave Application,” “Welfare and Benefits Matters,” “Appraisal, Performance Results, Pay Raise and Promotion,” “Rewards and Punishments,” “Calculation for Years of Service,” “Dismissal and Severance,” “Retirement,” “Employee Compensation for Occupational Accident and Pension,” and “Supplementary Provisions.” The provisions were agreed by the labor union, which were then reviewed and approved by the Board of Directors. Then it was sent for review and had been approved by the Taipei County government (1997) Letter No. Bei-Fu-Lao-Er-Zi-154701 for future reference on May 1, 1997.
 - (2) The Company’s “Employee Code,” “Company Songs” implies the company’s management and service philosophy, which will be read and sang together at the employee monthly meetings, to strengthen employees’ spirit of user service and to shape the company’s corporate culture.
2. Based on the “Regulations for the Prevention and Control of Sexual Harassment in Workplaces of New Taipei City,” the Company established the “Sexual Harassment Prevention Measures and Punishment Rules.” The Personnel Office has been appointed for handling sexual harassment complaint channels, and regulates the menstrual leave, family care leave, paternity leave, parental leave and so on based on the “Act of Gender Equality in Employment.” It is hoped to create a safe and equal work environment.
3. To keep the Company’s and its subsidiaries’ businesses on the right track toward sustainability, it especially adopted the “Regulations for Filing Complaints and Whistleblowing” in protecting employees’ rights and boosting its performance in corporate governance.

IV. Environmental protection expenditure

- (I) In the most recent year and as of the annual report publication date, losses incurred from polluting environment (including compensation) and total amount for penalties: None.
- (II) The Company's pollution prevention measures as below:
1. Natural gas is a clean fuel without colors, smell, and toxicity. The gas source of the natural gas supplied by the Company is provided by the CPC Corporation, Taiwan. After delivery point, the underground pipelines equipment were used to transmit natural gas to the user end for use. Between, there have been no processes for general factory manufacturing, refining, filling, and so on handling. Hence, not resulting in risks of environmental pollution.
 2. To prevent the area gas governor stations from generating loud noises during compressing, sound insulation foams are used to reduce the level of noise, in compliance with the standards of environmental and labor safety and health laws and regulations.
 3. During construction of roads, under the "Urban Road Act" regulations, the waste soil needs to be removed and transported from the construction site. Once the pipeline are buried and installed, the gutter is back filled with CLSM, paved with asphalt, and then cleaned with sprinkle water as the onsite safety and health being supervised.
- (III) Information on greenhouse gases emissions and reduction:

The Company actively responses to the government's energy saving and carbon reduction policy to lower greenhouse gases emissions by gradually replacing and installing energy saving equipment at public buildings. Concrete measures are as below:

1. The central air-conditioner of the Department of Engineering has been changed to an energy saving model. The office building air-conditioning equipment undergo regular maintenance. Complete replacement for the thermostatic switch was performed and the indoor temperature for the open switch is set at 26°C–28°C, and the air-conditioning time has been shortened to save electricity consumption.
2. Every level of the office switches to using high efficiency LED lightings.
3. To implement energy saving and carbon reduction measures, every level of the Company has a dedicated personnel to patrol inspect for unnecessary electricity power, air-conditioning, lighting each day before taking off from work; Before consecutive days of holidays, the Company will increase its announcements to remind on the practices of environmental protection in electricity saving, water saving, fire prevention, and hazards prevention.

(IV) Anticipated future environmental protection expenditure

The natural gas supplied by the Company is a modern fuel that is economical, safe, and clean. The process for its underground pipelines transmission to deliver to the user end does not create environmental pollution; on the pipelines construction, related equipment safety maintenance complies with laws and regulations performed by professional personnel who possess the government approved licenses. Regular educational trainings are conducted. It is anticipated there would not be significant environmental protection expenditures.

V. Labor relations

The company's various employee welfare measures, advanced study, training, retirement systems and the implementation status, the agreements between labor and management, and labor rights protection measures:

(I) Employee welfare measures and major agreements

1. The Company enforces the employees labor insurance, employee insurance, and national health insurance for the employees, and they can enjoy related right to claim the insurance benefit. If the insured incident occurs to the employee, the Company will claim insurance payment procedures on their behalf under the law.
2. The Company has setup the Employee Welfare Committee based on the regulations of the "Employee Welfare Fund Act." The welfare money is allocated with 0.15% of the total operations monthly. Other employee welfare matters are organized. Employees can enjoy wedding and funeral subsidy, birthday cash gifts, educational grants, cultural and recreational activities (self-improvement activities), festival cash gifts, retirement condolences, and so forth welfare measures.
3. In consideration for the health of the employees, employee health checkup is conducted regularly each year, and allowance for advance checkup items is also provided.
4. To enhance employees' health, we organize the health exercises for employees each day at 10:30 and 15:30 (two sessions for a total of 30 minutes).
5. To create a friendly work environment, we support employees in balancing between work and family responsibilities. Based on Article 23 of the "Act of Gender Equality in Employment," the Company has contracted with the YoYo Kindergarten managed by the EASTERN BROADCASTING CO., LTD. for childcare service and has setup the breastfeeding (collection) room.
6. Each year, the Company distributes employee compensation, festival cash gifts and so on rewards. If there are profits for the year, 2.2% is

distributed as employee compensation according to Article 33 of the Company Articles of Incorporation. The Board of Directors will decide if the distribution is in dividends or in cash. The target employees of the payment include subordinate companies who meet certain criteria.

7. Every two years, based on work (internal and external), the Company will distribute two sets of summer and winter uniforms. Uniforms for internal work is from well-known brand, which the material is comfortable and the style is new. Uniforms for external work are designed and manufactured using protective fabric which not only meet the work safety requirements but also greatly increased the company identity image receiving great reviews.
8. To advocate proper leisure activities, stimulate employees health and well-being and to cohere team spirit, the Company adds funds to encourage employees to setup and participate in employee social activities. After much promotions, the company employees are showing active participation. At the moment, there are the choir, basketball, badminton, aerobic, Fitness training club, yoga, and so on clubs established.
9. Tur company has established a corporate trade union for many years. The trade union organizes self-improvement activities for domestic employees every year and the company also sponsor activity funds every year, which adds to the joy of harmonious interaction between labor and management. The trade union has good interaction with the company. So far, it has not requested negotiation of a group agreement, nor has it signed a group agreement.

(II) Employee pension system

1. To secure employees' retirement life, the Company has complied with the "Labor Pension Act," registered with the New Taipei City government for review and obtained approval of the registration on February 16th, 1981. After the approved registration, we have established the "Supervisory Committee of Labor Retirement Reserve." Each month, 2% of the total paid salary is allocated as retirement fund regularly and deposit into a special account with the Bank of Taiwan, in guaranteeing employee rights. As of March 31, 2024, the employee retirement fund has accumulated to NTD 195,914,841; Since July 1, 2005, the new retirement system law in parallel is adopted. The Company will allocate 6% of the labor's total salary into the employee's individual retirement account; for those who voluntarily contributes to the pension, the Company will deduct the amount of the voluntary contribution from the employee's monthly salary and transfer to the individual retirement accounts managed by the Bureau of Labor Insurance.

2. The Company respects the employees career planning, making good use of human resources, and moderately encourages employees to retire. The “Rules Governing Labor Pension Preferential Terms” has been established separately. The preferential terms were approved by the Board of Directors and are undergoing review with the local competent authority (to be reviewed and amended every three years). Apart from distributing profits based on the “Labor Standards Act” and the Company’s “Labor Pension Act,” a one-time extra award of 6 base units will be given by the Company additionally.

(III) Employee educational training

1. The Company encourages employees to participate in the government agency’s examinations to obtain national license required for carrying out the work. After obtaining the license, the application for examination will be paid by the company; Employees are also encouraged for on-the-job further education to obtain relevant degrees for performing of the job, and the company offers scholarships.
2. The Company invites experts and academics for lectures during the employee monthly meetings held once every two months. This can enhance general trainings for “professional, life education and team spirit.”
3. Every department will, based on the needs of the work, outsource the trainings organization work or they can develop and make the arrangements themselves.
4. Organize trainings according to government policy orders.
5. The Company’s 2023 employee further education and educational trainings results are as in the attached table:

| Category | No. | Items | Class | Total number of persons | Total hours (hour) | Total fees (NTD) |
|-------------------------------|----------|---|-------|-------------------------|--------------------|------------------|
| Employee further education | 1 | Class B technician certificate for Gas Fuel Pipeline Piping | 2 | 8 | 160 | 8,000 |
| | Subtotal | | 2 | 8 | 160 | 8,000 |
| Employee educational training | 1 | General training | 16 | 988 | 2,090 | 238,300 |
| | 2 | Professional training (outsourced) | 48 | 87 | 701 | 91,536 |
| | | Professional training (organized by the Company) | 41 | 835 | 858.5 | 100,000 |
| | 3 | Organize trainings according to government policy orders. | 10 | 23 | 112 | 7,654 |
| | Subtotal | | 115 | 1,933 | 3,761.5 | 437,490 |

(IV) Losses arising from labor disputes in the most recent year and as of the annual report publication date: None.

VI. Cyber Security Management

(I) Cyber security management strategy and structure:

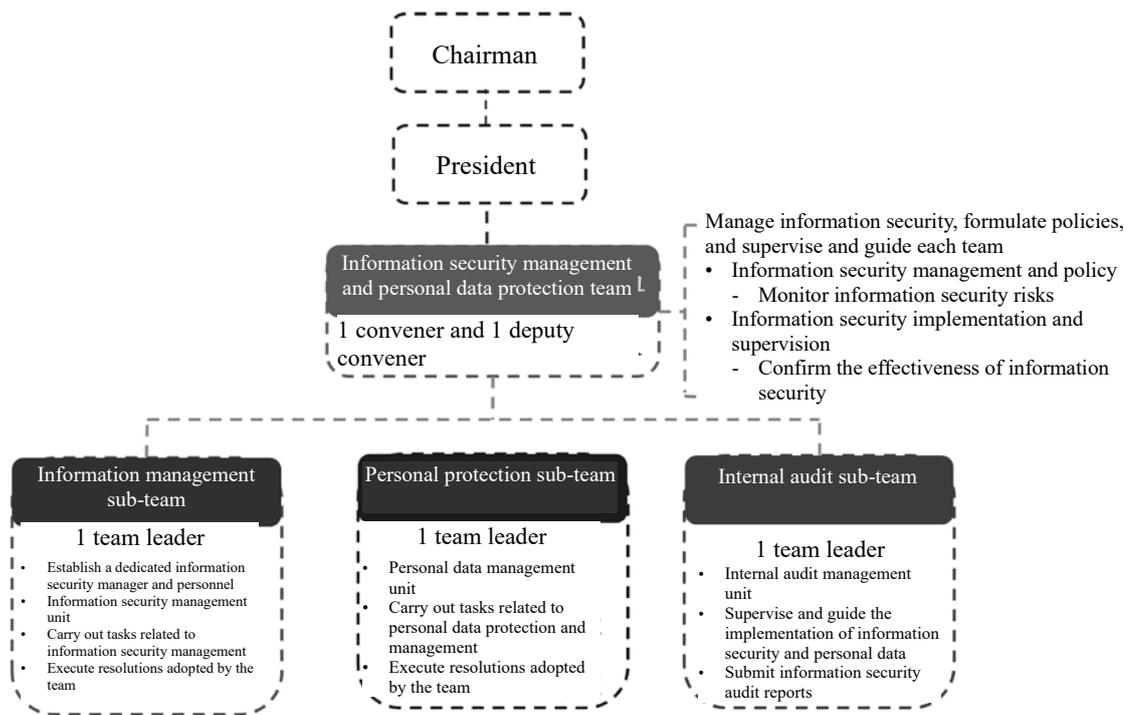
1. Cyber security risk management structure

(1) Corporate information security governance organization

To strengthen the Company's information security management, it has since November 2013 established the "Personal information protection response execution team," and in April 2016 amended its name to "Information security management and personal data protection team". The Vice President acts as the convener, and the convener appoints or invites the group members to be responsible for the planning, execution and control of the information security and personal information protection related work, organizes risk assessment, security classification, system security control measures and monitors information security management matters. In 2023, the dedicated Chief Information Security Officer and dedicated information security personnel were appointed under the "Regulations Governing Establishment of Internal Control Systems by Public Companies."

Under the "Information security management and personal data protection team," the "Information management sub-team," "personal protection sub-team," "Internal audit sub-team" have been created. They are responsible for the company's information security and personal data protection supervision, promotion and audit, building a comprehensive information security defense capability and making sure there is a good level of awareness among the employees.

(2) The Company's information security organization structure



2. Information security policy

(1) Information security management strategy and structure

For effectively implementing information security management, the Company formulates its information security management related four-level documents based on the information security management system (ISMS) ISO/IEC 27001:2013 requirements.

For maintaining the confidentiality, completeness and availability of the Company's information assets and to guarantee the safety of the users' privacy information, every information requires authorization for its obtaining and storage. This is to safeguard its confidentiality and to avoid revisions being made without authorization, retaining its accuracy and completeness.

To keep the system service going without interruptions, the Company has defined the business sustainable operations plan, to ensure the continuous operations of its business services. To prevent information security attack incidents, the protection capability has been enhanced through firewalls, intrusive defense, spam mail filter, and anti-virus software, and conduct regular information security weakness scanning to understand the weakness of the information equipment and to fortify them.

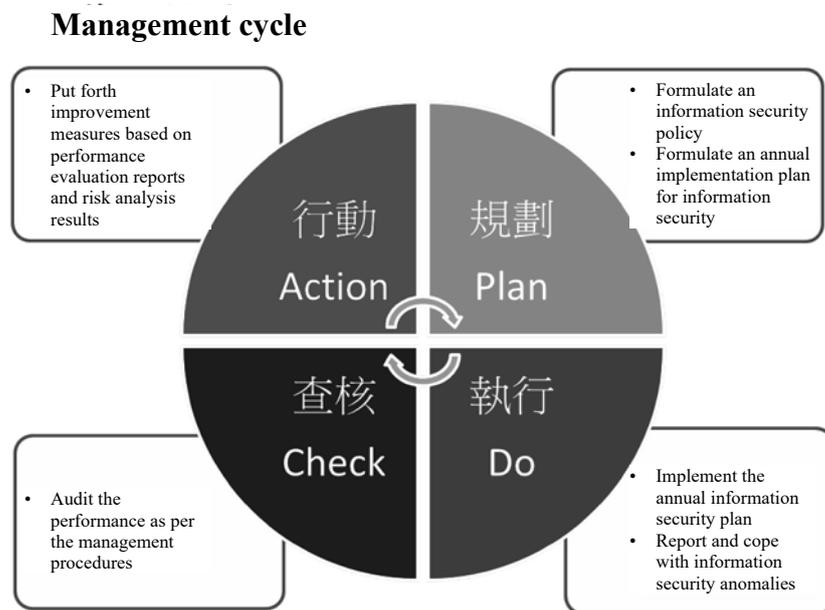
In order to enhance employees' security awareness, the Company continue to conduct information security case promotion through supervisor meetings. In 2023, the Company held security training

for all employees, conducted email social engineering drills and after-class exams, and continued to arrange for colleagues to participate in relevant external information security lectures.

The personal data protection in its collection, handling, use, storage, transmission, and destroy is in under requirements of the “Personal Data Protection Act,” “Enforcement Rules of the Personal Data Protection Act,” and “Regulations Governing Personal Information File Security Maintenance and Administration of the Electricity Enterprise and Natural Gas Industry.”

The convener of the Company’s “Information security management and personal data protection team” convenes the management review meeting at least once a year to review the implementation status of the annual information security plan and the unusual situations of information security. The information security plan for the subsequent year will also be defined based on the risk assessment report to achieve corporate sustainable operations targets.

(2) Information security risk management and continuous framework improvement



(3) Resources invested in information security management

To strengthen the protection capability of the physical information equipment, the Company has continued to renew the protection facilities and server hardware in recent years. The resources invested in 2023 was around NTD 2,250,000:

- ① Information server backup: Using the professional backup

software, continuously back up the primary systems of the Company and properly store the backup.

- ② Backup service for shared hard drives: Provide the access for backing up the important documents on the personal computers of each business unit to reduce the risk of data loss.
- ③ Personal computers renewal: Replace computers that cannot use Windows 10 operating system.
- ④ Replacement of GIS system server: Upgrade the image system executing performance.
- ⑤ Information equipment weaknesses scanning: Conduct system testing for all the personal computers and server in the computer facility room in the company.

(II) Information security risk and countermeasures

The information attacks techniques are changing rapidly. While the Company optimizes the protection benefits with limited resources, there is still no guarantee that the computer systems can stay clear completely from internet attacks by any third parties attempting to paralyze the system. The Company has built a firewall, anti-virus software and many software and hardware equipment, and continues to enhance information security awareness of the employees through trainings and promotions. The Company will build a backup mechanism for major systems. When these internet attacks occur intruding the Company's internal system illegally to cause damages, resulting in the systems failing completely, the recovery time will normally require between a few hours to a few days depending on the level of severity. It will affect the company's automated processes in the short term. One backup option is the use of paperwork. It will affect the short-term operation of the Company. Small impact on the revenue is also unavoidable with the implements of compensation measures to users.

The Company's natural gas supply system adopts encrypted internet connection and adopts physical network partition structure. It is not connected to the external internet. Every system is controlled from inside the company or the storage tank personnel. It cannot be controlled by remote connection. As of evaluation, chances of the information security attacks can be lowered.

(III) Major information security incidents

There weren't have been no occurrences of major incidents in 2023.

