

Stock Code 9931

Hsin-Kao Gas Co., Ltd.

2025
Annual Report

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Lookup URL: <http://mops.twse.com.tw>

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Title: Finance Manager

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CPAs for financial statements in the most recent year

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Any exchanges where the Company's securities are traded offshore: None

Company Website: <http://www.hkgas.com.tw>

———— 2025 Annual Report ————

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One. Letter to Shareholders

Dear Shareholders, Ladies and Gentlemen,

Good morning. On behalf of Hsin Kao Gas Co., Ltd., I would like to extend my most sincere welcome and gratitude to all shareholders for attending today's Annual General Meeting.

In 2025, the Kaohsiung real estate market entered a period of profound consolidation characterized by "declining volume with stable prices," driven by the Central Bank's credit controls, mortgage restrictions, and the continuous surge in earthwork removal costs. Since the second half of 2025, Kaohsiung developers have generally adopted a passive stance, leading to a significant downturn in the momentum of new construction starts. Despite these severe challenges, the annual total sales value reached NT\$284.299 billion, representing a growth of approximately 6.44% compared to 2024 (NT\$267.095 billion). According to the latest statistics from Kaohsiung's two major real estate development associations, construction starts in the fourth quarter of 2025 contracted sharply compared to the same period last year. This reflects a strategic shift toward "reduced-volume operations" as developers grapple with capital pressure and prolonged turnover cycles.

Despite the marked reduction in project volume, 2025 project launches remained highly concentrated in 2-to-3-bedroom small-unit products, maintaining a market share of over 85%. This underscores that low total-price products remain the primary market driver under restricted loan-to-value ratios. Looking ahead to 2026, we anticipate that the atmosphere of "delayed construction and reduced sales" will persist, and the real estate market will maintain a long-term defensive posture amidst the tug-of-war between policy absorption and rising costs.

Over the past year, despite the cooling real estate market and logistics challenges in the earthwork industry, the Company has remained committed to its core business philosophy. We have strived for growth by optimizing customer service, enhancing construction quality, and ensuring the safety of our gas supply. The following is a summary of our 2025 operating results and the 2026 business plan:

I. 2025 Operating Results

1. Profit and Loss Achievement:

Unit: NT\$ Thousand

Item	Budget	Actual (Parent Only)	Attainment Rate%	Actual (Consolidated)
Operating Revenue	1,277,090	1,478,633	116%	1,568,123
Operating Costs	(1,049,981)	(1,232,056)	117%	(1,283,076)

Gross Profit	227,109	246,577	109%	285,047
Operating Expense	(67,906)	(74,185)	109%	(88,447)
Non-operating income and expenditure	53,481	164,664	308%	175,993
Net Income	170,147	294,552	173%	304,723
Earnings per share	1.41	2.45	174%	2.45

2. Profitability :

Unit: NT\$ Thousand

Item	Parent Only Financial Statement	Rate %	Consolidated Financial Statement	Rate %
Total Assets	6,609,018	Return on Assets 4.60%	6,706,935	Return on Assets 4.69%
Shareholders' Equity	3,305,728	Return on Equity 8.91%	3,391,583	Return on Equity 8.98%
Profit before tax	337,056	Profit Before Tax to Capital Stock 28.00%	372,593	Profit Before Tax to Capital Stock 30.95%
Profit Margin	19.92	-	19.43	-

3. Research and Development: Not applicable, as the Company operates within the trading and distribution sector.

II. 2026 Business Plan Summary

1. Scope of Operations: We will continue to strengthen our outreach within the nine authorized administrative districts in Kaohsiung—Nanzi, Zuoying, Gushan, Sanmin, Yancheng, Qianjin, Xinxing, Lingya, and Qianzhen—to increase gas penetration and service coverage.
2. Operational Targets: Based on historical data and market analysis, the Company expects to add approximately 5,500 new households in 2026, with annual gas sales projected to reach approximately 72 million cubic meters.
3. Operational Policies:
 - Strengthen densification efforts in areas with existing pipelines to maximize economic efficiency.
 - Actively develop older communities to improve residents' quality of life.
 - Secure collective installations for new high-rise buildings and residential complexes

to increase penetration rates.