VII. Material Contracts

May 17, 2024

| Contract nature | The party | Contract start and end date | Main contents | Restricted terms and conditions |
|-----------------|-------------------------------|-----------------------------|--|---|
| Gas purchase | CPC Corporation, Taiwan | 2023.2.1~ 2026.1.31 | Signed the “Contract for the Purchase of Natural Gas for Public Gas as Fuel Usage” | <ol style="list-style-type: none"> 1. Provide natural gas for the long term within the operating areas of the Company. 2. Shall not transfer the natural gas to users outside of the operating areas. 3. The gas bill shall be cleared before the 14th of the following month, the overdue days are limited to 15 days. 4. The gas price is based on the government announced price. 5. If there is a need for continuation of contract after the contract expires, it is mandatory to notify in writing 6 months before the contract expires. |
| Insurance | Fubon Insurance Co., Ltd. | 2024.1.23~ 2025.1.23 | <ol style="list-style-type: none"> 1. For the explosion, earthquake, typhoons, and floods insurance for the 11 gas governor stations, the insured amount is at NTD 3,000,000 for each of the station. 2. Public liability insurance (bodily injury liability for each person is at NTD 10,000,000, highest compensation amount during the insurance period is up to NTD 200,000,000). 3. Consolation money is applicable for the insurance amount (the highest paying amount for bodily injury for each person is up to NTD 50,000). Highest compensation amount during the insurance period is up to NTD 2,000,000). 4. Employer’s liability insurance (bodily injury liability for each person is at NTD 10,000,000, highest compensation amount during the insurance period is up to NTD 60,000,000). | |
| Insurance | Fubon Insurance Co., Ltd. | 2023.7.31~ 2024.7.31 | <ol style="list-style-type: none"> 1. Purchased commercial fire insurance for Wanfang gas-holder tank, insured at NTD 60,000,000. 2. Purchased commercial fire insurance for Ankeng gas-holder tank, insured at NTD 95,200,000. | |
| Insurance | Shin Kong Insurance Co., Ltd. | 2023.6.4~2024.6.4 | <ol style="list-style-type: none"> 1. Directors’ and managers’ liability insurance amount is NTD 96 million 2. The company’s compensation | |

| Contract nature | The party | Contract start and end date | Main contents | Restricted terms and conditions |
|--|--|---|---|---|
| | | | liability insurance amount is included in the above item 3. The insured amount of the company's securities liability is included in the above item 4. Employment compensation liability insurance of the company coverage of NT\$30 million 5. Investigation and defense expenses coverage insured amount NTD 3 million 6. The insurance amount for pollution defense costs is NTD million. The cumulative compensation amount during the insurance period was NT\$96 million. | |
| Construction for the installation of user natural gas pipeline | 1. Hua Lung Construction 2. Tung Cheng Construction Co., Ltd. 3. I Chiang Construction Co., Ltd. 4. Jung Chien Mechanical Engineering 5. Yung Ta Construction Co., Ltd. 6. EVFA International Co., Ltd. | 1. 2023.10.1~2024.9.30 2. 2024.4.1~2025.3.31 3. 2023.10.1~2024.9.30 4. 2024.4.1~2025.3.31 5. 2023.10.1~2024.9.30 6. 2024.4.1~2025.3.31 | Signed the "Construction for the Installation of User Natural Gas Pipeline" contract | 1. Meets relevant regulations of the "Natural Gas Enterprise Act." 2. Meets the qualification conditions of the "Regulations on Natural Gas Pipeline Construction Contractors." 3. Must subcontract no parts of the construction project. 4. Changes cannot be made without agreement. 5. Warranty for 1 year after the work completion inspection. 6. To fulfill the Company's "Ethic Management" policy, the ethic management terms will be added to all contracts with external parties (new contracts, continuing contracts, or change of contracts) after approval. |
| | EVFA International Co., Ltd. | 2023.10.1~2024.9.30 | Signed the "User Application for Changing Pipes and Replacement Construction" contract | |
| Construction contract | 1. Jing Fung Enterprise Engineering Ltd. 2. Wen Feng Construction Co., Ltd. 3. Tak Chu Engineering Co., Ltd. 4. EVFA International Co., Ltd. | 1. 2023.5.1~2024.4.30 2. 2023.5.1~2024.4.30 3. 2023.5.1~2024.4.30 4. 2024.1.1~2025.12.31 | 1. Signed the "Natural Gas Miscellaneous Branch Pipes Construction" contract 2. Signed the "Emergency Repairs Construction" contract 3. Signed the "Natural Gas Branch Pipes Replacement Construction" contract | 1. Meets relevant regulations of the "Natural Gas Enterprise Act." 2. Meets the qualification conditions of the "Regulations on Natural Gas Pipeline Construction Contractors." 3. Must subcontract no parts of the construction project. 4. Liable for compensation for the delay in construction. 5. Warranty for 1 year after the work completion inspection. 6. To fulfill the Company's "Ethic Management" policy, the ethic management terms will be added to all contracts with external parties (new contracts, continuing |
| | 1. Cundid Enterprise Co., Ltd. 2. Shin Feng International Construction Co., Ltd. | 2024.1.1~2024.12.31 | 1. Signed the "Natural Gas Pipelines Emergency Interruption and Detection System Construction" contract 2. Signed the "Maintenance of the Natural Gas Automatic Intercepting Valve Safety Management System" contract | |

| Contract nature | The party | Contract start and end date | Main contents | Restricted terms and conditions |
|---|---|-----------------------------|---|--|
| | | | | contracts, or change of contracts) after approval. |
| | 1. Hua Lung Construction 2. Tung Cheng Construction Co., Ltd. 3. I Chiang Construction Co., Ltd. 4. Jung Chien Mechanical Engineering 5. Yung Ta Construction Co., Ltd. | 2023.10.1~ 2024.9.30 | Signed the “Sewer Changing Pipes and Replacement Construction” contract | |
| | Great Lighting Technologies Inc. | 2024.1.1~ 2024.12.31 | Ankeng, Wanfang gas-holder tank, gas governor stations computer monitoring equipment maintenance contract | |
| | Taiwan Electromechanical Consultants Co., Ltd. | 2024.1.1~ 2024.12.31 | Ankeng, Wanfang gas-holder tank, electricity and gas equipment maintenance contract | |
| | Hua Ta Construction Co., Ltd. | 2024.1.1~ 2024.12.31 | Manhole and Handhole Repair and Replacement Construction Contract | |
| Materials Contract | EVFA International Co., Ltd. | 2023.12.21~ 2024.12.20 | “NS4S, NS6S type meter” procurement contract | 1. Meets relevant regulations of the “Natural Gas Enterprise Act.” 2. The supplier must be registered with the national government and is a registered vendor possessing the legal license. |
| | Swan Sports Industrial Co., Ltd. | 2023.05.26~ 2024.05.25 | “PVC Coated Pipe” procurement contract | |
| Contract for regular inspections of users | Tripartite Human Resource Co., Ltd. | 2021.1.1~ 2024.12.31 | Signed the “Regular Inspections of User Internal Pipes and Equipment” contract | |
| Renewal work of expired meters contract | EVFA International Co., Ltd. | 2024.1.1~ 2024.12.31 | Signed the “Renewal Work of Expired Meters” contract | Conducted according to “The Weights and Measures Act,” “Regulations Governing Type Approval of Measuring Instruments” |
| Meter reading contract | EVFA International Co., Ltd. | 2024.1.1~ 2024.12.31 | Signed the “Meter Reading Work” contract | |

Six. Financial Information

I. Condensed balance sheet and comprehensive income statement, CPA names and auditor's opinions for the most recent 5 years.

(I) Condensed balance sheet in the most recent five years

1. Standalone condensed balance sheet - adopts the International Financial Reporting Standards (IFRS)

Unit: In thousands of NTD

| Items | Year | Financial information for the most recent 5 years (Note 1) | | | | |
|-------------------------------|---------------------|--|-----------|-----------|-----------|-----------|
| | | 2019 | 2020 | 2021 | 2022 | 2023 |
| Current assets | | 1,935,832 | 1,750,495 | 1,887,519 | 1,738,919 | 2,090,382 |
| Property, plant and equipment | | 2,244,776 | 2,483,279 | 2,561,073 | 2,688,230 | 2,801,953 |
| Intangible assets | | 0 | 0 | 0 | 0 | 0 |
| Other assets | | 889,431 | 969,107 | 905,038 | 919,360 | 870,701 |
| Total assets | | 5,070,039 | 5,202,881 | 5,353,630 | 5,346,509 | 5,763,036 |
| Current liabilities | Before distribution | 1,104,502 | 927,826 | 950,228 | 1,007,935 | 1,183,410 |
| | After distribution | 1,348,228 | 1,216,686 | 1,257,141 | 1,188,473 | Note 2 |
| Non-current liabilities | | 979,746 | 1,201,613 | 1,270,132 | 1,351,834 | 1,413,473 |
| Total liabilities | Before distribution | 2,084,248 | 2,129,439 | 2,220,360 | 2,359,769 | 2,596,883 |
| | After distribution | 2,327,974 | 2,418,299 | 2,527,273 | 2,540,307 | Note 2 |
| Capital stock | | 1,805,375 | 1,805,375 | 1,805,375 | 1,805,375 | 1,805,375 |
| Capital surplus | | 65,307 | 68,720 | 72,764 | 77,062 | 79,589 |
| Retained earnings | Before distribution | 1,161,937 | 1,246,175 | 1,301,959 | 1,151,131 | 1,328,017 |
| | After distribution | 918,211 | 957,315 | 995,046 | 970,593 | Note 2 |
| Other equity | | 0 | 0 | 0 | 0 | 0 |
| Treasury stock | | (46,828) | (46,828) | (46,828) | (46,828) | (46,828) |
| Total equity | Before distribution | 2,985,791 | 3,073,442 | 3,133,270 | 2,986,740 | 3,166,153 |
| | After distribution | 2,742,065 | 2,784,582 | 2,826,357 | 2,806,202 | Note 2 |

Note 1: The 2019-2023 Financial information has been audited or reviewed by CPA.

Note 2: The 2023 earnings distribution proposal has not yet been resolved at the shareholders meeting.

2. Consolidated condensed balance sheet - adopts the International Financial Reporting Standards (IFRS)

Unit: In thousands of NTD

| Items | Year | Financial information for the most recent 5 years (Note 1) | | | | | Financial information for the year, as of March 31, 2024 (Note 1) |
|---|---------------------|--|-----------|-----------|-----------|-----------|---|
| | | 2019 | 2020 | 2021 | 2022 | 2023 | |
| Current assets | | 2,365,507 | 2,360,087 | 2,491,970 | 2,307,009 | 2,755,563 | 2,839,512 |
| Property, plant and equipment | | 2,051,918 | 2,248,016 | 2,333,194 | 2,448,977 | 2,569,750 | 2,575,618 |
| Intangible assets | | 49 | 59 | 27 | 29 | 32 | 15 |
| Other assets | | 621,260 | 592,336 | 509,469 | 571,916 | 424,278 | 424,090 |
| Total assets | | 5,038,734 | 5,200,498 | 5,334,660 | 5,327,931 | 5,749,623 | 5,839,235 |
| Current liabilities | Before distribution | 1,072,636 | 924,759 | 930,618 | 988,751 | 1,169,391 | 1,258,832 |
| | After distribution | 1,316,362 | 1,213,619 | 1,237,531 | 1,169,289 | Note 2 | - |
| Non-current liabilities | | 980,307 | 1,202,297 | 1,270,772 | 1,352,440 | 1,414,079 | 1,505,341 |
| Total liabilities | Before distribution | 2,052,943 | 2,127,056 | 2,201,390 | 2,341,191 | 2,583,470 | 2,764,173 |
| | After distribution | 2,296,669 | 2,415,916 | 2,508,303 | 2,521,729 | Note 2 | - |
| Equity attributable to shareholders of the parent company | | 2,985,791 | 3,073,442 | 3,133,270 | 2,986,740 | 3,166,153 | 3,075,062 |
| Capital stock | | 1,805,375 | 1,805,375 | 1,805,375 | 1,805,375 | 1,805,375 | 1,805,375 |
| Capital surplus | | 65,307 | 68,720 | 72,764 | 77,062 | 79,589 | 79,589 |
| Retained earnings | Before distribution | 1,161,937 | 1,246,175 | 1,301,959 | 1,151,131 | 1,328,017 | 1,236,926 |
| | After distribution | 918,211 | 957,315 | 995,046 | 970,593 | Note 2 | - |
| Other equity | | 0 | 0 | 0 | 0 | 0 | 0 |
| Treasury stock | | (46,828) | (46,828) | (46,828) | (46,828) | (46,828) | (46,828) |
| Non-controlling interest | | 0 | 0 | 0 | 0 | 0 | 0 |
| Total equity | Before distribution | 2,985,791 | 3,073,442 | 3,133,270 | 2,986,740 | 3,166,153 | 3,075,062 |
| | After distribution | 2,742,065 | 2,784,582 | 2,826,357 | 2,806,202 | Note 2 | - |

Note 1: The 2019-2023 Financial information has been audited or reviewed by CPA. The financial information as of March 31, 2024 is being reviewed by CPA.

Note 2: The 2023 earnings distribution proposal has not yet been resolved at the shareholders meeting.

(II) Condensed balance sheet in the most recent five years

1. Standalone condensed statements of comprehensive income - adopts the International Financial Reporting Standards (IFRS)

Unit: In thousands of NTD

| Items \ Year | Financial information for the most recent 5 years (Note 1) | | | | |
|---|--|-----------|-----------|-----------|-----------|
| | 2019 | 2020 | 2021 | 2022 | 2023 |
| Operating revenue | 2,137,491 | 1,963,808 | 1,775,634 | 1,920,803 | 1,912,444 |
| Gross profit | 449,353 | 510,818 | 464,737 | 541,735 | 529,299 |
| Operating income (loss) | 179,021 | 245,446 | 217,334 | 283,817 | 255,692 |
| Non-operating income and expenses (Note 2) | 124,020 | 136,944 | 173,971 | (77,416) | 155,925 |
| Profit before tax | 303,041 | 382,390 | 391,305 | 206,401 | 411,617 |
| Net profit for the period from continuing operations | 261,142 | 326,745 | 342,395 | 143,859 | 355,885 |
| Loss from discontinued operations | 0 | 0 | 0 | 0 | 0 |
| Net income for the period | 261,142 | 326,745 | 342,395 | 143,859 | 355,885 |
| Other Comprehensive Income (Loss) for the Period, Net of Income Tax | 18,182 | 1,219 | 2,249 | 12,226 | 1,539 |
| Total comprehensive income for the period | 279,324 | 327,964 | 344,644 | 156,085 | 357,424 |
| Earnings per share (NTD)(Note 3) | 1.47 | 1.84 | 1.92 | 0.81 | 2.00 |

Note 1: The 2019-2023 Financial information has been audited or reviewed by CPA.

Note 2: For 2019-2023, there have been no situations to capitalize interest.

Note 3: The calculation is based on the weighted average number of outstanding shares during the year, and the retrospective adjustment shall be used if there is an increase in the weighted average number of outstanding shares due to a capital increase out of earnings or capital reserve.

2. Consolidated condensed statements of comprehensive income - adopts the International Financial Reporting Standards (IFRS)

Unit: In thousands of NTD

| Items \ Year | Financial information for the most recent 5 years (Note 1) | | | | | Financial information for the year, as of March 31, 2024 (Note 1) |
|---|--|-----------|-----------|-----------|-----------|---|
| | 2019 | 2020 | 2021 | 2022 | 2023 | |
| Operating revenue | 2,160,628 | 1,986,369 | 1,794,167 | 1,946,310 | 1,932,392 | 673,790 |
| Gross profit | 465,168 | 541,202 | 495,595 | 571,824 | 564,927 | 217,025 |
| Operating income (loss) | 225,479 | 307,245 | 261,447 | 330,262 | 295,893 | 133,308 |
| Non-operating income and expenses (Note 2) | 81,599 | 85,316 | 137,460 | (116,946) | 121,037 | 74,890 |
| Profit before tax | 307,078 | 392,561 | 398,907 | 213,316 | 416,930 | 208,198 |
| Net profit for the period from continuing operations | 261,142 | 326,745 | 342,395 | 143,859 | 355,885 | 179,715 |
| Loss from discontinued operations | 0 | 0 | 0 | 0 | 0 | 0 |
| Net income for the period | 261,142 | 326,745 | 342,395 | 143,859 | 355,885 | 179,715 |
| Other Comprehensive Income (Loss) for the Period, Net of Income Tax | 18,182 | 1,219 | 2,249 | 12,226 | 1,539 | 0 |
| Total comprehensive income for the period | 279,324 | 327,964 | 344,644 | 156,085 | 357,424 | 179,715 |
| Net income attributable to shareholders of the parent | 261,142 | 326,745 | 342,395 | 143,859 | 355,885 | 179,715 |
| Net Income Attributable to Non-controlling Interest | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Comprehensive Income Attributable to Shareholders of the Parent | 279,324 | 327,964 | 344,644 | 156,085 | 357,424 | 179,715 |
| Total Comprehensive Income Attributable to Non-controlling Interest | 0 | 0 | 0 | 0 | 0 | 0 |
| Earnings per share (NTD)(Note 3) | 1.47 | 1.84 | 1.92 | 0.81 | 2.00 | 1.00 |

Note 1: The 2019-2023 Financial information has been audited or reviewed by CPA. The financial information as of March 31, 2024 is being reviewed by CPA.

Note 2: For 2019-2023, there have been no situations to capitalize interest.

Note 3: The calculation is based on the weighted average number of outstanding shares during the year, and the retrospective adjustment shall be used if there is an increase in the weighted average number of outstanding shares due to a capital increase out of earnings or capital reserve.

(III) Auditors' Opinions from 2019 to 2023

| Year | CPA firm | CPA name | Audit opinions: | Reasons of changes |
|------|------------|---------------------------------|----------------------|---|
| 2019 | BDO Taiwan | Jiunn-huei Ko Yu-Fang Chen | Without reservations | |
| 2020 | BDO Taiwan | Jiunn-huei Ko Yu-Fang Chen | Without reservations | |
| 2021 | BDO Taiwan | Li-Yen Wang Chia-Fang Chiang | Without reservations | Cooperate with internal rotation change of the CPA firm |
| 2022 | BDO Taiwan | Li-Yen Wang Chia-Fang Chiang | Without reservations | |
| 2023 | BDO Taiwan | Jiunn-huei Ko Li-Yen Wang | Without reservations | Cooperate with internal rotation change of the CPA firm |

II. Financial analysis for the most recent 5 years

(I) Standalone financial analysis in the most recent five years - adopts the International Financial Reporting Standards (IFRS)

| Items | | Financial analysis for the most recent 5 years (Note 1) | | | | |
|--------------------------------|---|---|---------|---------|--------|---------|
| | | 2019 | 2020 | 2021 | 2022 | 2023 |
| Financial structure (%) | Debts Ratio (%) | 41.11 | 40.92 | 41.47 | 44.13 | 45.06 |
| | Long-term Fund to Property, Plant and Equipment (%) | 176.66 | 172.15 | 171.93 | 161.39 | 163.44 |
| Liquidity Analysis (%) | Current Ratio | 175.27 | 188.66 | 198.63 | 172.52 | 176.64 |
| | Quick Ratio | 170.90 | 184.82 | 194.81 | 168.11 | 173.71 |
| | Times Interest Earned (Times) (Note2) | 2682.78 | 3642.81 | 4659.39 | 776.94 | 2178.87 |
| Operating Performance Analysis | Average Collection Turnover (Times) | 8.28 | 8.80 | 9.26 | 9.45 | 8.95 |
| | Days Sales Outstanding | 44.08 | 41.47 | 39.41 | 38.62 | 40.78 |
| | Average Inventory Turnover (Times) | 44.44 | 41.39 | 44.09 | 40.88 | 42.48 |
| | Average Payment Turnover (Times) | 7.77 | 8.04 | 8.14 | 7.82 | 7.72 |
| | Average Inventory Turnover Days | 8.21 | 8.81 | 8.27 | 8.92 | 8.59 |
| | Property, Plant and Equipment Turnover (Times) | 1.01 | 0.83 | 0.70 | 0.73 | 0.69 |
| | Total Assets Turnover (Times) | 0.43 | 0.38 | 0.33 | 0.35 | 0.34 |
| Profitability Analysis | Return on Total Assets (%) (Note 2) | 5.31 | 6.36 | 6.48 | 2.69 | 6.40 |
| | Return on Equity (%) (Note 2) | 8.86 | 10.78 | 11.03 | 4.70 | 11.56 |
| | Income Before Tax to Paid-in Capital Ratio (%) (Note 2) | 16.79 | 21.18 | 21.67 | 11.43 | 22.79 |
| | Net Margin (%) (Note 2) | 12.22 | 16.63 | 19.28 | 7.48 | 18.60 |
| | Earnings per share (NTD)(Note 2) | 1.47 | 1.84 | 1.92 | 0.81 | 2.00 |
| Cash Flow (%) | Cash Flow Ratio (%) | 41.40 | 71.53 | 63.90 | 56.97 | 51.28 |
| | Cash Flow Adequacy Ratio (%) | 102.19 | 98.49 | 101.29 | 87.60 | 85.21 |
| | Cash Flow Reinvestment Ratio (%) (Note 2) | 3.36 | 5.29 | 3.85 | 3.19 | 4.82 |
| Leverage | Operating Leverage | 2.88 | 2.46 | 2.75 | 2.38 | 2.61 |
| | Financial Leverage | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |

Note 1: The 2019-2023 Financial information has been audited or reviewed by CPA.

Note 2: Reasons for the deviation: (please provide analysis if over 20%)

- (1) The increase in times Interest earned was mainly due to the profits for current period is better than last year.
- (2) Returns on total assets and equity increased mainly due to an increased net profit in the period from the last year.
- (3) Income before tax to paid-in capital ratio increased mainly due to the outstanding non-operating income in the period leading to the increased net income.
- (4) Net margin increased mainly due to the outstanding non-operating income in the period.
- (5) Earnings per share increased mainly because the profit in the period outperformed that in the previous year.
- (6) Cash flow reinvestment ratio increased mainly due to the excellent performance in profitability resulting in an increased net cash inflow from operating activities.

(II) Consolidated financial analysis in the most recent five years - adopts the International Financial Reporting Standards (IFRS)

| Items | Year | Financial analysis for the most recent 5 years (note 1) | | | | | For the year, as of March 31, 2024 (Note 1) |
|--------------------------------|---|--|---------|---------|--------|---------|---|
| | | 2019 | 2020 | 2021 | 2022 | 2023 | |
| Financial structure (%) | Debts Ratio (%) | 40.74 | 40.90 | 41.26 | 43.94 | 44.93 | 47.33 |
| | Long-term Fund to Property, Plant and Equipment (%) | 193.29 | 190.20 | 188.75 | 177.18 | 178.23 | 177.83 |
| Liquidity Analysis (%) | Current Ratio | 220.53 | 255.21 | 267.77 | 233.32 | 235.64 | 225.56 |
| | Quick Ratio | 215.33 | 249.64 | 263.43 | 277.68 | 231.44 | 223.20 |
| | Times Interest Earned (Times) (Note2) | 2718.50 | 3739.67 | 4749.89 | 802.93 | 2206.97 | 7436.64 |
| Operating Performance Analysis | Average Collection Turnover (Times) | 8.51 | 9.08 | 9.57 | 9.78 | 9.25 | 11.97 |
| | Days Sales Outstanding | 42.89 | 40.19 | 38.14 | 37.32 | 39.45 | 30.49 |
| | Average Inventory Turnover (Times) | 37.21 | 30.89 | 32.69 | 34.56 | 31.25 | 51.55 |
| | Average Payment Turnover (Times) | 9.85 | 9.88 | 9.66 | 9.52 | 9.31 | 13.51 |
| | Average Inventory Turnover Days | 9.81 | 11.81 | 11.16 | 10.56 | 11.68 | 7.08 |
| | Property, Plant and Equipment Turnover (Times) | 1.11 | 0.92 | 0.78 | 0.81 | 0.77 | 1.04 |
| | Total Assets Turnover (Times) | 0.44 | 0.38 | 0.34 | 0.36 | 0.34 | 0.46 |
| Profitability Analysis | Return on Total Assets (%) (Note 2) | 5.34 | 6.38 | 6.50 | 2.70 | 6.42 | 3.10 |
| | Return on Equity (%) (Note 2) | 8.86 | 10.78 | 11.03 | 4.70 | 11.56 | 5.75 |
| | Income Before Tax to Paid-in Capital Ratio (%) (Note 2) | 17.01 | 21.74 | 22.09 | 11.81 | 23.09 | 11.53 |
| | Net Margin (%) (Note 2) | 12.09 | 16.44 | 19.08 | 7.39 | 18.41 | 26.67 |
| | Earnings per share (NTD)(Note 2) | 1.47 | 1.84 | 1.92 | 0.81 | 2.00 | 1.00 |
| Cash Flow (%) | Cash Flow Ratio (Note 2) | 34.14 | 70.25 | 54.16 | 67.42 | 42.66 | 5.22 |
| | Cash Flow Adequacy Ratio (%) | 104.34 | 103.02 | 103.03 | 91.39 | 84.60 | 92.17 |
| | Cash Flow Reinvestment Ratio | 2.23 | 5.32 | 2.75 | 4.53 | 3.79 | 0.77 |
| Leverage | Operating Leverage | 2.46 | 2.11 | 2.40 | 2.13 | 2.36 | 1.87 |
| | Financial Leverage | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |

Note 1: The 2019-2023 Financial information has been audited or reviewed by CPA. The financial information of the first quarter in 2024 is being reviewed by CPA.

Note 2: Reasons for the deviation: (please provide analysis if over 20%)

- (1) The increase in times Interest earned was mainly due to the profits for current period is better than last year.
- (2) Returns on total assets and equity increased mainly due to an increased net profit in the period from the last year.
- (3) Income before tax to paid-in capital ratio increased mainly due to the outstanding non-operating income in the period leading to the increased net income.
- (4) Net margin increased mainly due to the outstanding non-operating income in the period.
- (5) Earnings per share increased mainly because the profit in the period outperformed that in the previous year.
- (6) Cash flow ratio decreased mainly due to the Company's increased investment in financial assets and long-term time deposits as the investment market recovered in the period, leading to a slight decrease in cash inflow from operating activities.

Explanations on the calculation formulas for the financial analysis:

Financial structure

Debt Ratio = Total Liabilities / Total Assets

Long-term Fund to Property, Plant and Equipment Ratio = (Shareholders' Equity + Noncurrent Liabilities) / Net Property, Plant and Equipment

Liquidity Analysis

Current Ratio = Current Assets / Current Liabilities

Quick Ratio = (Current Assets - Inventories - Prepaid Expenses) / Current Liabilities

Times Interest Earned = Earnings before Interest and Taxes / Interest Expenses

Operating Performance Analysis

Average Collection Turnover = Net Sales / Average Trade Receivables (including Accounts Receivable and Notes Receivable originated from operation)

Days Sales Outstanding = 365 / Average Collection Turnover

Average Inventory Turnover = Cost of Sales / Average Inventory

Average Payment Turnover = Cost of Sales / Average Trade Payables (including Accounts Payable and Notes Payable originated from operation)

Average Inventory Turnover Days = 365 / Average Inventory Turnover

Property, Plant and Equipment Turnover = Net Sales / Average Net Property, Plant and Equipment

Total Assets Turnover = Net Sales / Average Total Assets

Profitability Analysis

Return on Total Assets = (Net Income + Interest Expenses * (1 - Effective Tax Rate)) / Average Total Assets

Return on Equity = Net Income / Average Equity

Income before tax to Paid-in Capital Ratio = Pre-tax Profit / Paid-in Capital

Net Margin = Net Income / Net Sales

Earnings Per Share = (Net Income Attributable to Shareholders of the Parent - Preferred Stock Dividend) / Weighted Average Number of Shares Outstanding

Cash Flow

Cash Flow Ratio = Net Cash Provided by Operating Activities / Current Liabilities

Cash Flow Adequacy Ratio = Five-year Sum of Cash from Operations / Five-year Sum of Capital Expenditures, Inventory Additions, and Cash Dividend

Cash Flow Reinvestment Ratio = (Cash Provided by Operating Activities - Cash Dividends) / (Gross Property, Plant and Equipment + Long-term Investments + Other Noncurrent Assets + Working Capital)

Leverage

Operating Leverage = (Net Sales - Variable Cost) / Income from Operations

Financial Leverage = Income from Operations / (Income from Operations - Interest Expenses)

Note 1: The calculation formula for the above earnings per share, one shall pay special attention to the listed matters below when measuring:

1. Based on weighted average number of common shares, and not based on the number of issued shares at the end of the year.
2. Those with cash capital increase or treasury shares transactions, shall consider its circulation period to calculate the weighted average number of shares.
3. Those with capitalization of retained earnings or increased capital from capital surplus, when calculating the earnings per share for the past years and half a year, shall make retroactive adjustments based on the proportion for capital increase. It is unnecessary to consider the issuance period of the capital increase.
4. If preferred shares are cumulative preferred shares that are not transferrable, the dividends for the year (even if it has been distributed) shall be deducted from the net income, or increase the net loss after tax. If the preferred shares are of non-cumulative nature, when there is net income, preferred shares dividends shall be deducted from the net income; if

there are losses, then it is unnecessary for the adjustments.

Note 2: When measuring cash flow analysis, shall pay special attention to these matters:

1. Net cash flow of business activities refers to the net cash inflow from business activities in the statements of cash flow.
2. Capital expenditures refers to the cash outflow of the capital investment each year.
3. Inventory additions are calculated only when the end of year balance is larger than balance at beginning of the period. If the inventory is lesser at the end of the year, it is then calculated by using zero.
4. Cash dividend includes cash dividend of common shares and special shares.
5. Gross property, plant and equipment refers to the total of property, plant and equipment before deduction of accumulating depreciation.

Note 3: Issuer shall differentiate every business cost and expenses based on its nature as fixed and variable. If it involves estimation or subjective judgements, shall note its reasonableness and maintain consistency.

Note 4: If the stock of a company has no par value or a par value other than NTD 10, the calculation of percentage to paid-in capital, shall change to using the equity percentage attributable to shareholders of the parent in the balance sheet for calculation.

III. Audit report on the most recent year's financial statements by the Audit Committee

Audit Committee's Review Report

The Board of Directors prepared the Company's 2023 business report, financial statements, and surplus distribution table, among which the financial statements have been audited by Jiunn-huei Ko and Li-Yen Wang, CPAs at BDO Taiwan, by whom an audit report has been issued.

We have reviewed the above business report, financial statements, and surplus distribution table identifying no inconsistencies, so we have issued a report as above under Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act. Please review it.

Shin Shin Natural Gas Co., Ltd.

Audit Committee Convener: Ching-Kuo Lee

March 12, 2024

IV. Standalone Financial Statements for the Year Ended December 31, 2023 and 2022, and Independent Auditors' Report:

Please refer to Attachment 1 for details

V. Consolidated Financial Statements for the Year Ended December 31, 2023 and 2022, and Independent Auditors' Report:

Please refer to Attachment 2 for details

VI. Financial difficulties the Company or its affiliates have experienced in the most recent fiscal year or during the current fiscal year up to publication of the annual report: None.

Seven. Review of Financial Conditions, Financial Performance, and Risk Management

I. Financial Status

Unit: In thousands of NTD

| Distinguish | December 31, 2023 | December 31, 2022 | Differences | | Explanation |
|---|----------------------|----------------------|-------------|---------|-------------|
| | | | Amount | % | |
| Current assets | 2,755,563 | 2,307,009 | 448,554 | 19.44% | 1 |
| Non-current assets | 2,994,060 | 3,020,922 | (26,862) | (0.89%) | |
| Total assets | 5,749,623 | 5,327,931 | 421,692 | 7.91% | |
| Current liabilities | 1,169,391 | 988,751 | 180,640 | 18.27% | 2 |
| Non-current liabilities | 1,414,079 | 1,352,440 | 61,639 | 4.56% | |
| Total liabilities | 2,583,470 | 2,341,191 | 242,279 | 10.35% | 2 |
| Capital stock | 1,805,375 | 1,805,375 | 0 | 0.00% | |
| Capital surplus | 79,589 | 77,062 | 2,527 | 3.28% | |
| Retained earnings | 1,328,017 | 1,151,131 | 176,886 | 15.37% | 3 |
| Other equity | 0 | 0 | 0 | 0.00% | |
| Treasury stock | (46,828) | (46,828) | 0 | 0.00% | |
| Equity attributable to shareholders of the parent company | 3,166,153 | 2,986,740 | 179,413 | 6.01% | |
| Total equity | 3,166,153 | 2,986,740 | 179,413 | 6.01% | |

Main reasons and impacts for any material change in assets, liabilities and equity (an increased or decreased change ratio for over 10% before and after the period and the amount reaches NTD 10,000,000), and future countermeasures.

Explanations:

1. Current assets increased mainly due to the outstanding performance in the period leading to an increase in investments in securities and long-term time deposits.
2. Current liabilities and total liabilities increased mainly due to the increase in the number of new commercial users and family users from the previous year, which resulted in the increase in contract liabilities.
3. Retain earnings increased mainly due to the outstanding performance in profit in the period.
4. Future countermeasures: Not applicable.

II. Financial Performance

- (I) Main reasons for any material change in operating revenues, operating income, or income before tax during the past two years.

Unit: In thousands of NTD

| Items | 2023 | 2022 | Increasing or decreasing amount | Change Ratio | Analysis |
|---|-------------|-------------|---------------------------------|--------------|----------|
| Net operating revenue | \$1,932,392 | \$1,946,310 | (13,918) | (0.72%) | |
| Operating costs | (1,367,465) | (1,374,486) | (7,021) | (0.51%) | |
| Operating gross profit (loss) | 564,927 | 571,824 | (6,897) | (1.21%) | |
| Operating expenses | (269,034) | (241,562) | 27,472 | 11.37% | |
| Income from Operations (net loss) | 295,893 | 330,262 | (34,369) | (10.41%) | |
| Total of non-operating income and expenses | 121,037 | (116,946) | 237,983 | 203.50% | 1 |
| Profit before tax | 416,930 | 213,316 | 203,614 | 95.45% | 2 |
| Income tax (expense)/benefit | (61,045) | (69,457) | (8,412) | (12.11%) | |
| Net income for the period from continuing operations (net loss) | 355,885 | 143,859 | 212,026 | 147.38% | 2 |
| Net profit (net loss) for the period | 355,885 | 143,859 | 212,026 | 147.38% | 2 |
| Other comprehensive income (net) | 1,539 | 12,226 | (10,687) | (87.41%) | 3 |
| Total comprehensive income for the period | \$357,424 | \$156,085 | 201,339 | 128.99% | 2 |

Regarding change that happened before and after the period for over 20% and the amount reaches more than NTD 10,000,000, the analysis as below:

1. Non-operating income and expenses increased mainly due to the Company's duly investment following the recovery of the global financial market resulting in a higher gain on financial assets.
2. Profit before tax, net profit for the period and total comprehensive income for the period increased mainly due to the stable operating income with adequate non-operating income from investments resulting in excellent profitability.
3. Other comprehensive income (net) decreased mainly due to the decrease in re-measurement of defined benefit plan.

- (II) Sales volume forecast for the coming year and the basis therefore

Unit: m³

| Year | Estimated sales volume | Basis for the estimation | Main reason for the declined sales |
|------|------------------------|--|---|
| 2024 | 112,420,745 | The projection referenced the actual average gas volume usage between September 2022 to August 2023. | The global warming leads to a decrease in the average annual volume used per household. |

III. Cash Flow

- (I) Liquidity analysis (for an increasing or decreasing rate of over 20%, its explanation of change) for the most recent two years.

| Distinguish | 2023 | 2022 | Increase or decrease in ratio |
|----------------------------------|-------|-------|-------------------------------|
| Cash Flow Ratio (%) | 42.66 | 67.42 | (36.73%) |
| Cash Flow Adequacy Ratio (%) | 84.60 | 91.39 | (7.43%) |
| Cash Flow Reinvestment Ratio (%) | 3.79 | 4.53 | (16.34%) |

Cash flow ratio decreased mainly due to the Company's increased investment in financial assets and long-term time deposits in response to the recovery of the investment market in the period, leading to a slight decrease in cash inflow from operating activities.

- (II) Analysis of Cash Liquidity for the next year

Unit: In thousands of NTD

| Cash, Beginning of Period(1) | Projected Net Cash Flow from the Year's Operation(2) | Projected Cash Outflow for the Entire Year(3) | Projected Cash Balance(1)+(2) -(3) | Contingency Plans for Projected Insufficient Cash Position | |
|------------------------------|--|---|---------------------------------------|--|---|
| 411,489 | 602,234 | 534,992 | 478,731 | — | — |

1. Analysis of Cash Flow for Current Year

(1) Operating activities: The net cash flow from the year's operation of NTD 602,234 thousand was mainly due to inflow of cash of the parent company's earnings and advance sales receipts.

(2) Investing activities: Mainly due to the increase in capital expenditure for gas transmission equipment and gas-sale equipment.

(3) Financing activities: No significant changes.

2. Contingency Plans for Projected Insufficient Cash Position: None.

IV. Effects of Major Capital Expenditures During the Most Recent Fiscal Year on Financial and Business

(I) Major Capital Expenditures - Its Use and Source of Capital

Unit: In thousands of NTD

| Plan | Actual or Planned Source of Capital | Actual or Planned Date of Completion | The Required Funds Amount |
|---|-------------------------------------|--------------------------------------|---------------------------|
| Shuanhe District project, the replacement of low-pressure cast-iron pipe by PE pipes network establishment. | Cash flow generated from operations | 2024 | 116,000 |
| Installing new branch pipes and pipes above ground | Cash flow generated from operations | 2024 | 46,610 |
| Replacing and installing newly purchased gas meters | Cash flow generated from operations | 2024 | 100,250 |

(II) Expected Benefits

1. The main reason for the Shuanhe District project to construct PE pipes network establishment for the replacement of low-pressure cast-iron pipes, is for maintaining the safety and increasing the quality in the supply of gas. It can also reduce damages from gas leakages and pipelines repair and maintenance fees.
2. The reason for new installations of branch pipes and pipes above ground is due to the increasing new users and for the promotion plans into existing old communities with outdated facility. Investments were made previously into these communities to build new branch pipeline network due to the promotional benefits they will bring. These new pipelines will elevate the gas supply safety in these old communities which will raise the residents willingness for installation. The operations promotion goals would then be achievable with enhanced safety of gas supply.
3. The changing of gas meters is based on the regulation requirements of the Bureau of Energy, Ministry of Economic Affairs to replace gas meters of over 10 years, and to promote and expand the use of microcomputer gas meters, thus, the purchase.

V. The Major Causes for Profits or Losses Incurred by Investments During the Most Recent Year, Rectifications and Investment Plans for the Next Year:

- (I) The Company did not invest in any other entity in 2023. The idle funds are used for short-term purpose and mainly invested in conservative financial products such as bank time deposits, monetary funds, financial debentures and blue-chip stocks. The non-operating income for 2023 consisted of the interest income of NT\$26.43 million, the rental income of NT\$4.17 million,

the gain on valuation of financial assets of NT\$17.34 million and the net investment income or loss on subsidiaries accounted for using equity method of NT\$104.44 million, and there was no non-operating loss.

- (II) The Company has no investment plan for 2024. The idle fund will still be used for short-term purposes and in conservative financial products such as time deposits, money market funds, bank debentures and blue chip stocks.

VI. Analysis and Evaluation of Risk Management

Organization structure of the Company's risk management:

For an effective risk control and management, the risk management organization system is designed to consist of the five departments and three offices. Each of them is responsible for the step-by-step execution of the annual operations plan and important work control as approved by the Board of Directors. Major decision-making for risk assessments with an impact on the company's operations and development would be proposed to the Board of Directors for resolution. The Company's Board members exercise the due care of a good administrator in carrying out their duties based on laws and regulations and the company's Articles of Incorporation to maintain the rights of the company and shareholders. The explanation for various functions as below:

1. Managing the company's operations risks and assuring public safety first is the basis of the Company's "sustainable management," The President upholds the policies of the Board of Directors in its general management of the company's businesses. The two Vice Presidents supports the President in handling various businesses, responsible for the formulating of annual important work plan and risk management, and supervising the implementation of improvement plans.