● Deliver superior service quality to enhance public willingness to utilize our services.

4. Capital Expenditure: In conjunction with business expansion, we will continue to invest in the expansion and extension of gas transmission and distribution pipelines to meet the needs of new users.

III. Future Strategy and Impacts of External Competition, Regulations, and Macro-Environment

The Company is committed to growth through an innovative spirit of "seeking truth from facts and evolving with the times." We have moved beyond the limitations of legacy systems by implementing a new ERP system to strengthen automated digital management, laying a cornerstone for sustainable development. This digital transformation is designed not only to meet current competitive demands but also to maintain agility in a volatile environment. By enhancing service efficiency, we aim to create greater safety and value for our users and society.

We welcome your guidance and wish you the best of health and prosperity.

Chairman Chen, Chien-Tung

Two. Corporate Governance Report

I. Information on directors, supervisors, the President, vice presidents, associate managers, and supervisors of various departments and branches

(I) Information on the President, vice presidents, associate managers, and supervisors of various departments and branches

Unit: Shares April 7, 2026

Job Title	Nationality	Name	Gender	Date of Election (Appointment)	Shares held		Shares held by spouse and minor children		Shares held in the name(s) of others		Principal Experience (Education)	Office(s) concurrently held in other companies	Spouse or relatives within the second degree of kinship or closer acting as managerial officers			Where the general manager or equivalent (top manager) and the chairman is the same person, or spouse or relative within one degree of kinship to the other
					Number of shares	% of shareholding (%)	Number of shares	% of shareholding (%)	Number of shares	% of shareholding (%)			Job Title	Name	Relationship	
President	Republic of China	Wang Ji-Kai	Male	2023.05.29	0	0	0	0	None	None	National Defense University, War College Class of 1994, Director, Deputy Director, Director of Units under the Veterans Affairs Council.	None	None	None	None	None
Vice President	Republic of China	Huang Chin-Hsiung	Male	2018.03.19	99,993	0.08	40,782	0.03	None	None	Graduated from Department of Mechanical Engineering, National Kaohsiung University of Applied Sciences. Manager, Hsin-Kao Engineering & Material Department	None	None	None	None	None
Manager, Finance Department	Republic of China	Huang Luo-Hui	Female	2007.06.01	0	0	0	0	None	None	Graduate of the Department of Accounting of Tunghai University. Bank auditor, assistant manager, certified public accountant. Passed the internal auditor and Class B special examinations.	None	None	None	None	None

(II) Director and Supervisor Information

April 7, 2026 Unit: Thousand shares

Job Title	Nationality or Place of Registration	Name	Gender Age	Date of Election (Appointment)	Term of office	Date first appointed	Shares held at the time of appointment		Number of shares currently held		Number of shares currently held by spouse and minor children		Shares held in the name(s) of others		Principal experience (Education)	Office(s) concurrently held in the Company and in other companies	Spouse or relatives within the second degree of kinship or closer acting as other supervisors, directors, or supervisors			Where the chairman and the general manager or equivalent (top manager) is the same person, or spouse or relative within one degree of kinship to the other
							Number of shares	% of shareholding	Number of shares	% of shareholding	Number of shares	% of shareholding	Number of shares	Shareholding ratio			Job Title	Name	Relationship	
Chairman Director	Republic of China	Chen Chien-Tung	Male 69	2023.05.29	3 years	1993.06.08	3,940	3.57	4,295	3.57	70	0.06	4,880	4.05	Master of Finance, Tamkang University; President, Hsin-Kao	Chairman, Hsin-Kao Chairman, Hexin	Director	Chuang Wen-Yuan	Spouse	None
Director	Republic of China	Chuang Wen-Yuan	Female 62	2023.05.29	3 years	2021.02.08	3,940	3.57	4,295	3.57	1	0	0	0	Master of Management, Kaohsiung Normal University; Chairman, Tongde Investment Co.	None	Chairman	Chen Chien-Tung	Spouse	None
Director	Republic of China	Huang Chin-Hsiung	Male 67	2023.05.29	3 years	2014.06.09	3,940	3.57	4,295	3.57	41	0.03	0	0	Graduated from Department of Mechanical Engineering, Kaohsiung University of Applied Sciences; Project Manager, Hsin-Kao	Hsin-Kao Co. Vice President	None	None	None	None
Director	Republic of China	Wang Ji-Kai	Male 62	2023.05.29	3 years	2019.02.20	23,482	0	25,596	0	0	0	0	0	National Defense University, War College Class of 1994, Director, Deputy Director, Director of Units under the Veterans Affairs Council.	Hsin-Kao Co. President	None	None	None	None
Director	Republic of China	Sun Lian-Sheng	Male 62	2025.2.20	3 years	2025.2.20	1	0	1	0	0	0	0	0	Deputy Commander of the Air Force Combat Command, Commander of the Air Force Education, Training, and Doctrine Development Command, and Deputy Commander of the Air Force.	Chairman, Hsinquan Investment Co.	None	None	None	None
Director	Republic of China	Liu Ya-Kwei	Male 60	2024.07.15	3 years	2024.07.15	23,482	0	25,596	0	0	0	0	0	Graduated from the National Defense Management College, passed the Special Examination for Transfer to Civil Service, former Director of Changhua Farm, and Deputy Director of the Veterans Affairs Council Service and Care Division.	Former Director of the Kaohsiung Veterans Service Office.	None	None	None	None
Independent Director	Republic of China	Chen Po-Hsun	Male 58	2023.05.29	3 years	2017.06.12	0	0	0	0	0	0	0	0	Bachelor of Finance, HPU, Hawaii, USA; Chairman, Top High Image	None	None	None	None	None
Independent Director	Republic of China	Fang Wei-Lien	Male 54	2023.05.29	3 years	2021.07.12	0	0	0	0	0	0	0	0	Ph.D. in Business, Institute of Accountancy, National Taiwan University. Accounting firm partner accountant; Adjunct Assistant Professor, Accounting Department, Ming Chuan University.	None	None	None	None	None
Independent Director	Republic of China	Ji Ya-Qi	Female 60	2023.05.29	3 years	2023.05.29	399	0.36	435	0.36	76	0.06	0	0	Graduated from Tunghai University, with a Master's degree from the University of Auckland. Overseas experience includes serving as a director at R and V Holding and as the head of Taiwan English Fortune Co., Ltd.	None	None	None	None	None

- Remarks:
1. Chen Chien-Tung, Chuang Wen-Yuan, Huang Chin-Hsiung are corporate representatives of Tongde Investment Co., Ltd.; the number of shares held at the time of appointment were 3,940 shares and 3,940 thousand shares with a shareholding rate of 3.57%; the number of shares currently held is 3,940 thousand shares with a shareholding rate 3.57%; director compensation totals NT\$1,953,808.
 2. Wang Ji-Kai and Liu Ya-Kwei are representatives of the Veterans Affairs Council; the number of shares held at the time of appointment was 23,482 thousand shares and the holding percentage was 21.26%; the number of shares currently held is 23,482 thousand shares and the shareholding rate is 21.26%; director and supervisor remuneration is NT\$839,040.
 3. Sun Lian-Sheng serves as the legal representative of Hsinquan Investment Co., Ltd. At the time of appointment, he held 1,000 shares, and currently holds the same number of shares, representing 0% ownership. He received director remuneration of 615,452NT dollars.
 4. The company conducted a complete board of directors re-election on May 29th, 2023.
 5. Chen Chien-Tung concurrently served as Chairman of the Company's subsidiary Hexin International Co., Ltd. during the previous disclosure period.
 6. The above personnel did not work in the Company's CPA firm during the previous disclosure period.