2. Audit Office

The audit office is responsible for carrying out audits objectively and independently based on the annual audit plan, which listed the work control and restrictions for the annual operations plan of various departments. This would ensure the risk management system to run effectively.

3. Risk management of various departments

The managers are responsible for the risk control of their departments in functions relating to identifying, assessing, handling, monitoring and control of the business risks. Related information would have to be communicated to the members of his/her department building risk consensus and the improvement results would have to be reported to higher level authorities.

4. All employees

All employees would have to comply with the company policies to

implement the annual important work control matters, and to report to their direct managers on foreseeable material risks. By preventing risks well ahead guarantees protection for lives and properties.

- (I) In the most recent year and as of the annual report publication date, the impact of interest rate, exchange rate changes, and inflation on the company's profit and loss and future response measures:

The Company is a regional public natural gas business. Its operations are growing steadily and the impacts from interest rate, exchange rate changes and inflation factors have been small.

- (II) In the most recent year and as of the annual report publication date, policies on high-risk and highly leveraged investments, loaning of funds, endorsements/guarantees, and trading of derivatives; the main causes of any profit or loss incurred and future response measures:

The Company has not engaged in high-risk and highly leveraged investments, loaning of funds, endorsements/guarantees, and trading of derivatives. Should the need arise the matters will be processed under the Company's "Regulations for Acquisition or Disposal of Assets," "Regulations Governing Loaning of Funds," and "Endorsement/guarantee review procedure,"

- (III) In the most recent year and as of the annual report publication date, future research and development plans, and the projected expenses: None.

- (IV) In the most recent year and as of the annual report publication date, influence of major policies and legal changes at home or abroad on finance, operations, and countermeasures:

The newly issued, amended and revised standards and interpretations of International Financial Reporting Standards (IFRS) endorsed by the FSC for the year ended December 31, 2023 are listed below.

1. Amendment to IAS 1 "Disclosure of Accounting Policies" were issued on January 1, 2023.
2. Amendment to IAS 8 "Definition of Accounting Estimates" were issued on January 1, 2023.
3. Amendment to IAS 12 "Deferred Income Taxes on Assets and Liabilities Arising from a Single Transaction" were issued on January 1, 2023.
4. Amendment to IAS 12 "International Tax Reform - Pillar Two Model Rules" were issued on May 23, 2023.

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

(V) In the most recent year and as of the annual report publication date, influence of changes in technology (including cyber security risks) and the industry on finance, operations, and countermeasures:

(VI) In the most recent year and as of the annual report publication date, the impact of corporate image change on corporate crisis management and countermeasures:

The Company is committed to professional and ethical management principles, and values its corporate image and risk control management. At this moment, there have been no foreseeable crisis matters.

(VII) In the most recent year and as of the annual report publication date, expected benefits and potential risks of mergers and acquisitions, and countermeasures: None.

(VIII) In the most recent year and as of the annual report publication date, expected benefits and potential risks of factory expansion and countermeasures:

The Company has built a comprehensive gas supply pipe network and facilities within the jurisdiction of its operating areas. There are no plans for large funds expansion in recent period.

(IX) In the most recent year and as of the annual report publication date, potential risks of procurement or sales centralization and acquisitions, and countermeasures:

1. The CPC Corporation, Taiwan is the sole operator for natural gas industry now. As natural gas is the upstream sector to the electricity and gas public utility businesses, it has a huge impact to the overall national economy and livelihoods. The government imposes strict control on the company's gas source supply and price stability.
2. The Company is a public natural gas business, sales clients are family households, businesses and service sectors, and there has been no single user whose use amount accounts for over 10% of the net sales.

(X) In the most recent year and as of the annual report publication date, influence and potential risks of the massive transaction or conversion of shares by directors, supervisors, or dominant shareholders holding over 10% of the stake of the Company and countermeasures: None.

(XI) In the most recent year and as of the annual report publication date, influence and risks of management change and countermeasures:

(XII) The Company's management team consists of mainly professional managers. There are various regulations established internally according to the laws and regulations to abide with. Even in the event of management change, there would not be material impacts and risks.

(XIII) In the most recent year and as of the annual report publication date,

major litigation, non-litigation, or administrative disputes of the company and the directors, supervisors, President, substantive persons in charge, major shareholders with over 10% shareholdings, and subsidiaries that are closed or in pending with a result possibly influential to the shareholders' equity or the securities prices: None.

(XIV) Other material risks and countermeasures:

1. Information security risk assessment and analysis:

There are around 360,000 natural gas user customers within the operating areas of Shin Shin Natural Gas Co. LTD.. Any incidents of information security or personal information leaks will damage customers' rights and the company may be subject to judgement and penalties affecting its image.

2. Information security countermeasures:

The Company has set up an Information Security and Personal Information Protection Working Group, adopted the international standards ISO 27001 and related information security laws and regulations. According to the information security policy, in cooperation with the internal control system and four level documentation regulations, the Company will annually conduct information security risk identification and assessment, regular or random audits on information security and personal information, and convene the Working Group's audit meetings. In 2023, the Company held security training for all employees, conducted email social engineering drills and after-class tests, continuously updated network firewall equipment, strengthened external network defense capabilities, arranged for colleagues to participate in relevant external information security lectures, and implemented information security protection and Protect personal information and reduce the company's information security risks.

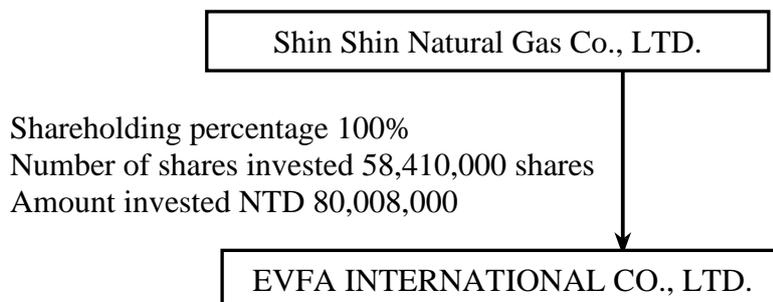
VII. Other Important Matters: None.

Eight. Special Notes

I. Subsidiaries

Consolidated bushiness report of affiliates

(I) Affiliates organization chart



(II) Basic Information of Affiliated Companies

Unit: In thousands of NTD

| Company name | Date of establishment | Address | Paid-in capital | Main business or production item |
|------------------------------|-----------------------|---|-----------------|--|
| EVFA INTERNATIONAL CO., LTD. | 1995.10.20 | 6F, No. 100, Section 1, Yonghe Road, Yonghe District, New Taipei City | 584,100 | 1. CR01010 Gas Apparatus and Parts Manufacturing 2. E502010 Fuel Catheter Installation Engineering 3. F113030 Wholesale of Precision Instruments 4. F213040 Retail Sale of Precision Instruments 5. IZ99990 Other Industrial and Commercial Services 6. IG01010 Biotechnology Services 7. F102170 Wholesale of Foods and Groceries 8. F102040 Wholesale of Nonalcoholic Beverages 9. F203010 Retail Sale of Food, Grocery and Beverage 10. F401181 Measuring Instruments Import 11. F113070 Wholesale of Telecommunication Apparatus 12. F213060 Retail Sale of Telecommunication Apparatus 13. F401021 Restrained Telecom Radio Frequency Equipments and Materials Import 14. All business activities that are not prohibited or restricted by law, except those that are subject to special approval. |

(III) Shareholders in Common of the Company and Its Subsidiaries with Deemed Control and Subordination: None.

(IV) The coverage of the business scope by all affiliates: As shown in the basic profile table.

(V) Profiles of directors, supervisors, and presidents of affiliates

Unit: Shares %

| Company name | Title | Name or representative | Shareholding | |
|------------------------------|------------------------|---|------------------|-------------------------|
| | | | Number of shares | Shareholding percentage |
| EVFA INTERNATIONAL CO., LTD. | Chairman | Shin Shin Natural Gas Co., Ltd. Representative: Ho-Chia Chen | 58,410,000 | 100 |
| | Director and President | Shin Shin Natural Gas Co., Ltd. Representative: Kun-chung Huang | (58,410,000) | (100) |
| | Director | Shin Shin Natural Gas Co., Ltd. Representative: Ko-Tseng Li | (58,410,000) | (100) |
| | Supervisor | Shin Shin Natural Gas Co., Ltd. Representative: Rung-Fu Hsieh | (58,410,000) | (100) |

(VI) Operational Highlights of Subsidiaries

Unit: In thousands of NTD

| Company name | Capital stock | Assets | Total liabilities | Net Worth | Operating revenue | Income from operation | Net profit (loss) (net of tax) | Basic earnings (loss) per share (NT\$)(net of tax) |
|------------------------------|---------------|---------|-------------------|-----------|-------------------|-----------------------|--------------------------------|--|
| EVFA INTERNATIONAL CO., LTD. | 584,100 | 861,099 | 34,347 | 826,752 | 284,745 | 31,165 | 96,522 | 1.65 |

Time of information: 2023.12.31

(VII) Affiliate's Consolidated Financial Statements:

Declaration

The entities to be included in the consolidated financial statements of affiliated enterprises in 2023 (from January 1, 2023 to December 31, 2023) under 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 under the IAS No. 10. Further, the related information to be disclosed in the consolidated financial statement of affiliated enterprises has been disclosed in the consolidated financial statements of parent company and subsidiaries. It is unnecessary 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: Ho-Chia Chen



March 12, 2024

(VIII) Affiliate's Report: Not applicable.

II. Private placement of marketable securities for the most recent year and as of publication date of the annual report: None.

III. Holding or disposal of shares in the Company by the Company's subsidiaries for the most recent year and as of publication date of the annual report:

Unit: In thousands of NTD; Shares; %

| Name of subsidiary | Paid-in capital | Source of capital | The Company's shareholding percentage | Date of acquisition or disposal | Obtained shares and amount | Shares and amount for disposal | Investment profit and loss | Number of shares held and amount as of the date of annual report publication | State of pledge creation | Endorsements/guarantees by the Company to the subsidiary | Loan amount by the Company to the subsidiary |
|------------------------------|-----------------|-------------------------------------|---------------------------------------|--|----------------------------|--------------------------------|----------------------------|---|--------------------------|--|--|
| EVFA INTERNATIONAL CO., LTD. | 584,100 | Cash flow generated from operations | 100 | In the most recent year and as of the annual report publication date, there have been no situations of subsidiaries acquiring or disposal of the Company's shares. | - | - | - | As of the publication date of this annual report, the number of the Company's shares held by its subsidiaries is 2,527,863, amounting to NTS\$46,828,269. | - | - | - |

IV. Other Necessary Supplement: None.

V. As of the recent year until the annual report publication date, any matter which has had a significant impact on shareholders rights or the price for the securities referred to in Article 36, paragraph 3, subparagraph 2 of the Securities and Exchange Act: None.

Stock Code: 9918

Shin Shin Natural Gas Co., LTD.

Parent Company Only Financial Statements

(Including Independent Auditor's Report)
2023 and 2022

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.

Independent Auditor's Report

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

Audit opinions:

We have audited the standalone balance sheets of Shin Shin Natural Gas Co., LTD. as of December 31, 2023 and 2022, and the related standalone statements of comprehensive income, standalone statements of changes in equity, standalone statements of cash flows, and notes to the standalone financial statements (including significant accounting policies) for the years then ended.

The standalone financial statements referred to above present fairly, materially, the financial position of Shin Shin Natural Gas Co., LTD. as of December 31, 2023 and 2022, and its standalone financial performance and cash flows for the years then ended, in conformity with Regulations Governing the Preparation of Financial Statements by Securities Issuers and the Regulations on Accounting Handling for Public Natural Gas Enterprises.

Basis for opinions

We 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 standalone financial statements. We are independent of Shin Shin Natural Gas Co., LTD. Under the Code of Professional Ethics for Certified Public Accountants, and we have fulfilled our other ethical responsibilities under the Code. We believe that the audit evidence we have obtained is sufficient to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the 2023 standalone financial statements of Shin Shin Natural Gas Co., LTD. These matters were addressed in the content of our audit of the standalone financial statements, and in forming our opinion thereon, and we do not provide separate opinions on those matters.

Key audit matters of the 2023 standalone financial statements of Shin Shin Natural Gas Co., LTD. were:

Key audit matter - Reasonableness and appropriateness of sales revenue recognition

Description of the matter

Please refer to Note 4(24) to the standalone 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.

Responsibilities of Management and those in Charge with Governance of the Standalone Financial Statements

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

In preparing the standalone financial statements, the management is also responsible for assessing the ability of Shin Shin Natural Gas Co., LTD. 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. 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 standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone 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 misstatement of the standalone 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 events or conditions that may cast significant doubt on Shin Shin Natural Gas Co., LTD. to continue as a going concern. If we conclude that a material uncertainty exists, we must draw attention in our auditor's report to the related disclosures in the standalone 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. to cease as a going concern.

5. Evaluate the overall presentation, structure, and content of the standalone statements, including related notes, whether the standalone statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and audit evidence regarding the financial information or the entities or business activities of Shin Shin Natural Gas Co., LTD. to express an opinion on the standalone 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 standalone financial statements of Shin Shin Natural Gas Co., LTD. 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.
Parent Company Only 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 | | | | | | | Current liabilities | | | | | | |
| 1100 | Cash and cash equivalents | 4, 6(1) | \$ | 4 | \$ | 6 | 2130 | Current contract liabilities | 6(14) | \$ | 15 | \$ | 12 |
| | | | 209,529 | | 322,282 | | | | | 760,000 | | 567,579 | |
| 1110 | Current financial assets at fair value through profit or loss | 4, 6(2) | 500,190 | 9 | 375,820 | 7 | 2150 | Notes payable | 4, 6(15) | 20,218 | - | 26,327 | - |
| 1136 | Current financial assets at amortised cost | 4, 6(3) | 1,137,957 | 20 | 766,401 | 15 | 2160 | Notes payable - related parties | 4, 6(15), 7 | 22,335 | - | 22,237 | - |
| 1150 | Notes receivable, net | 4, 6(4) | 66 | - | 23,520 | - | 2170 | Accounts payable | 4, 6(15) | 116,520 | 2 | 112,730 | 2 |
| 1170 | Accounts receivable, net | 4, 6(4) | 190,340 | 3 | 189,570 | 4 | 2180 | Accounts payable - related parties | 4, 6(15), 7 | 15,038 | - | 22,825 | - |
| 1180 | Accounts receivable - related parties, net | 4, 6(4), 7 | 5,387 | - | 4,484 | - | 2200 | Other payables | 4, 6(16) | 208,691 | 4 | 198,981 | 4 |
| 1200 | Other receivables | 6(5) | 10,461 | - | 9,714 | - | 2220 | Other payables - related parties | 7 | 4,344 | - | 4,940 | - |
| 130x | Inventories | 4, 6(6) | 27,875 | - | 37,235 | 1 | 2230 | Current income tax liabilities | 4 | 24,002 | - | 38,000 | 1 |
| 1410 | Pre-payments | | 6,711 | - | 7,176 | - | 2250 | Current provisions | 4, 6(17) | 1,889 | - | 1,908 | - |
| 1470 | Other current assets | | 1,866 | - | 2,717 | - | 2280 | Current lease liabilities | 4 | 1,921 | - | 4,451 | - |
| 11xx | Total current assets | | 2,090,382 | 36 | 1,738,919 | 33 | 2300 | Other current liabilities | | 8,452 | - | 7,957 | - |
| | | | | | | | 21xx | Total current liabilities | | 1,183,410 | 21 | 1,007,935 | 19 |
| Non-current assets | | | | | | | Non-current liabilities | | | | | | |
| 1535 | Non-Current financial assets at amortised cost | 4, 6(3) | - | - | 70,000 | 1 | | Deferred income tax liabilities | 4, 6(31) | 65,257 | 1 | 65,278 | 1 |
| 1550 | Investments accounted for using the equity method | 4, 6(7) | 508,690 | 9 | 401,721 | 8 | 2570 | Non-current lease liabilities | 4 | 3,673 | - | 5,070 | - |
| 1600 | Property, plant and equipment | 4, 6(8) | 2,801,953 | 49 | 2,688,230 | 50 | 2580 | Other non-current liabilities | 6(18) | 1,344,543 | 23 | 1,281,486 | 24 |
| 1755 | Right-of-use assets. | 4, 6(9) | 7,391 | - | 11,106 | - | 2600 | Total non-current liabilities | | 1,413,473 | 24 | 1,351,834 | 25 |
| 1760 | Investment property, net | 4, 6(11) | 47,529 | 1 | 47,754 | 1 | 25xx | Total liabilities | | 2,596,883 | 45 | 2,359,769 | 44 |
| 1840 | Deferred income tax assets | 4, 6(31) | 7,483 | - | 5,694 | - | | | | | | | |
| 1900 | Other non-current assets | 4, 6(12) | 299,608 | 5 | 383,085 | 7 | 2xxx | | | | | | |
| 15xx | Total non-current assets | | 3,672,654 | 64 | 3,607,590 | 67 | | | | | | | |
| | | | | | | | Equity | | | | | | |
| | | | | | | | 3100 | Capital stock | 4, 6(19) | | | | |
| | | | | | | | 3110 | Capital - common stock | | 1,805,375 | 32 | 1,805,375 | 34 |
| | | | | | | | 3200 | Capital surplus | 6(20) | 79,589 | 1 | 77,062 | 1 |
| | | | | | | | 3300 | Retained earnings | 6(21) | | | | |
| | | | | | | | 3310 | Legal reserve | | 766,432 | 14 | 750,824 | 14 |
| | | | | | | | 3320 | Special reserve | | 142,872 | 2 | 142,872 | 3 |
| | | | | | | | 3350 | Undistributed earnings (or losses to be made up for) | | 418,713 | 7 | 257,435 | 5 |
| | | | | | | | 3500 | Treasury shares | 4, 6(22) | (46,828) | (1) | (46,828) | (1) |
| | | | | | | | 3xxx | Total equity | | 3,166,153 | 55 | 2,986,740 | 56 |
| 1xxx | Total assets | | \$ | 100 | \$ | 100 | | Total liabilities and equity | | \$ | 100 | \$ | 100 |
| | | | 5,763,036 | | 5,346,509 | | | | | 5,763,036 | | 5,346,509 | |

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

Chairperson

Managerial Officer

Accounting Officer

Shin Shin Natural Gas Co., LTD.
Parent Company Only Statements of Comprehensive Income
January 1 to December 31, 2023 and 2022

Unit: In thousands of NTD

| Code | Item | Note | 2023 | | 2022 | |
|------|--|----------|--------------|-----|--------------|-----|
| | | | Amount | % | Amount | % |
| 4000 | Operating revenue | 4, 6(23) | \$ 1,912,444 | 100 | \$ 1,920,803 | 100 |
| 5000 | Operating costs | 6(24) | 1,383,145 | 72 | 1,379,068 | 72 |
| 5900 | Gross profit (loss) from operations | | 529,299 | 28 | 541,735 | 28 |
| | Operating expenses | | | | | |
| 6100 | Selling expenses | | 112,321 | 6 | 112,192 | 6 |
| 6200 | Administrative expenses | | 160,857 | 8 | 145,949 | 7 |
| 6450 | Expected credit impairment loss (gain) | | 429 | - | (223) | - |
| 6000 | Total operating expenses | | 273,607 | 14 | 257,918 | 13 |
| 6900 | Operating profit (loss) | | 255,692 | 14 | 283,817 | 15 |
| | Non-operating income and expenses | | | | | |
| 7100 | Interest income | 6(26) | 26,437 | 1 | 19,955 | 1 |
| 7010 | Other income | 6(27) | 11,988 | 1 | 13,932 | 1 |
| 7020 | Other gain and loss | 6(28) | 17,771 | 1 | (56,914) | (3) |
| 7050 | Finance costs, net | 6(29) | (189) | - | (266) | - |
| 7055 | Expected credit impairment loss (gain) | 6(30) | (4,523) | - | - | - |
| 7070 | Share of profits and losses of subsidiaries, affiliates and joint ventures accounted for using the equity method | 4, 6(7) | 104,441 | 5 | (54,123) | (3) |
| 7000 | Total of non-operating income and expenses | | 155,925 | 8 | (77,416) | (4) |
| 7900 | Net profit (net loss) before tax | | 411,617 | 22 | 206,401 | 11 |
| 7950 | Income tax expense (or benefit) | 4, 6(31) | 55,732 | 3 | 62,542 | 3 |
| 8200 | Net profit (net loss) for the period | | 355,885 | 19 | 143,859 | 8 |
| | Other comprehensive income | | | | | |
| 8311 | Re-measurement of defined benefit plan | 4, 6(13) | 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 | 19 | \$ 156,085 | 9 |
| | 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 Parent Company Only Financial Statements)

Chairperson

Managerial Officer

Accounting Officer

Shin Shin Natural Gas Co., LTD.
Parent Company Only Statements of Changes in Equity
January 1 to December 31, 2023 and 2022

Unit: In thousands of NTD

| | | | Retained earnings | | Undistributed earnings (or losses to be made up for) | Treasury shares | Total equity |
|---|------------------------|-----------------|-------------------|-----------------|---|-----------------|--------------|
| | Capital - common stock | Capital surplus | Legal reserve | Special reserve | | | |
| Balance as of January 1, 2022 | \$ 1,805,375 | \$ 72,764 | \$ 716,359 | \$ 142,872 | \$ 442,728 | \$ (46,828) | \$ 3,133,270 |
| Appropriation and distribution of earnings: | | | | | | | |
| Provision of legal reserve | - | - | 34,465 | - | (34,465) | - | - |
| Cash dividends on common stock | - | - | - | - | (306,913) | - | (306,913) |
| Net profit for the period from January 1 to December 31, 2022 | - | - | - | - | 143,859 | - | 143,859 |
| Other comprehensive income for the period from January 1 to December 31, 2022 | - | - | - | - | 12,226 | - | 12,226 |
| Total comprehensive income for the period | - | - | - | - | 156,085 | - | 156,085 |
| Capital surplus adjusted for dividends paid to subsidiaries | - | 4,298 | - | - | - | - | 4,298 |
| Balance as of December 31, 2022 | \$ 1,805,375 | \$ 77,062 | \$ 750,824 | \$ 142,872 | \$ 257,435 | \$ (46,828) | \$ 2,986,740 |
| Balance as of January 1, 2023 | \$ 1,805,375 | \$ 77,062 | \$ 750,824 | \$ 142,872 | \$ 257,435 | \$ (46,828) | \$ 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) |
| Net profit for the period from January 1 to December 31, 2023 | - | - | - | - | 355,885 | - | 355,885 |
| Other comprehensive income for the period from January 1 to December 31, 2023 | - | - | - | - | 1,539 | - | 1,539 |
| Total comprehensive income for the period | - | - | - | - | 357,424 | - | 357,424 |
| Capital surplus adjusted for dividends paid to subsidiaries | - | 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 |

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

Chairperson

Managerial Officer

Accounting Officer

Shin Shin Natural Gas Co., LTD.
Parent Company Only Statements of Cash Flows
January 1 to December 31, 2023 and 2022

Unit: In thousands of NTD

| | 2023 | 2022 |
|--|-------------|------------|
| Cash flows from operating activities | | |
| Net profit before tax from continuing operations | \$ 411,617 | \$ 206,401 |
| Adjustment items | | |
| Income and expense items | | |
| Depreciation expenses | 291,887 | 281,263 |
| 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 | (15,717) | 46,739 |
| Interest expense | 189 | 266 |
| Interest income | (26,437) | (19,955) |
| Dividend income | (5,824) | (7,711) |
| Share of losses (profits) of subsidiaries, affiliates and joint ventures accounted for using the equity method | (104,441) | 54,123 |
| Gain on disposal and scrapping of property, plant and equipment | (1,043) | (939) |
| Transfer of property, plant and equipment to expense | 637 | 1,740 |
| Changes in assets/liabilities related to operating activities | | |
| Increase in financial assets mandatorily measured at fair value through profit or loss | (108,653) | (38,572) |
| Decrease (increase) in notes receivable | 23,454 | (23,443) |
| Increase in accounts receivable | (1,199) | (18,638) |
| Increase in accounts receivable - related parties | (903) | (367) |
| Increase in other receivables | (3,247) | - |
| Increase in inventories | (68,339) | (73,448) |
| Decrease (increase) in pre-paid expenses | 119 | (7) |
| Decrease (increase) in pre-payments | 345 | (1,116) |
| Decrease (increase) in other current assets | 852 | (1,243) |
| Decrease (increase) in net defined benefit assets | 1,187 | (2,913) |
| Increase in contract liabilities | 192,421 | 29,166 |
| Increase (decrease) in notes payable | (6,109) | 8,015 |
| Increase in notes payable - related parties | 98 | 2,573 |
| Increase (decrease) in accounts payable | 3,790 | (2,641) |
| Increase (decrease) in accounts payable - related parties | (7,787) | 7,675 |
| Increase (decrease) in other payables | 9,710 | (6,851) |
| Increase (decrease) in other payables - related parties | (596) | 333 |
| Increase (decrease) in provision for liabilities | (19) | 78 |
| Increase in long-term deferred revenue | 57,595 | 81,083 |
| Increase in other current liabilities | 267 | 875 |
| Decrease in net defined benefit liabilities | - | (2,645) |
| Cash inflows (outflows) from operations | 648,806 | 519,618 |
| Interest received | 24,492 | 17,234 |
| Dividends received | 5,747 | 7,835 |
| Interest paid | (189) | (266) |
| Income tax refunded (paid) | (71,926) | (46,482) |
| Net cash inflows (outflows) from operating activities | 606,930 | 497,939 |
| Cash flows from investing activities | | |
| Acquisition of financial assets measured at amortized cost | (1,327,519) | (980,945) |
| Disposal of financial assets measured at amortized cost | 1,025,963 | 1,057,312 |
| Acquisition of property, plant and equipment | (321,267) | (338,892) |
| Disposal of property, plant and equipment | 1,156 | 1,455 |
| Increase in refundable deposits | (8) | - |
| Decrease in refundable deposits | 8 | 19 |
| Increase in other financial assets | - | (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 | (540,059) | (306,735) |
| Cash flows from financing activities | | |
| Increase in deposits received | 11,550 | 8,572 |
| Decrease in deposits received | (5,861) | (7,134) |
| Payments of lease liabilities | (4,775) | (4,432) |
| Distribution of cash dividends | (180,538) | (306,913) |
| Net cash inflows (outflows) from financing activities | (179,624) | (309,907) |
| Increase (decrease) in cash and cash equivalents for the period | (112,753) | (118,703) |
| Cash and cash equivalents at the beginning of the period | 322,282 | 440,985 |
| Cash and cash equivalents at the end of the period | \$ 209,529 | \$ 322,282 |

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

Chairperson

Managerial Officer

Accounting Officer

Shin Shin Natural Gas Co., LTD.
Notes to the Parent Company Only Financial Statements
2023 and 2022

(All amounts are in NTD unless otherwise stated in the notes)

I. Company History

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

II. Date and Procedure for Approval of Financial Statements

The Parent Company Only financial statements were approved and issued by the Board of Directors on March 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 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 | International Accounting Standards Board (IASB) Effective date of issuance |
|--|---|
| 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 Company has evaluated that the amendments to the above standards and interpretations will not have a material impact on the financial position and financial performance.

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

| Newly issued/amended/revised standards and interpretations | Effective date of issuance by the International Accounting Standards Board (IASB) |
|---|---|
| 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 Company is in the process of evaluating the effect of each amendment in the applicable period.

IV. Summary of Significant Accounting Policies

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

(I) Statement of Compliance

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

(II) Basis of Preparation

1. The Parent Company Only financial statements have been prepared on the historical cost basis, except for the following significant items.
 - (1) Financial assets 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 Company uses the equity method to account for its investment in subsidiaries in the preparation of its Parent Company Only financial statements. In order to make the current profit or loss, other comprehensive income and equity in the Parent Company Only financial statements the same as the current profit or loss, other comprehensive income and equity attributable to the shareholders of the Company in the consolidated financial statements, certain accounting differences between the Parent Company Only basis and the consolidated basis are adjusted for "investments accounted for using the equity method", "share of profit or loss of subsidiaries, affiliates and joint ventures accounted for using the equity method", "share of other comprehensive income of subsidiaries, affiliates and joint ventures accounted for using the equity method" and related equity items.
3. The preparation of financial statements in conformity with the Regulations Governing the Preparation of Financial Reports requires the use of certain significant accounting estimates and the application of management judgment in the process of applying the Company's accounting policies. For items involving a higher degree of judgment or complexity, or items involving significant assumptions and estimates in the financial statements, please refer to Note 5 for details.

(III) Foreign currencies

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

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

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

(V) Cash and cash equivalents

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

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

1. Financial assets not measured at amortized cost or at fair value through other comprehensive income
2. Financial assets measured at fair value through profit or loss that qualify as regular way purchases or sales are accounted for using trade date accounting.
3. On initial recognition, the related transaction costs are recognized at fair value through profit or loss, and on subsequent recognition, the gain or loss is recognized at fair value through

profit or loss.

4. Dividends income is recognized in profit or loss when the right to receive dividends is established, it is probable that the economic benefits associated with the dividends will flow in and the amount of the dividends can be measured reliably.

(VII) Financial assets measured at amortized cost

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

(VIII) Accounts and notes receivable

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

(IX) Impairment of financial assets

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

(X) De-recognition of financial assets

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

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

(XI) Offset of financial assets and liabilities

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

(XII) Inventories

Inventories are 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.

(XIII) Investments accounted for using the equity method

Investment in subsidiaries

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

(XIV) Property, plant and equipment

1. Recognition and Measurement

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

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

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

2. Subsequent Costs

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

3. Depreciation expense

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

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

| Item | Useful life |
|---|-------------|
| Housing equipment | 5~55 |
| Gas transmission equipment | |
| High-pressure gas transmission pipeline | 12~30 |
| 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 |
| Miscellaneous equipment | |
| Office desks and chairs | 6 |
| Computer | 4~6 |
| Air conditioning | 9 |

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

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

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

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

exercise such option; and

- (5) penalties payable for lease termination if the lease period reflects that the lessee will exercise the option to terminate the lease;

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

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

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

(XVI) Investment property

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

(XVII) Impairment of financial assets

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

(XVIII) Accounts and notes payable

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

(XIX) Provision for liabilities

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

(XX) Employee benefits

1. Short-term employee benefits

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

2. Pension

(1) Defined contribution plan

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

(2) Defined benefit plan

① A defined benefit plan is a pension plan that is not a defined contribution plan. A defined benefit plan generally determines the amount of retirement benefits an employee receives upon retirement, usually based on one or more factors, such as age, years of service, and remuneration. The net obligation under a defined benefit plan is calculated by discounting the amount of future benefits earned by employees for current or past service and subtracting the fair value of plan assets from the present value of the defined benefit obligation as of the end of the reporting period. The net defined benefit obligation is calculated annually by the actuary using the projected unit benefit method, and the discount rate is determined by reference to market yields on high quality corporate bonds with currencies and periods consistent with the defined benefit plan at the end of the reporting period; in countries where there is no deep market for these bonds, the market yield rate of government bonds (at the end of the reporting period) is used.

② The re-measurements arising from defined benefit plans are recognized in other comprehensive income in the period in which they occur and are reclassified to retained earnings in the period in which they are recognized in other comprehensive income, with no reclassification to profit or loss in subsequent periods.

③ Costs related to service costs for prior periods are recognized immediately in profit or loss.

3. Termination benefits

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

4. Profit sharing remuneration for employees and for directors

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

(XXI) Income taxes

1. Income tax expense consists of current and deferred income taxes. Income taxes are recognized in profit or loss, except for those related to items included in other comprehensive

income or directly in equity, which are included in other comprehensive income or directly in equity, respectively.

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

(XXII) Capital stock

1. Common stock

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

2. Treasury stock

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

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

(XXIII) Distribution of dividends

Dividends distributed to the Company's stockholders are recognized in the financial statements when the Company's stockholders (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 Company has an unconditional right to the contract price from that point onward and only requires time to collect the consideration from customers.
2. Revenue from inner tube installation and other services

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

3. Outer tube and demolition compensation income

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

4. Dividends income and interest income

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

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

5. Rental income

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

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

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

(I) Significant judgments in the adoption of accounting policies

1. Investment property

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

2. Determination of the lease period

The Company considers all relevant facts and circumstances that would create an economic incentive to exercise or not to exercise the option, including all anticipated changes in facts and circumstances from the commencement date of the lease to the date of exercise of the option, in determining the lease period of the leased asset. The main factors to be considered include the contractual terms and conditions of the period covered by the option

and the importance of the subject asset to the lessee's operations. The lease period is reassessed when significant events or changes in circumstances within the Company's control occur.

(II) Significant accounting estimates and assumptions

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

1. Estimated impairment of receivables

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

2. Provision for depreciation

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

3. Fair value of financial instruments

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

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

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

5. Realizability of deferred income tax assets

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

6. Measurement of inventories

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

7. Calculation of Net Defined Benefit Assets or Liabilities

To calculate the present value of the defined benefit obligations, the Company must use judgment and estimates to determine the relevant actuarial assumptions as of the end of the

reporting period, including discount rates and future salary growth rates. Any changes in actuarial assumptions could materially affect the amount of 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 | \$304,387 | \$475,383 |
| Bank deposits | 164,225,081 | 206,803,120 |
| Time deposits | - | 40,000,000 |
| Cash equivalents - bills | 45,000,000 | 75,003,684 |
| Total | <u>\$209,529,468</u> | <u>\$322,282,187</u> |

- The credit quality of the Company's corresponding financial institutions is good, and the Company's transactions with various financial institutions are used to diversify the credit risk, and the possibility of default is expected to be low.**
- 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 | | |
| Shares of TWSE/TPEX listed companies | \$173,996,610 | \$153,700,154 |
| Beneficiary certificates | 182,000,000 | 80,000,000 |
| Beneficiary securities | 33,178,712 | 35,589,584 |
| Bond | 104,496,480 | 114,131,270 |
| Bill | 9,734,198 | 11,331,980 |
| Sub-total | <u>503,406,000</u> | <u>394,752,988</u> |
| Adjustment to the valuation of financial assets mandatorily measured at fair value through profit or loss | (3,215,960) | (18,933,394) |
| Total | <u>\$500,190,040</u> | <u>\$375,819,594</u> |

- 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 \$17,345,469 and \$(59,785,069) for 2023 and 2022, respectively.**
- 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 | \$1,067,956,393 | \$766,400,844 |

| | | |
|-------------------|------------------------|----------------------|
| Financial bonds | 70,000,000 | - |
| Total | <u>\$1,137,956,393</u> | <u>\$766,400,844</u> |
| Non-current item: | | |
| Financial bonds | <u>\$-</u> | <u>\$70,000,000</u> |

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

| | | |
|-----------------|---------------------|---------------------|
| | 2023 | 2022 |
| Interest income | <u>\$20,253,997</u> | <u>\$13,067,897</u> |

2. Without considering the collaterals held or other credit enhancements, the Company held financial assets measured at amortized cost with the largest credit risk exposure of \$1,137,956,393 and \$836,400,844 at December 31, 2023 and 2022, respectively.
3. Please refer to Note 12(2) for related credit risk information.

(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 (including related parties) | 202,935,449 | 200,806,230 |
| Less: Allowance for losses | (7,208,735) | (6,752,740) |
| Net amount | <u>\$195,792,714</u> | <u>\$217,573,697</u> |

1. The account aging analysis is as follows:

| | <u>December 31, 2023</u> | <u>December 31, 2022</u> |
|----------------------------|--------------------------|--------------------------|
| Not overdue | \$194,793,368 | \$216,585,769 |
| 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>\$195,792,714</u> | <u>\$217,573,697</u> |

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

2. Without considering the collaterals held or other credit enhancements, the Company's notes receivable with the highest credit risk exposure were \$66,000 and \$23,520,207 as of December 31, 2023 and 2022 respectively; the Company's accounts receivable with the highest credit risk exposure were \$195,726,714 and \$194,053,490 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 | \$11,659,995 | \$9,714,527 |
| Dividends receivable | 77,000 | - |
| Others | 3,247,122 | - |
| Less: Allowance for losses | <u>(4,522,713)</u> | <u>-</u> |
| Total | <u>\$10,461,404</u> | <u>\$9,714,527</u> |

As described in Notes 6(28) 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 | 10,072,627 | 9,185,572 |
| Natural gas inventory | 1,185,278 | 1,227,515 |
| Total | <u>\$27,875,319</u> | <u>\$37,235,270</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:

2023

2022

| | | |
|---|------------------------|------------------------|
| Cost of inventories sold and installation costs | <u>\$1,383,145,179</u> | <u>\$1,379,067,779</u> |
|---|------------------------|------------------------|

(VII) Investments accounted for using the equity method

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

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

December 31, 2023

| <u>Investee name</u> | <u>Amount</u> | <u>Shareholdings percentage</u> | <u>Dividends received</u> |
|---|----------------------|---------------------------------|---------------------------|
| <u>Subsidiary</u> EVFA INTERNATIONAL CO., LTD. | <u>\$508,689,911</u> | 100.00% | <u>\$-</u> |

December 31, 2022

| <u>Investee name</u> | <u>Amount</u> | <u>Shareholdings percentage</u> | <u>Dividends received</u> |
|---|----------------------|---------------------------------|---------------------------|
| <u>Subsidiary</u> EVFA INTERNATIONAL CO., LTD. | <u>\$401,721,179</u> | 100.00% | <u>\$-</u> |

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

| <u>Investee name</u> | <u>2023</u> | <u>2022</u> |
|---|----------------------|-----------------------|
| Share of profits and losses of subsidiaries, affiliates and joint ventures under the equity method: | | |
| EVFA INTERNATIONAL CO., LTD. | <u>\$104,440,869</u> | <u>\$(54,123,385)</u> |
| Share of other comprehensive income of subsidiaries, affiliates and joint ventures under the equity method: | | |
| EVFA INTERNATIONAL CO., LTD. | <u>\$-</u> | <u>\$-</u> |