Table 1: Major Shareholders of Institutional Shareholders

April 7, 2026

Name of institutional shareholder	Major shareholders of institutional shareholder
Tongde Investment Co., Ltd.	Chen Chien-Tung 27.70%, Chuang Wen-Yuan 24.96%, Chen Ying-Te 27.66%, Chen Shang-Te 26.68%
Veterans Affairs Council	Government corporation
Hsinquan Investment Co., Ltd.	Veterans Affairs Council 37.8%, Hsin Hsin Cement Enterprise Co., Ltd. 12.57%

Table 2: Major shareholders of major shareholders that are institutions as referred to in Table 1

April 7, 2026

Institution name	Major shareholders of institution
Hsin Hsin Cement Enterprise Corporation	Veterans Affairs Council 40.04%, China Steel Corporation 30.80%

Information of Directors and Independent Directors (I)

I. Disclosure of directors' professional qualifications and independence:

Name	Has at least five years of relevant working experience and the following professional qualifications			Degree of independence												Number of other public companies where he/she/it concurrently serves as an independent director
	Lecturer or above in a department related to business, legal affairs, finance, accounting or area related to the Company's business at a public or private college or university	A judge, public prosecutor, attorney, certified public accountant, or other professional or technical specialist who has passed a national examination and been awarded a certificate in a profession necessary for the business of the Company	Have work experience required for business, legal affairs, finance, accounting, or Company business	1	2	3	4	5	6	7	8	9	10	11	12	
Chen Chien-Tung			✓			✓		✓	✓	✓	✓	✓		✓	✓	0
Chuang Wen-Yuan			✓	✓	✓		✓	✓	✓	✓	✓	✓		✓	✓	0
Huang Chin-Hsiung			✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0
Wang Ji-Kai			✓			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0
Sun Lian-Sheng			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0
Liu Ya-Kwei			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0
Chen Po-Hsun			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0
Fang Wei-Lien	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0
Ji Ya-Qi			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0

Note 1: Each director and independent director who meet the following conditions during the two years prior to the election and during the term of office are required to mark "✓" in the space under the code of each condition.

- (1) He/she is not a servant of the Company or its affiliate.
- (2) Not a director or supervisor of the Company or its affiliates. (However, in the case of independent directors established and concurrently serving in the company and its parent company, subsidiary company or subsidiary company of the same parent company in accordance with this Act or local laws, this limitation shall not apply.)
- (3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of one percent or more of the total number of outstanding shares of the Company or ranking in the top ten in holdings.
- (4) Not management personnel of those listed in (1), or someone having a relationship with those listed in (2) or (3) including a spousal relationship, a second-degree kinship or closer, or an immediate blood relative within three degrees of kinship.
- (5) Directors and supervisors who are indirect shareholders who hold more than 5% in total of the company's total issued shares, the top five shareholders, or an appointed representative acting as a company director or supervisor in accordance with Article 27, Paragraphs 1 or 2 of the Company Act, or an employee thereof. (However, in the case of independent directors established and concurrently serving in the company and its parent company, subsidiary company or subsidiary company of the same parent company in accordance with this Act or local laws, this limitation shall not apply.)
- (6) Not a director, supervisor, or employee of another company controlled by the same person with more than half of the shares with voting rights on the company's board of directors. (However, in the case of independent directors established and concurrently serving in the company and its parent company, subsidiary company or subsidiary company of the same parent company in accordance with this Act or local laws, this limitation shall not apply.)
- (7) Not a director (governor), supervisor (audit committee member), or employee of another company or institution whose chairman, general manager, or equivalent position is the same person as that of the Company, or the spouse thereof. (However, in the case of independent directors established and concurrently serving in the company and its parent company, subsidiary company or subsidiary company of the same parent company in accordance with this Act or local laws, this limitation shall not apply.)
- (8) Not a director (governor), supervisor (audit committee member), or manager of a specific company or institution having financial or business dealings with the Company, or a shareholder holding 5% or more of shares. (However, if a specific company or institution holds more than 20% of the total issued shares of the Company but not more than 50%, and the established independent director concurrently serves in the Company and its parent company, subsidiary company or subsidiary company of the same parent company in accordance with this Act or local laws, this limitation shall not apply.)
- (9) Not a partner, director (governor), supervisor (audit committee member), manager, or spouse thereof of a company or institution that provides commercial, legal, financial, financial, accounting services or consultation to the company or any affiliate of the Company for amounts exceeding NT\$500,000 in the past two years. However, for members of the Remuneration Committee, Public Acquisitions Review Committee, or M&A Special Committee who perform their functions and powers in accordance with the relevant laws and regulations of the Securities and Exchange Act or the Corporate Mergers & Acquisitions Act, this limitation shall not apply.
- (10) He/she is not the spouse or relative within the second degree of kinship of another director.
- (11) He/she does not fall into the circumstances in the provisions of Article 30 of the Company Act.
- (12) No provision to be elected by a government or juristic person or their representative under Article 27 of the Company Act.