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

(VIII) Property, plant and equipment

| | Land | | Buildings | Gas sales equipment | Gas transmission equipment | Gas storage equipment | Transportation, machinery and other equipment | Unfinished construction and equipment pending acceptance | Total | |
|---------------------------------|----------------------|--------------------|----------------------|---------------------|----------------------------|------------------------|---|--|----------------------|------------------------|
| | For self-use | For lease (Note) | | | | | | | | Total |
| <u>Cost:</u> | | | | | | | | | | |
| Balance as of January 1, 2023 | \$344,300,220 | \$8,888,249 | \$353,188,469 | \$57,132,086 | \$1,434,393,907 | \$4,237,167,292 | \$326,780,392 | \$190,933,380 | \$168,748,092 | \$6,768,343,618 |
| Addition | - | - | - | - | 125,552,720 | 17,845,506 | 2,063,219 | 3,138,644 | 172,666,745 | 321,266,834 |
| Disposal | - | - | - | - | (55,573,838) | (66,776,177) | - | (2,169,794) | - | (124,519,809) |
| Reclassification | - | - | - | - | - | 263,668,449 | - | - | (184,002,053) | 79,666,396 |
| Balance as of December 31, 2023 | <u>\$344,300,220</u> | <u>\$8,888,249</u> | <u>\$353,188,469</u> | <u>\$57,132,086</u> | <u>\$1,504,372,789</u> | <u>\$4,451,905,070</u> | <u>\$328,843,611</u> | <u>\$191,902,230</u> | <u>\$157,412,784</u> | <u>\$7,044,757,039</u> |
| Balance as of January 1, 2022 | \$344,300,220 | \$8,888,249 | \$353,188,469 | \$55,984,167 | \$1,337,437,252 | \$4,066,037,069 | \$326,780,392 | \$184,303,456 | \$155,221,042 | \$6,478,951,847 |
| Addition | - | - | - | 1,147,919 | 162,973,873 | 10,617,488 | - | 6,810,667 | 157,341,685 | 338,891,632 |
| Disposal | - | - | - | - | (66,017,218) | (48,007,556) | - | (612,743) | - | (114,637,517) |
| Reclassification | - | - | - | - | - | 208,520,291 | - | 432,000 | (143,814,635) | 65,137,656 |
| Balance as of December 31, 2022 | <u>\$344,300,220</u> | <u>\$8,888,249</u> | <u>\$353,188,469</u> | <u>\$57,132,086</u> | <u>\$1,434,393,907</u> | <u>\$4,237,167,292</u> | <u>\$326,780,392</u> | <u>190,933,380</u> | <u>\$168,748,092</u> | <u>\$6,768,343,618</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 | | | | | | | |
| <u>Accumulated depreciation</u> | | | | | | | | | | |
| Balance as of January 1, 2023 | \$- | \$- | \$- | \$38,188,470 | \$735,741,212 | \$2,823,307,997 | \$315,918,987 | \$166,957,340 | \$- | \$4,080,114,006 |
| Depreciation expense | - | - | - | 1,431,969 | 114,770,638 | 161,788,034 | 1,913,412 | 7,193,485 | - | 287,097,538 |
| Disposal | - | - | - | - | (55,461,067) | (66,776,177) | - | (2,169,794) | - | (124,407,038) |
| Reclassification | - | - | - | - | - | - | - | - | - | - |
| Balance as of December 31, 2023 | \$- | \$- | \$- | \$39,620,439 | \$795,050,783 | \$2,918,319,854 | \$317,832,399 | \$171,981,031 | \$- | \$4,242,804,506 |
| Balance as of January 1, 2022 | \$- | \$- | \$- | \$36,853,362 | \$696,914,545 | \$2,709,959,829 | \$314,019,377 | \$160,131,860 | \$- | \$3,917,878,973 |
| Depreciation expense | - | - | - | 1,335,108 | 104,327,585 | 161,355,724 | 1,899,610 | 7,438,223 | - | 276,356,250 |
| Disposal | - | - | - | - | (65,500,918) | (48,007,556) | - | (612,743) | - | (114,121,217) |
| Reclassification | - | - | - | - | - | - | - | - | - | - |
| Balance as of December 31, 2022 | \$- | \$- | \$- | \$38,188,470 | \$735,741,212 | \$2,823,307,997 | \$315,918,987 | \$166,957,340 | \$- | \$4,080,114,006 |
| <u>Carrying amount</u> | | | | | | | | | | |
| Balance as of December 31, 2023 | \$344,300,220 | \$8,888,249 | \$353,188,469 | \$17,511,647 | \$709,322,006 | \$1,533,585,216 | \$11,011,212 | \$19,921,199 | \$157,412,784 | \$2,801,952,533 |
| Balance as of December 31, 2022 | \$344,300,220 | \$8,888,249 | \$353,188,469 | \$18,943,616 | \$698,652,695 | \$1,413,859,295 | \$10,861,405 | \$23,976,040 | \$168,748,092 | \$2,688,229,612 |

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

(IX) Lease transactions - lessee

1. The underlying assets of the Company's leases include 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 | <u>\$3,222,506</u> | <u>\$4,168,207</u> | <u>\$7,390,713</u> |
| December 31, 2022 | <u>\$5,370,374</u> | <u>\$5,735,887</u> | <u>\$11,106,261</u> |

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

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

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 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.

(X) Lease transactions - lessor

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

2. The Company recognized rental income of \$4,176,060 and \$4,057,099 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:

| | <u>December 31, 2023</u> |
|----------|--------------------------|
| 1st year | \$3,381,856 |
| 2nd year | 2,818,275 |
| 3rd year | <u>34,286</u> |
| Total | <u>\$6,234,417</u> |

(XI) 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 | - | - | - |

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

- 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 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.

(XII) Other non-current assets

| | <u>December 31, 2023</u> | <u>December 31, 2022</u> |
|--------------------------------------|--------------------------|--------------------------|
| Reserve for gas pipeline replacement | \$280,543,636 | \$364,109,606 |
| Pre-payments for equipment | - | 645,900 |
| Refundable deposits | 133,850 | 133,850 |
| Net Defined Benefit Assets | <u>18,931,160</u> | <u>18,195,421</u> |
| Total | <u>\$299,608,646</u> | <u>\$383,084,777</u> |

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

(XIII) Pension

1. Defined benefit plan

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

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

| | <u>Present value of defined benefit obligations</u> | <u>Fair value of plan assets</u> | <u>Net Defined Benefit (Assets) Liabilities</u> |
|--|---|--------------------------------------|---|
| 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 | <u>(19,717)</u> | <u>(1,903,155)</u> | <u>(1,922,872)</u> |

| | Present value of defined benefit obligations | Fair value of plan assets | Net Defined Benefit (Assets) Liabilities |
|--|--|------------------------------|---|
| 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 | <u>\$172,194,514</u> | <u>\$(191,125,674)</u> | <u>\$(18,931,160)</u> |
| | 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 | <u>133,415</u> | <u>(15,415,632)</u> | <u>(15,282,217)</u> |
| Appropriations from employers | - | (8,108,374) | (8,108,374) |
| 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 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 Company's past experience and experience database.

c. Retirement rate

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

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

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

② Financial assumptions

| | December 31, 2023 | December 31, 2022 |
|---|-------------------|-------------------|
| a. Discount rate | 1.15% | 1.20% |
| b. Expected rate of increase in future salary | 2.00% | 2.00% |

③ Sensitivity analysis of significant actuarial assumptions

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

| | December 31, 2023 | | December 31, 2022 | |
|---|---|--|---|--|
| | 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 Company has a defined contribution pension plan under the Labor Pension Act, which is applicable to the Company's domestic employees. The Company makes monthly contributions of not less than 6% of salary to the employees' personal accounts at the Bureau of Labor Insurance for the employees who choose to be subject to the labor pension scheme under the Labor Pension Act. The employees' pensions are paid in the form of monthly pensions or lump-sum pensions depending on the amount of the employees' individual pension accounts and accumulated earnings.
- (2) In accordance with the defined contribution pension plan, the Company recognized pension costs of \$ 5,322 thousand and \$5,445 thousand for the years ended December 31, 2023 and 2022, respectively, which were contributed to the Bureau of Labor Insurance.

(XIV) Contract liabilities

| | <u>December 31, 2023</u> | <u>December 31, 2022</u> |
|------------------------------|--------------------------|--------------------------|
| Advanced installation charge | <u>\$759,999,579</u> | <u>\$567,578,921</u> |

(XV) Notes and accounts payable

| | <u>December 31, 2023</u> | <u>December 31, 2022</u> |
|--|--------------------------|--------------------------|
| Notes payable (including related parties) | \$42,552,982 | \$48,563,391 |
| Accounts payable (including related parties) | 131,557,764 | 135,554,809 |
| Total | <u>\$174,110,746</u> | <u>\$184,118,200</u> |

(XVI) Other payables

| | <u>December 31, 2023</u> | <u>December 31, 2022</u> |
|--------------------------------------|--------------------------|--------------------------|
| Refundable meter deposits | \$126,827,300 | \$127,017,800 |
| Employee remuneration payables | 9,472,368 | 4,749,816 |
| Director remuneration payables | 9,472,368 | 4,749,816 |
| Taxes and output sales taxes payable | 2,395,953 | 5,490,930 |
| Salaries and award payable | 47,897,429 | 47,346,619 |
| Pensions payable | 1,181,444 | 1,196,128 |
| Insurance premiums payable | 1,106,000 | 1,118,000 |
| Others | 10,338,456 | 7,311,691 |
| Total | <u>\$208,691,318</u> | <u>\$198,980,800</u> |

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

(XVII) Provision for liabilities - current

| | Provision for employee benefit liabilities |
|---|--|
| 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 | (6,917,236) |
| 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.

(XVIII) Other non-current liabilities

| | December 31, 2023 | December 31, 2022 |
|---------------------------------|------------------------|------------------------|
| Long-term deferred revenue | \$1,275,789,474 | \$1,218,194,313 |
| Deposits received over one year | 68,753,638 | 63,292,261 |
| Total | <u>\$1,344,543,112</u> | <u>\$1,281,486,574</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.

(XIX) 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.

(XX) Capital surplus

| | December 31, 2023 | December 31, 2022 |
|---|---------------------|---------------------|
| 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> |

- 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.
- 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.
- Capital surplus from investments accounted for using the equity method may not be used for any purpose.

(XXI) Retained earnings

- 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

1. 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 | <u>\$46,828,269</u> | None | 2,527,863 | <u>\$46,828,269</u> | <u>\$103,515,990</u> |

| 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 | <u>\$46,828,269</u> | None | 2,527,863 | <u>\$46,828,269</u> | <u>\$105,917,460</u> |

2. 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.

(XXIII) Operating revenue

| | 2023 | 2022 |
|---|------------------------|------------------------|
| Revenue from customer contracts - gas sales revenue | \$1,537,893,537 | \$1,570,312,368 |
| Revenue from customer contracts - installation design revenue | 199,756,187 | 196,680,213 |
| 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>\$1,912,443,841</u> | <u>\$1,920,803,413</u> |

1. Breakdown of revenue from customer contracts

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

Gas sales:

| | | |
|--|------------------------|------------------------|
| | <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>\$199,756,187</u> | <u>\$196,680,213</u> |
| Revenue recognition point | | |
| Revenue recognized at a point in time | \$78,387,953 | \$88,562,006 |
| Revenue recognized gradually over time | 121,368,234 | 108,118,207 |
| Total | <u>\$199,756,187</u> | <u>\$196,680,213</u> |
| Others: | | |
| | <u>2023</u> | <u>2022</u> |
| 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 | 2,139,408 | 2,131,079 |
| Total | <u>\$136,505,993</u> | <u>\$120,925,204</u> |

2. Contract liabilities

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

| | | |
|---|--------------------------|--------------------------|
| | <u>December 31, 2023</u> | <u>December 31, 2022</u> |
| Contract liabilities | | |
| Installation design contract | <u>\$759,999,579</u> | <u>\$567,578,921</u> |
| Revenue recognized in the period for contract liabilities from the beginning of the period | | |
| | <u>2023</u> | <u>2022</u> |
| Revenue recognized in the period for the balance of contract liabilities at the beginning of the period | | |
| Installation design contract | <u>\$105,198,292</u> | <u>\$124,266,909</u> |

(XXIV) Operating costs

| | 2023 | 2022 |
|---------------------------|------------------------|------------------------|
| Gas sales costs | \$1,161,327,605 | \$1,175,765,280 |
| Installation design costs | 125,296,175 | 127,545,018 |
| Other operating costs | 96,521,399 | 75,757,481 |
| Total | <u>\$1,383,145,179</u> | <u>\$1,379,067,779</u> |

(XXV) Additional information on the nature of expenses

1. 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 | \$108,047,635 | \$83,308,163 | \$191,355,798 | \$108,674,217 | \$78,469,009 | \$187,143,226 |
| Labor and health insurance expenses | 10,054,453 | 5,060,995 | 15,115,448 | 10,076,713 | 5,173,591 | 15,250,304 |
| Pension expenses | 4,755,075 | 2,703,326 | 7,458,401 | 5,032,539 | 2,962,946 | 7,995,485 |
| Remuneration for directors | - | 33,334,368 | 33,334,368 | - | 27,623,149 | 27,623,149 |
| Other employee benefit expenses | - | 9,809,023 | 9,809,023 | - | 10,327,689 | 10,327,689 |
| Depreciation expenses | 278,472,084 | 13,414,511 | 291,886,595 | 267,582,918 | 13,680,186 | 281,263,104 |

- (1) The average number of employees (including directors) for the years ended December 31, 2023 and 2022 were 190 and 196, respectively, of which 22 were directors who were not also employees for both years.
 - (2) The average employee benefit expenses were NT\$1,331,778 and NT\$1,268,487 for the years ended December 31, 2023 and 2022, respectively.
 - (3) The average employee salary expense was NT\$1,139,023 and NT\$1,075,536 for 2023 and 2022, respectively, representing a 5.9% decrease in the average employee salary expense for both years.
 - (4) The Company established the Audit Committee composed of all independent directors to replace supervisors, so there was no remuneration to supervisors.
 - (5) The Company's salary and remuneration policy (including directors, managerial officers and employees):
 - ① In addition to the basic salaries and year-end bonuses for managerial officers and employees, the Company also pays awards to employees based on their performance appraisals to encourage morale and retain outstanding employees; annual salary adjustments are based on the salary scale of managerial officers and employees.
 - ② In accordance with Article 27 of the Company's Articles of Incorporation, the director's remuneration is to be determined by the Board of Directors in accordance with the general standard of the industry. In addition, in accordance with Article 33 of the Company's Articles of Incorporation, 2.2% of the annual profit shall be appropriated as employee profit sharing remuneration and not more than 2.2% of the annual profit shall be appropriated as director profit sharing remuneration.
2. Information on profit sharing remuneration for employees and for directors based on annual profitability:

- (1) According to the Articles of Incorporation, the Company shall appropriate 2.2% as profit sharing remuneration for employees and no more than 2.2% as profit sharing remuneration for directors of the remainder of the profit for the year, if any, after deducting the accumulated losses from the profit for the current year.
- (2) The profit sharing remunerations for employees and for directors 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**

| | 2023 | 2022 | 2021 |
|--|---|---|---|
| | 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 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:

| | 2023 | 2022 |
|-----------------|--------------|--------------|
| Operating costs | \$27 8,47 | \$26 7,58 |

| | | |
|-------------------------|------|------|
| | 2,08 | 2,91 |
| | 4 | 8 |
| Amortization expense | 7,10 | 6,89 |
| | 3,65 | 9,71 |
| | 8 | 7 |
| Administrative expenses | 6,31 | 6,78 |
| | 0,85 | 0,46 |
| | 3 | 9 |
| Total | \$29 | \$28 |
| | 1,88 | 1,26 |
| | 6,59 | 3,10 |
| | 5 | 4 |

(XXVI) Interest income

| | | |
|---|--------------|--------------|
| | 2023 | 2022 |
| Interest income from bank deposits | \$1,587,074 | \$785,142 |
| Interest income from financial assets measured at amortized cost | 20,253,997 | 13,067,897 |
| Other interest income | 4,596,078 | 6,101,651 |
| Total | \$26,437,149 | \$19,954,690 |

(XXVII) Other income

| | | |
|-----------------|--------------|--------------|
| | 2023 | 2022 |
| Rental income | \$4,176,060 | \$4,057,099 |
| Dividend income | 5,823,926 | 7,710,963 |
| Other income | 1,987,717 | 2,163,622 |
| Total | \$11,987,703 | \$13,931,684 |

(XXVIII) Other gain and loss

| | | |
|--|--------------|----------------|
| | 2023 | 2022 |
| 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 | 17,345,469 | (59,785,069) |
| Net exchange gain (loss) | 57,886 | 2,561,411 |
| Other losses | (675,411) | (629,222) |
| Total | \$17,771,050 | \$(56,914,044) |

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.

(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)

| | 2023 | 2022 |
|---------------------------------|--------------------|------------|
| 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(28), 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

| | 2023 | 2022 |
|--|---------------------|---------------------|
| Current income tax expense (or benefit) | \$57,928,120 | \$63,846,099 |
| Underestimation (overestimation) of income tax expense for prior years | (255) | 701 |
| Total current income tax | <u>57,927,865</u> | <u>63,846,800</u> |
| Deferred income tax expense (benefit): | | |
| Origination and reversal of temporary differences | (2,195,733) | (1,304,528) |
| Total deferred income tax | <u>(2,195,733)</u> | <u>(1,304,528)</u> |
| Income tax expense | <u>\$55,732,132</u> | <u>\$62,542,272</u> |

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

| | 2023 | 2022 |
|--|--------------------|----------------------|
| 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>\$411,617,433</u> | <u>\$206,401,111</u> |
| Applicable tax rate | <u>20%</u> | <u>20%</u> |
| Tax at applicable tax rate on income | \$82,323,486 | \$41,280,222 |
| Underestimation (overestimation) of income tax expense for prior years | (255) | 701 |
| Repealed levy on loss (gain) from securities transactions | (1,593,241) | 2,727,979 |
| Loss (gain) on valuation of financial assets | (3,974,753) | 8,451,527 |
| Domestic investment loss (gain) recognized using the equity method | (20,888,174) | 10,824,677 |
| Dividend income not included in income | (1,154,497) | (1,537,473) |
| Others | 1,019,566 | 794,639 |
| Total income tax expense recognized in | <u>\$55,732,132</u> | <u>\$62,542,272</u> |

profit or loss

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

2023

| | January 1, 2023 | Recognized in profit or loss | Recognized in other comprehensive income | December 31, 2023 |
|--|-----------------|---------------------------------|--|-------------------|
| <i>Temporary differences</i> | | | | |
| Timing difference between book and tax recognition of repair and maintenance expenses | \$6,240,188 | \$(193,374) | \$- | \$6,046,814 |
| Unrealized gain or loss | 3,051,002 | 2,151,681 | - | 5,202,683 |
| Net Defined Benefit Assets/Liabilities | (3,618,769) | 237,426 | (384,574) | (3,765,917) |
| Land revaluation increment | (65,257,095) | - | - | (65,257,095) |
| Deferred income tax (expense)/benefit | | \$2,195,733 | \$(384,574) | |
| Net deferred income tax assets/(liabilities) | \$(59,584,674) | | | \$(57,773,515) |
| The information expressed in the balance sheet is as follows: | | | | |
| Deferred income tax assets | \$5,693,613 | | | \$7,483,580 |
| Deferred income tax liabilities | \$(65,278,287) | | | \$(65,257,095) |

2022

| | January 1, 2022 | Recognized in profit or loss | Recognized in other comprehensive income | December 31, 2022 |
|--|-----------------|---------------------------------|--|-------------------|
| <i>Temporary differences</i> | | | | |
| Timing difference between book and tax recognition of repair and maintenance expenses | \$5,882,311 | \$357,877 | \$- | \$6,240,188 |
| Unrealized gain or loss | 2,104,351 | 946,651 | - | 3,051,002 |
| Net Defined Benefit Assets/Liabilities | (562,326) | - | (3,056,443) | (3,618,769) |
| Land revaluation increment | (65,257,095) | - | - | (65,257,095) |
| Deferred income tax (expense)/benefit | | \$1,304,528 | \$(3,056,443) | |
| Net deferred income tax assets/(liabilities) | \$(57,832,759) | | | \$(59,584,674) |
| The information expressed in the balance sheet is as follows: | | | | |
| Deferred income tax assets | \$7,523,138 | | | \$5,693,613 |
| Deferred income tax liabilities | \$(65,355,897) | | | \$(65,278,287) |

5. The Company's income tax returns 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 for the period from continuing operations | <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\$): | <u>\$2.00</u> | <u>\$0.81</u> |
| Diluted earnings per share: | | |
| Net profit for the period from continuing operations | <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\$) | <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.

| | <u>2023</u> | <u>2022</u> |
|--|----------------------|----------------------|
| Net profit for the period from continuing operations | <u>\$358,413,164</u> | <u>\$148,156,206</u> |
| Weighted average number of shares outstanding | <u>180,537,453</u> | <u>180,537,453</u> |
| Basic earnings per share (NT\$) | <u>\$1.99</u> | <u>\$0.82</u> |

(XXXIII) Supplementary information on cash flows

Change in liabilities from financing activities was as follows:

| | <u>Guarantee deposit received</u> | <u>Lease liabilities</u> |
|---|---------------------------------------|--------------------------|
| January 1, 2023 | \$65,552,511 | \$9,521,369 |
| Change in cash flows from financing activities | 5,688,327 | (4,774,960) |
| Non-cash change | - | 848,242 |
| December 31, 2023 | <u>\$71,240,838</u> | <u>\$5,594,651</u> |

| | <u>Guarantee deposit received</u> | <u>Lease liabilities</u> |
|---|---------------------------------------|--------------------------|
| January 1, 2022 | \$64,113,905 | \$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 | <u>\$65,552,511</u> | <u>\$9,521,369</u> |

VII. Related Party Transactions

(I) Names and relationships of related parties

| <u>Name of the related party</u> | <u>Relationship with the Company</u> |
|--|--------------------------------------|
| EVFA INTERNATIONAL CO., LTD. | Subsidiary |
| THE GREAT TAIPEI GAS CORPORATION | Other related parties |
| Mr. Chen Gen-Chu Foundation for Education and Culture | Other related parties |

(II) Significant transactions with related parties

1. Operating transactions

(1) Installation revenue

| <u>Type of related party</u> | <u>2023</u> | <u>2022</u> |
|---------------------------------|--------------------|--------------------|
| Subsidiary: | | |
| EVFA INTERNATIONAL CO., LTD. | <u>\$5,451,464</u> | <u>\$4,956,756</u> |

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

(2) Purchases

| <u>Type of related party</u> | <u>2023</u> | <u>2022</u> |
|---------------------------------|---------------------|---------------------|
| Subsidiary: | | |
| EVFA INTERNATIONAL CO., LTD. | <u>\$58,119,475</u> | <u>\$78,816,431</u> |

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

(3) Installation cost

| <u>Type of related party</u> | <u>2023</u> | <u>2022</u> |
|---------------------------------|--------------------|--------------------|
| Subsidiary: | | |
| EVFA INTERNATIONAL CO., LTD. | <u>\$7,418,471</u> | <u>\$2,254,604</u> |

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

(4) Other operating costs

| <u>Type of related party</u> | <u>2023</u> | <u>2022</u> |
|---------------------------------|---------------------|---------------------|
| Subsidiary: | | |
| EVFA INTERNATIONAL CO., LTD. | <u>\$35,725,043</u> | <u>\$28,453,898</u> |

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

(5) Accounts receivable from related parties

| <u>Type of related party</u> | <u>December 31, 2023</u> | <u>December 31, 2022</u> |
|---------------------------------|--------------------------|--------------------------|
| Subsidiary: | | |
| EVFA INTERNATIONAL CO., LTD. | <u>\$5,386,869</u> | <u>\$4,483,640</u> |

(6) Notes payable to related parties

| <u>Type of related party</u> | <u>December 31, 2023</u> | <u>December 31, 2022</u> |
|---------------------------------|--------------------------|--------------------------|
| Subsidiary: | | |
| EVFA INTERNATIONAL CO., LTD. | <u>\$22,334,886</u> | <u>\$22,236,537</u> |

(7) Accounts payable to related parties

| Type of related party | December 31, 2023 | December 31, 2022 |
|------------------------------|-------------------|-------------------|
| Subsidiary: | | |
| EVFA INTERNATIONAL CO., LTD. | \$15,037,703 | \$22,824,697 |

2. Property transactions

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

| Type of related party | Acquisition price | |
|------------------------------|-------------------|---------------|
| | 2023 | 2022 |
| Subsidiary: | | |
| EVFA INTERNATIONAL CO., LTD. | \$122,264,260 | \$161,310,861 |

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

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

| 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.

3. Other transactions

(1) Rental income

| Type of related party | 2023 | 2022 |
|------------------------------|-----------|-----------|
| Subsidiary: | | |
| EVFA INTERNATIONAL CO., LTD. | \$491,316 | \$491,316 |

| | | | |
|-----|--|--------------------------|--------------------------|
| (2) | Amortization expense - repair and maintenance expenses | | |
| | <u>Type of related party</u> | <u>2023</u> | <u>2022</u> |
| | Subsidiary: | | |
| | EVFA INTERNATIONAL CO., LTD. | \$11,051,456 | \$13,643,441 |
| | Other related parties: | | |
| | THE GREAT TAIPEI GAS CORPORATION | 221,053 | 115,757 |
| | Total | <u>\$11,272,509</u> | <u>\$13,759,198</u> |
| (3) | Amortization expense - service expenses | | |
| | <u>Type of related party</u> | <u>2023</u> | <u>2022</u> |
| | Subsidiary: | | |
| | EVFA INTERNATIONAL CO., LTD. | <u>\$24,766,344</u> | <u>\$24,626,873</u> |
| (4) | 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 | <u>\$1,404,000</u> | <u>\$1,408,128</u> |
| (5) | 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 | <u>\$250,000</u> | <u>\$250,000</u> |
| (6) | Other payables - related parties | | |
| | <u>Type of related party</u> | <u>December 31, 2023</u> | <u>December 31, 2022</u> |
| | Subsidiary: | | |
| | EVFA INTERNATIONAL CO., LTD. | <u>\$4,344,218</u> | <u>\$4,940,075</u> |

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

| <u>Type of related party</u> | <u>December 31, 2023</u> | <u>December 31, 2022</u> |
|----------------------------------|--------------------------|--------------------------|
| Subsidiary: | | |
| EVFA INTERNATIONAL CO., LTD. | \$657,400 | \$657,400 |
| Other related parties: | | |
| THE GREAT TAIPEI GAS CORPORATION | 218,000 | 215,200 |
| Total | <u>\$875,400</u> | <u>\$872,600</u> |

(III) Information on remuneration for key management

| | <u>2023</u> | <u>2022</u> |
|---|---------------------|---------------------|
| Salaries and other short-term employee benefits | \$51,139,999 | \$43,727,761 |
| Post-employment benefits | 277,045 | 289,548 |
| Total | <u>\$51,417,044</u> | <u>\$44,017,309</u> |

VIII. Pledged Assets: None.

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 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 | \$500,190,040 | \$ 375,819,594 |
| Financial assets measured at amortized cost | | |
| Cash and cash equivalents | 209,529,468 | 322,282,187 |
| Financial assets measured at amortized cost (Note 1) | 1,067,956,393 | 766,400,844 |
| Financial assets measured at amortized cost (Note 2) | 70,000,000 | 70,000,000 |
| Notes receivable | 66,000 | 23,520,207 |
| Accounts receivable (including related parties) | 195,726,714 | 194,053,490 |
| Other receivables | 10,461,404 | 9,714,527 |
| Other financial assets | 280,677,486 | 364,243,456 |
| Total | <u>\$2,334,607,505</u> | <u>\$2,126,034,305</u> |
| Financial liabilities | | |
| Financial liabilities measured at amortized cost | | |
| Notes payable (including related parties) | \$42,552,982 | \$48,563,391 |
| Accounts payable (including related parties) | 131,557,764 | 135,554,809 |
| Other payables (including related parties) | 213,035,536 | 203,920,875 |
| Lease liabilities | 5,594,651 | 9,521,369 |
| Other financial liabilities | 71,240,838 | 65,552,511 |
| Total | <u>\$463,981,771</u> | <u>\$463,112,955</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 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 | Fair value | | |
| | | Level 1 | Level 2 | Level 3 |
| Financial assets: | | | | |
| Financial assets measured at amortized cost | | | | |
| Domestic financial bonds | \$70,000,000 | \$- | \$70,000,000 | \$- |
| December 31, 2022 | | | | |
| | Carrying amount | Fair value | | |
| | | Level 1 | Level 2 | Level 3 |
| Financial assets: | | | | |
| Financial assets measured at amortized cost | | | | |
| Domestic financial bonds | \$70,000,000 | \$- | \$70,000,000 | \$- |

(3) Valuation techniques of fair value

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

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

(4) Financial instruments measured at fair value

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

3. Financial risk management policy

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

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

4. Nature and extent of significant financial risks

(1) Market risk

Exchange rate risk

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

| | | December 31, 2023 | | | Unit: In thousands of NT\$ | |
|---|----------|-------------------|---------------------------------------|------------------|----------------------------|-----|
| | | Carrying amount | Sensitivity analysis | | | |
| | | | Effect on profit or loss (before tax) | Change magnitude | Effect on equity | |
| | | Foreign currency | Exchange rate | (NTD) | | |
| (Foreign currency: functional currency) | | | | | | |
| <u>Financial assets</u> | | | | | | |
| <u>Monetary item</u> | | | | | | |
| RMB: NTD | \$8,344 | 4.30 | \$35,908 | 3% | \$1,077 | \$- |
| USD: NTD | 774 | 30.67 | 23,741 | 5% | 1,187 | - |
| EUR: NTD | 28 | 34.82 | 975 | 4% | 39 | - |
| <u>Financial assets measured at fair value through profit or loss</u> | | | | | | |
| USD: NTD | 896 | 30.67 | 27,482 | 5% | 1,374 | - |
| RMB: NTD | 9,981 | 4.30 | 42,938 | 3% | 1,288 | - |
| | | December 31, 2022 | | | Unit: In thousands of NT\$ | |
| | | Carrying amount | Sensitivity analysis | | | |
| | | | Effect on profit or loss (before tax) | Change magnitude | Effect on equity | |
| | | Foreign currency | Exchange rate | (NTD) | | |
| (Foreign currency: functional currency) | | | | | | |
| <u>Financial assets</u> | | | | | | |
| <u>Monetary item</u> | | | | | | |
| RMB: NTD | \$19,279 | 4.38 | \$84,501 | 3% | \$2,535 | \$- |
| USD: NTD | 613 | 30.57 | 18,737 | 9% | 1,686 | - |
| EUR: NTD | 70 | 32.79 | 2,295 | 5% | 115 | - |
| <u>Financial assets measured at fair value through profit or loss</u> | | | | | | |
| USD: NTD | 1,277 | 30.66 | 39,153 | 9% | 3,524 | - |
| RMB: NTD | 9,755 | 4.38 | 42,754 | 3% | 1,283 | - |
| EUR: NTD | 120 | 32.52 | 3,902 | 5% | 195 | - |

- 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> | | | | | |
| | RMB: NTD | \$8,248 | 4.30 | \$35,483 | \$(639) |
| | USD: NTD | 751 | 30.67 | 23,032 | (726) |
| | | 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> | | | | | |
| | RMB: NTD | \$19,077 | 4.38 | \$83,617 | \$(269) |
| | USD: NTD | 510 | 30.66 | 15,624 | (13) |

Price risk

- A. The Company's financial instruments exposed to price risk are those listed as financial assets measured at fair value through profit or loss. To manage the price risk of financial instrument investments, the Company diversifies its investment portfolio in accordance with the limits set by the Company.
- B. The Company invests mainly in equity instruments, open-end funds and bonds issued by domestic and foreign companies, and the prices of these financial instruments are subject to uncertainties in the future value of the underlying investments. If the prices of these financial instruments had increased or decreased by 1%, with all other factors held constant, the net profit after tax for the years ended December 31, 2023 and 2022 would have increased or decreased by \$5,002 thousand and \$3,758 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 Company had not drawn from the loan facilities and therefore had no significant interest rate risks.

(2) Credit risk

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

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

E. The Company incorporates the loss rate established by the Chung-Hua Institution for Economic Research's Gas Supply Industry Trend Report for future forward-looking considerations to estimate the allowance for losses on accounts receivable based on historical and current information for a specific period, and the allowance matrix method as of December 31, 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 | 0.22% | 32.67% | 41.72% | 80.87% | 100.00% | |
| Total carrying amount | \$194,793,368 | \$1,196,156 | \$873,912 | \$589,807 | \$5,548,206 | \$203,001,449 |
| 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 | 0.18% | 30.39% | 39.62% | 81.01% | 100.00% | |
| Total carrying amount | \$216,585,769 | \$1,153,027 | \$784,850 | \$563,604 | \$5,239,187 | \$224,326,437 |
| 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 accounts receivable 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 | \$7,208,735 | \$6,752,740 |

G. The credit risk rating information of the 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 | \$1,067,956,393 | \$- | \$- | \$1,067,956,393 |
| Group 2 | 70,000,000 | - | - | 70,000,000 |
| | \$1,137,956,393 | \$- | \$- | \$1,137,956,393 |

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 | \$766,400,844 | \$- | \$- | \$766,400,844 |
| Group 2 | 70,000,000 | - | - | 70,000,000 |
| | <u>\$836,400,844</u> | <u>\$-</u> | <u>\$-</u> | <u>\$836,400,844</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 Company assesses the expected credit losses for the next 12 months or the expected credit losses for the duration of the debt instruments by referring to the default rate and default loss rate provided by external credit rating agencies. The Company's current credit risk rating mechanism is as follows:

| Credit rating | Definition | Expected credit loss recognition basis | Expected credit loss rate |
|--------------------|--|--|------------------------------|
| Normal | Credit ratings on trading date and valuation date. (1) Both are investment grade (2) Both are BBB or higher | 12-month expected credit loss | 0~0.64% |
| 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 Company's investments in debt instruments, and the amount of the allowance for losses based on the 12-month expected credit loss model is not material.

(3) Liquidity risk:

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

(III) Information on fair value

1. Please refer to Note 12(2)2 for the fair value information of financial instruments not measured at fair value. The fair value of investment properties measured at cost is described in Note 6(11).

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

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

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

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

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

| December 31, 2023 | Level 1 | Level 2 | Level 3 | Total |
|--|----------------------|------------|------------|----------------------|
| Financial assets measured at fair value through profit or loss | | | | |
| Shares of TWSE/TPEX listed companies | \$176,212,035 | \$- | \$- | \$176,212,035 |
| Fund beneficiary certificates | 187,778,075 | - | - | 187,778,075 |
| Beneficiary securities | 35,743,300 | - | - | 35,743,300 |
| Bond | 100,456,630 | - | - | 100,456,630 |
| Bill | - | - | - | - |
| Total | <u>\$500,190,040</u> | <u>\$-</u> | <u>\$-</u> | <u>\$500,190,040</u> |

| December 31, 2022 | Level 1 | Level 2 | Level 3 | Total |
|--|----------------------|------------|------------|----------------------|
| Financial assets measured at fair value through profit or loss | | | | |
| Shares of TWSE/TPEX listed companies | \$156,063,891 | \$- | \$- | \$156,063,891 |
| Fund beneficiary certificates | 77,703,669 | - | - | 77,703,669 |
| Beneficiary securities | 26,221,500 | - | - | 26,221,500 |
| Bond | 106,715,934 | - | - | 106,715,934 |
| Bill | 9,114,600 | - | - | 9,114,600 |
| Total | <u>\$375,819,594</u> | <u>\$-</u> | <u>\$-</u> | <u>\$375,819,594</u> |

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

- (1) The Company uses quoted market prices as fair value inputs (i.e., Level 1), listed stocks and beneficiary securities are valued at the closing prices announced by the stock exchanges and over-the-counter, open-end funds are valued at net worth, and international bonds and notes are valued at the most recently traded prices.
- (2) If one or more parameters are not obtained from data of an observable market, the financial instrument is included within level 3. 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.

5. As described in Note 6(28), 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 assets | Financial instruments measured at fair value through profit or loss. |
|--|--|
| | Debt instruments |
| 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.