II. Diversity and independence of directors:

(I) Director diversity:

The Company operates natural gas sales and gas pipeline installations with a focus on natural gas pipeline installations and maintenance. Therefore, one director must have an engineering background and professional skills in engineering and in gas pipeline and natural gas. In order to meet the needs of diversification, we have also focused on investing in financial products and the construction industry over the past 10 years. For the sake of effectively managing and supervising the Company's finances and complying with laws and regulations, 7 directors hold business degrees and are business management professionals in areas such as finance and accounting and 2 directors majored in other management areas. The Company has 9 directors (including 3 independent directors) including 8 males and 1 females; all 9 seats are held by nationals of the Republic of China. The composition of the Company's Board of Directors is determined based on professional background, industry experience, and the Company's actual operational needs. At present, the number of female director candidates is limited, and the proportion of female directors has not yet reached one-third. In the future, the Company will continue to comply with relevant corporate governance regulations, actively seek qualified female director candidates, and give them priority consideration during board elections, in order to gradually enhance gender diversity on the Board.

(II) Independence of the Board of Directors:

The Company has 9 directors. Among them, 3 seats are held by independent directors, accounting for one third.

2 of the 9 directors are spouses; the other seven seats are held by directors with no spousal relationships or relatives within the second degree of kinship.

All directors are free from the circumstances stipulated in Paragraph 3 and Paragraph 4, Article 26-3 of the Securities and Exchange Act.

Information of Directors and Independent Directors (II)

Condition Name	Professional qualifications and experience	Conformity to the status of independence	Number of other public companies where he/she/it concurrently serves as an independent director
Chairman Chen Chien-Tung	Specialty: Financial management, operations, investment management Experience: Former bank director; director and supervisor of public listed (TWSE-listed) company; President and Chairman of Hsin-Kao Co.	Spouse of Director Chuang Wen-Yuan	Not applicable
Director Chuang Wen-Yuan	Specialty: Operations management Experience: Director in finance industry; director of public listed (TWSE-listed) company; Chairman of Tongde Investment Co.	and spouse of Chairman Chen Chien-Tung	Not applicable
Director Huang Chin-Hsiung	Specialty: Natural gas conduits and ancillary equipment installation projects Experience: Works Manager and Technology Vice President of Hsin-Kao Co.	Conformity	Not applicable
Director Wang Ji-Kai	Specialty: Project management Experience: Vice Director, Director, Deputy Director of Service and Care Department, Director of Kaohsiung Honorary Veterans' Home, Director of Foster Care and Nursing Department under the Veterans Affairs Council.	Conformity	Not applicable
Director Sun Lian-Sheng	Specialty: Management Experience: director of the combat training division, air force command headquarters; deputy commander of the air force operations command; commander of the air force education, training, and doctrine development command; deputy commander of the air force.	Conformity	Not applicable
Director Liu Ya-Kwei	Specialty: Management Experience: Veterans affairs council inspection, director of changhua farm, director of kaohsiung honorary national veterans home, director of kaohsiung veterans service office.	Conformity	Not applicable
Independent Director Chen Po-Hsun	Specialty: Corporate management Experience: Chairman and Consultant, Top Technology Corporation	Conformity Self, spouse, or relative within the second degree of kinship are not directors, supervisors, or employees of the Company or affiliated enterprises; and has not provided business, legal, financial, accounting, and other services to the Company or its affiliates in the last 2 years.	None
Independent Director Fang Wei-Lien	Professional qualifications: Certified Public Accountant, Ph.D. in Business Experience: Adjunct Assistant Professor, Accounting Department, Ming Chuan University; accounting firm CPA partner; independent director of Chitec Technology and Guang Peng Industrial Co.	Conformity Self, spouse, or relative within the second degree of kinship are not directors, supervisors, or employees of the Company or affiliated enterprises; and has not provided business, legal, financial, accounting, and other services to the Company or its affiliates in the last 2 years.	0
Independent Director Ji Ya-Qi	Professional qualifications: Management Experience: Graduated from Tunghai University, with a Master's degree from the University of Auckland. Overseas experience includes serving as a director at R and V Holding and as the head of Taiwan English Fortune Co., Ltd.	Conformity Self, spouse, or relative within the second degree of kinship are not directors, supervisors, or employees of the Company or affiliated enterprises; and has not provided business, legal, financial, accounting, and other services to the Company or its affiliates in the last 2 years.	None