XIII. Additional Disclosure

(I) Information on Significant Transactions

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

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

(IV) Information on Major Shareholders: Schedule 5

XIV. Segment information

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

Schedule 1: Marketable securities held at the end of the period (excluding investments in subsidiaries, affiliates and joint ventures)

Unit: In NT\$

| Company held | Type and name of marketable securities | Relationship with issuer of marketable securities | GL account in the financial statements | End of the period | | | | Remarks |
|--------------------------------|--|---|--|------------------------|-----------------|--------------------------|-------------|---------|
| | | | | Number of shares/units | Carrying amount | Shareholdings percentage | Fair value | |
| Shin Shin Natural Gas Co. LTD. | 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 | |

Continued from the previous page

Unit: In NT\$

| Company held | Type and name of marketable securities | Relationship with issuer of marketable securities | GL account in the financial statements | End of the period | | | | Remarks |
|--------------------------------|--|---|--|------------------------|-----------------|--------------------------|-------------|---------|
| | | | | Number of shares/units | Carrying amount | Shareholdings percentage | Fair value | |
| Shin Shin Natural Gas Co. LTD. | King'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 | |
| 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 | |

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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. | 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 | Financial assets measured at fair value through profit or loss - current | 38,927 | 2,179,912 | - | 2,179,912 | |

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 | |
| | | Company | | | | | | |
| 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 | |
| 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 | |

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. | 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 | |
| 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 | Fubon Future Vehicle ETF | - | Financial assets measured | 350,000 | \$6,982,500 | - | \$6,982,500 | |

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 | |
| Natural Gas Co. LTD. | Securities Investment Trust / Beneficiary Securities | | at fair value through profit or loss - current | | | | | |
| 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 | 220 board lots | 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 | 200 board lots | 8,517,960 | - | 8,517,960 | |
| 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 | 300 board lots | 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 | 200 board lots | \$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 | 24 board lots | 7,933,269 | - | 7,933,269 | |

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. | Saudi Arabia USD Senior Unsecured Bond/ Bond | - | Financial assets measured at fair value through profit or loss - current | 26 board lots | 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 board lot | 4,185,416 | - | 4,185,416 | |
| 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 2: Marketable securities held at the end of the period (excluding investments in subsidiaries, affiliates and joint ventures)

Unit: In NT\$

| Company held | Type and name of marketable securities | Relationship with issuer of marketable securities | GL account in the financial statements | End of the period | | | | Remarks |
|------------------------------|--|---|--|------------------------|-----------------|--------------------------|-------------|---------|
| | | | | Number of shares/units | Carrying amount | Shareholdings percentage | Fair value | |
| EVFA INTERNATIONAL CO., LTD. | 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 | |

Continued from the previous page

Unit: In NT\$

| Company held | Type and name of marketable securities | Relationship with issuer of marketable securities | GL account in the financial statements | End of the period | | | | Remarks |
|------------------------------|--|---|--|------------------------|-----------------|--------------------------|--------------|---------|
| | | | | Number of shares/units | Carrying amount | Shareholdings percentage | Fair value | |
| EVFA INTERNATIONAL CO., LTD. | 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 | |

Continued from the previous page

Unit: In NT\$

| Company held | Type and name of marketable securities | Relationship with issuer of marketable securities | GL account in the financial statements | End of the period | | | | Remarks |
|------------------------------|--|---|--|------------------------|-----------------|--------------------------|------------|---------|
| | | | | Number of shares/units | Carrying amount | Shareholdings percentage | Fair value | |
| EVFA INTERNATIONAL CO., LTD. | 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 | |

Continued from the previous page

Unit: In NT\$

| Company held | Type and name of marketable securities | Relationship with issuer of marketable securities | GL account in the financial statements | End of the period | | | | Remarks |
|------------------------------|--|---|--|------------------------|-----------------|--------------------------|-------------|---------|
| | | | | Number of shares/units | Carrying amount | Shareholdings percentage | Fair value | |
| EVFA INTERNATIONAL CO., LTD. | 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 | |

Continued from the previous page

Unit: In NT\$

| Company held | Type and name of marketable securities | Relationship with issuer of marketable securities | GL account in the financial statements | End of the period | | | | Remarks |
|------------------------------|--|---|--|------------------------|-----------------|--------------------------|-------------|---------|
| | | | | Number of shares/units | Carrying amount | Shareholdings percentage | Fair value | |
| EVFA INTERNATIONAL CO., LTD. | M31 Technology/ Stock | - | Financial assets measured at fair value through profit or loss - current | 4,000 | 4,240,000 | - | 4,240,000 | |
| 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 | |

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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. | 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 | |
| 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 | |

Continued from the previous page

Unit: In NT\$

| Company held | Type and name of marketable securities | Relationship with issuer of marketable securities | GL account in the financial statements | End of the period | | | | Remarks |
|------------------------------|--|---|--|------------------------|-----------------|--------------------------|-------------|---------|
| | | | | Number of shares/units | Carrying amount | Shareholdings percentage | Fair value | |
| EVFA INTERNATIONAL CO., LTD. | 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 | |
| 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 | Industrial Bank of Taiwan | - | Financial assets measured | 2,292,829 | 22,882,433 | - | 22,882,433 | |

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 | |
| INTERNATIONAL CO., LTD. | / Stock | | at fair value through profit or loss - current | | | | | |
| 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 | |
| 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 3: The amount of purchase or sale of goods from or to related parties reached NT\$100 million or 20% of the paid-in capital

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

Schedule 4: 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 5: Information on Major Shareholders

| Name of Major Shareholder | Number of shares held | Shareholdings percentage |
|---|-----------------------|--------------------------|
| Veterans Affairs Commission, Executive Yuan | 46,556,713 | 25.78% |
| Thousand Islands Investment Co., Ltd. | 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.

Attachment II

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

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.

3. Revenue from natural gas sales is recognized based on meter reading data of the meter readers, and is divided into monthly and bi-monthly meter readings. The portion of gas sales not yet read as of the end of the reporting period is recognized as revenue from gas sales revenue and gas charges receivable based on estimated degrees. Therefore,

evaluating the reasonableness of the gas sales revenue was identified as a key audit matter.

4. The revenue from inner tube installation and other service revenue is recognized 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:

4. Evaluate and test the effectiveness of internal control procedures relevant to the recognition of revenue from gas sales and installations.
5. Based on our understanding of the industry of Shin Shin Natural Gas Co., LTD., we evaluated the reasonableness of the estimated degrees of the unread portion recognized as gas sales revenue.
6. Evaluate the appropriateness of the timing of recognition by performing a cut-off test on the advanced installation revenue 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 assets | | | | | | | | | | | | |
| 1510 | Non-current financial assets at fair value through profit or loss | 4, 6(2) | 25,343 | - | 19,237 | - | 25xx | Deferred income tax liabilities | 4, 6(31) | 65,257 | 1 | 65,278 | 1 |
| 1535 | Non-current financial assets at amortised cost | 4, 6(3) | - | - | 70,000 | 1 | | Non-current lease liabilities | 4 | 3,673 | - | 5,070 | - |
| 1600 | Property, plant and equipment | 4, 6(7) | 2,569,750 | 45 | 2,448,977 | 47 | 2xxx | Other non-current liabilities | 6(17) | 1,345,149 | 24 | 1,282,092 | 24 |
| 1755 | Right-of-use assets. | 4, 6(8) | 7,391 | - | 11,106 | - | | Total non-current liabilities | | 1,414,079 | 25 | 1,352,440 | 25 |
| 1760 | Investment property, net | 4, 6(10) | 47,529 | 1 | 47,754 | 1 | | | | | | | |
| 1780 | Intangible assets | | 32 | - | 29 | - | | | | | | | |
| 1840 | Deferred income tax assets | 4, 6(31) | 43,996 | 1 | 40,333 | 1 | 3110 | Total liabilities | | 2,583,470 | 45 | 2,341,191 | 44 |
| 1900 | Other non-current assets | 4, 6(11) | 300,019 | 5 | 383,486 | 7 | 3200 | | | | | | |
| 15xx | Total non-current assets | | 2,994,060 | 52 | 3,020,922 | 57 | 3300 | Equity | | | | | |
| | | | | | | | | Equity attributable to owners of parent | | | | | |
| | | | | | | | | Ordinary share | 4, 6(18) | 1,805,375 | 32 | 1,805,375 | 34 |
| | | | | | | | | Capital surplus | 6(19) | 79,589 | 1 | 77,062 | 1 |
| | | | | | | | | Retained earnings | 6(20) | | | | |
| | | | | | | | | Legal reserve | | 766,432 | 14 | 750,824 | 14 |
| | | | | | | | | Special reserve | | 142,872 | 2 | 142,872 | 3 |
| | | | | | | | | Unappropriated retained earnings (accumulated deficit) | | 418,713 | 7 | 257,435 | 5 |
| | | | | | | | | Treasury shares | 4, 6(21) | (46,828) | (1) | (46,828) | (1) |
| | | | | | | | | 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

4. The consolidated financial statements have been prepared on the historical cost basis, except for the following significant items.
 - (3) Financial assets measured at fair value through profit or loss.
 - (4) Net defined benefit assets recognized as pension fund assets less the net present value of the defined benefit obligation.
5. 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

3. 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.
4. 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

3. An asset is classified as current if it meets one of the following criteria, otherwise it is classified as non-current:
 - (5) The asset is expected to be realized in the normal operating cycle, or is intended to be sold or consumed.
 - (6) The asset is held primarily for trading purposes.
 - (7) Expected to be realized within twelve months after the end of the reporting period.
 - (8) 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.
4. A liability is classified as current if it meets one of the following criteria, otherwise it is classified as non-current:
 - (5) The liability is expected to be settled in the normal operating cycle.
 - (6) The asset is held primarily for trading purposes.
 - (7) Expected to be repaid within twelve months after the end of the reporting period.
 - (8) 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

5. Refer to those that also meet the following criteria:
 - (3) Financial assets held under the operating model whose objective is to collect the contractual cash flows.
 - (4) 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.
6. Trade date accounting is used for financial assets measured at amortized cost in accordance with trading practice.
7. 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.
8. 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

3. 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.
4. 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

4. 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.

5. 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.

6. 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 | 12~30 |

| | |
|---|-------|
| transmission pipeline | |
| 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.

3. 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:
 - (6) fixed payments (including material fixed payments), net of any lease incentives receivable;
 - (7) lease payments that depend on changes in an index or rate (measured using the original index or rate at the inception date);
 - (8) the amount expected to be paid by the lessee under the residual value guarantee;
 - (9) the exercise price of a purchase option if the lessee can be reasonably certain that it will exercise such option; and
 - (10) 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.

4. Right-of-use assets are recognized at cost at the inception date of the lease and the cost consists of:
 - (5) the original measurement amount of the lease liability;
 - (6) any lease payments made on or before the commencement date;

- (7) any original direct costs incurred; and
- (8) 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

3. 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.
4. 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

6. 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.
7. 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.

8. 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.
9. 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.
10. 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

(3) 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.

(4) 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.

6. 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.

7. 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.

8. 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.

9. 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.

10. 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 | (7,208,735) | (6,752,740) |
| Net amount | <u>\$190,405,845</u> | <u>\$213,395,646</u> |

4. 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 | (7,208,735) | (6,752,740) |
| 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.

5. 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.
6. 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 | (4,522,713) | - |
| 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.

3. 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.
4. 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

6. 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.
7. 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> |

Carrying amount:

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

8. 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 |

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

10. Lease extension option and lease termination option

- (3) 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.
- (4) 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

4. 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.
5. 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.
6. 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> |

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

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

5. 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.
6. 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

| | <u>December 31, 2023</u> | <u>December 31, 2022</u> |
|--------------------------------------|--------------------------|--------------------------|
| 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 | <u>\$300,018,980</u> | <u>\$383,485,611</u> |

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

(XII) Pension

2. Defined benefit plan

- (6) 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.
- (7) 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 | <u>(19,717)</u> | <u>(1,903,155)</u> | <u>(1,922,872)</u> |
| 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 | <u>\$172,194,514</u> | <u>\$(191,125,674)</u> | <u>\$(18,931,160)</u> |
| | 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 | <u>133,415</u> | <u>(15,415,632)</u> | <u>(15,282,217)</u> |
| Appropriations from employers | - | (8,108,374) | (8,108,374) |
| 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> |

- (8) 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.

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

① Demographic assumptions

d. 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.

e. Turnover rate

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

f. 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> |
|---|--------------------------|--------------------------|
| c. Discount rate | 1.15% | 1.20% |
| d. Expected rate of increase in future salary | 2.00% | 2.00% |

③ Sensitivity analysis of significant actuarial assumptions

The sensitivity analysis of reasonably possible changes in each of the major actuarial assumptions affecting the defined benefit obligation as of December 31, 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.

(10) 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:

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

2. Defined contribution plan

- (3) 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.
- (4) 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> |

4. 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.
5. 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.
6. 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

2. 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 |

2. 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 | 38,288,124 | 32,885,628 |
| Total | <u>\$1,932,392,485</u> | <u>\$1,946,310,273</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>\$219,704,831</u> | <u>\$222,187,073</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:

- (6) 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.

- (7) 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.
- (8) 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.
- (9) 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.

- (10) 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 | \$- | \$(75,561) |

(XXIX) Financial costs

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

(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 | \$4,522,713 | \$- |

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

2. 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) | 270 |
| Total current income tax | 65,114,052 | 76,580,530 |
| Deferred income tax expense (benefit): | | |
| Origination and reversal of temporary differences | (4,069,311) | (7,123,523) |
| Total deferred income tax | (4,069,311) | (7,123,523) |
| Income tax expense | \$61,044,741 | \$69,457,007 |

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

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

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 | 20% | 20% |
| Tax at applicable tax rate on income | \$83,386,008 | \$42,663,169 |
| Underestimation (overestimation) of income tax expense for prior years | (20,521) | 270 |
| 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> |

7. 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>-</u> | <u>-</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>-</u> | <u>-</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

(V) 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.

(VI) Financial instruments

5. 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.

6. Information on fair value of financial instruments

(5) 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.

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

| | December 31, 2023 | | | |
|---|-------------------|------------|--------------|---------|
| | Carrying amount | Fair value | | |
| | | Level 1 | Level 2 | Level 3 |
| Financial assets: | | | | |
| Financial assets measured at amortized cost | | | | |
| Domestic financial bonds | \$70,000,000 | \$- | \$70,000,000 | \$- |
| | | | | |
| | December 31, 2022 | | | |
| | Carrying amount | Fair value | | |
| | | Level 1 | Level 2 | Level 3 |
| Financial assets: | | | | |
| Financial assets measured at amortized cost | | | | |
| Domestic financial bonds | \$70,000,000 | \$- | \$70,000,000 | \$- |
| | | | | |

(7) 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.

(8) Financial instruments measured at fair value

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

7. Financial risk management policy

- (3) 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.

- (4) 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.

8. 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) | Sensitivity analysis | | |
| | | | | Change magnitude | Effect on profit or loss (before tax) | Effect on equity |
| (Foreign currency: functional currency) | | | | | | |
| <u>Financial assets</u> | | | | | | |
| <u>Monetary item</u> | | | | | | |
| RMB: NTD | \$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) | Sensitivity analysis | | |
| | | | | Change magnitude | Effect on profit or loss (before tax) | Effect on equity |
| (Foreign currency: functional currency) | | | | | | |
| <u>Financial assets</u> | | | | | | |
| <u>Monetary item</u> | | | | | | |
| RMB: NTD | \$28,286 | 4.41 | \$124,792 | 3% | \$3,744 | \$- |
| 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 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

- I. 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.
- J. 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

- K. 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.
- L. The Consolidated Company uses the reserve matrix method to estimate the expected credit losses for customer accounts receivable.
- M. 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 |

- N. 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 | \$7,208,735 | \$6,752,740 |

- O. 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".

P. 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. (3) Both are investment grade (4) Both are BBB or higher | 12-month expected credit loss | 0~0.64% |
| Abnormal | Credit ratings on trading date and valuation date. (3) Downgraded from investment grade to non-investment grade (4) 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

7. 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).

8. 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.

9. 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> |

10. 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.
11. 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 assets | Financial instruments measured at fair value through profit or loss. | |
|---|--|-----|
| | Debt instruments | |
| 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 | | \$- |

12. The fair value of Level 1 has not shifted in any way in the years 2022.
13. 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 |

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

(VIII) 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: | \$- | \$- | \$104,440,869 | \$(104,440,869) | \$- |
| 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 | <u>\$2,587,198,303</u> | <u>\$1,399,028,979</u> | <u>\$2,638,826,570</u> | <u>\$(875,431,192)</u> | <u>\$5,749,622,660</u> |
| Segment total liabilities | <u>\$759,161,463</u> | <u>\$1,595,875,148</u> | <u>\$277,143,198</u> | <u>\$(48,710,220)</u> | <u>\$2,583,469,589</u> |
| | | | | | |
| | 2022 | | | | Total |
| | Gas sales segment | Installation segment | Other segment | Adjustment and elimination | |
| 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 | <u>\$1,570,312,368</u> | <u>\$538,819,496</u> | <u>\$173,765,522</u> | <u>\$(314,062,864)</u> | <u>\$1,968,834,522</u> |
| Interest expense | <u>\$129,067</u> | <u>\$36,078</u> | <u>\$136,608</u> | <u>\$(35,989)</u> | <u>\$265,764</u> |
| Depreciation and amortization | <u>\$190,931,422</u> | <u>\$84,145,795</u> | <u>\$6,780,469</u> | <u>\$(37,877,554)</u> | <u>\$243,980,132</u> |
| Share of profits and losses of affiliates and joint ventures under the equity method: | \$- | \$- | \$(54,123,385) | \$54,123,385 | \$- |
| Segment profit or loss | <u>\$291,272,591</u> | <u>\$32,341,393</u> | <u>\$(148,102,641)</u> | <u>\$37,804,503</u> | <u>\$213,315,846</u> |
| Segment total assets | <u>\$2,591,927,415</u> | <u>\$1,301,041,429</u> | <u>\$2,224,118,952</u> | <u>\$(789,157,105)</u> | <u>\$5,327,930,691</u> |
| Segment total liabilities | <u>\$727,211,073</u> | <u>\$1,420,657,854</u> | <u>\$249,879,739</u> | <u>\$(56,557,037)</u> | <u>\$2,341,191,629</u> |

① Intersegment revenue is eliminated upon consolidation.

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

(II) Region information

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

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

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

| <u>Type of product</u> | <u>2023</u> | <u>2022</u> |
|------------------------|------------------------|------------------------|
| 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 | <u>\$1,932,392,485</u> | <u>\$1,946,310,273</u> |

(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 | |

Continued from the previous page

Unit: In NT\$

| Company held | Type and name of marketable securities | Relationship with issuer of marketable securities | GL account in the financial statements | End of the period | | | | Remarks |
|--------------------------------|--|---|--|------------------------|-----------------|--------------------------|-------------|---------|
| | | | | Number of shares/units | Carrying amount | Shareholdings percentage | Fair value | |
| Shin Shin Natural Gas Co. LTD. | King'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 | |

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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. | 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\$

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|--------------------------------|---|--|--|------------------------|-----------------|--------------------------|------------|---------|
| | | | | 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 | |

Continued from the previous page

Unit: In NT\$

| Company held | Type and name of marketable securities | Relationship with issuer of marketable securities | GL account in the financial statements | End of the period | | | | Remarks |
|--------------------------------|--|---|--|------------------------|-----------------|--------------------------|-------------|---------|
| | | | | Number of shares/units | Carrying amount | Shareholdings percentage | Fair value | |
| Shin Shin Natural Gas Co. LTD. | Shin Kong 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 | | | | Remarks |
|--------------------------------|---|---|--|------------------------|-----------------|--------------------------|--------------|---------|
| | | | | Number of shares/units | Carrying amount | Shareholdings percentage | Fair value | |
| 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\$

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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 | |

Continued from the previous page

Unit: In NT\$

| Company held | Type and name of marketable securities | Relationship with issuer of marketable securities | GL account in the financial statements | End of the period | | | | Remarks |
|------------------------------|--|---|--|------------------------|-----------------|--------------------------|------------|---------|
| | | | | Number of shares/units | Carrying amount | Shareholdings percentage | Fair value | |
| EVFA INTERNATIONAL CO., LTD. | 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 | |

Continued from the previous page

Unit: In NT\$

| Company held | Type and name of marketable securities | Relationship with issuer of marketable securities | GL account in the financial statements | End of the period | | | | Remarks |
|------------------------------|--|---|--|------------------------|-----------------|--------------------------|-------------|---------|
| | | | | Number of shares/units | Carrying amount | Shareholdings percentage | Fair value | |
| EVFA INTERNATIONAL CO., LTD. | 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 | |

Continued from the previous page

Unit: In NT\$

| Company held | Type and name of marketable securities | Relationship with issuer of marketable securities | GL account in the financial statements | End of the period | | | | Remarks |
|------------------------------|--|---|--|------------------------|-----------------|--------------------------|-------------|---------|
| | | | | Number of shares/units | Carrying amount | Shareholdings percentage | Fair value | |
| EVFA INTERNATIONAL CO., LTD. | 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 | (6) Manufacture and sale of gas equipment and import/export dealership (7) Planning, design, supervision and maintenance of gas equipment construction (8) Planning and installation of emergency automatic gas shut-off system equipment (9) Entrusted to transcribe user's gas meter usage (10) 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% |

- 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.
- 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.