II. The remuneration for directors, the general manager, and others for the most recent fiscal year.

Remuneration paid to directors and independent directors

Unit: NT\$ thousand

Job Title	Name	Remuneration for Directors								Ratio of the total amount of A, B, C and D vs. net profit after tax		Remuneration from concurrently serving as employee								Ratio of the total amount of A, B, C, D, E, F and G to net profits after tax		Remuneration received from investee companies outside of subsidiaries, or from the parent company
		Remuneration (A)		Retirement Pension (B)		Remuneration for Directors (C)		Business execution expenses (D)				Salaries, bonuses, special expenditures, etc. (E)		Retirement pension (F)		Remuneration for Employees (G)						
		The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company		All companies in the financial statements		The Company	All companies in the financial statements	
Chairman	Chen Chien-Tung	0	0	0	0	0	0	0	0	0	0	3,452	3,452	0	0	217	0	217	0	1.25	1.20	0
Director	Wang Ji-Kai	515	515	0	0	0	0	0	0	0.17	0.17	3,032	3,032	0	0	0	0	0	0	1.20	1.16	0
Director	Huang Chin-Hsiung	0	0	0	0	0	0	0	0	0	0	2,475	2,475	0	0	155	0	155	0	0.89	0.86	0
Independent Director	Ji Ya-Qi	515	515	0	0	194	194	0	0	0.24	0.23	0	0	0	0	0	0	0	0	0.24	0.23	0
Independent Director	Chen Po-Hsun	515	515	0	0	194	194	0	0	0.24	0.23	0	0	0	0	0	0	0	0	0.24	0.23	0
Independent Director	Fang Wei-Lian	515	515	0	0	194	194	0	0	0.24	0.23	0	0	0	0	0	0	0	0	0.24	0.23	0
Director	Tongde Investment Co.	1,538	1,538	0	0	777	777	0	0	0.79	0.76	0	0	0	0	0	0	0	0	0.79	0.76	0
Director	Veterans' Affairs Council	515	515	0	0	591	591	0	0	0.38	0.36	0	0	0	0	0	0	0	0	0.38	0.36	0
Director	Hsinquan Investment Co., Ltd.	515	515	0	0	194	194	0	0	0.24	0.23	0	0	0	0	0	0	0	0	0.24	0.23	0
The policy, system, standards and structure of the remuneration packages of the Independent Directors and explain the relevance of the amount of remuneration paid to them based on factors such as responsibility, risk and time commitment: The payment criteria are generally identical to those for general directors. Besides those disclosed in the above table, remuneration paid to directors in the most recent year for having provided services to all companies covered in the financial statement (such as working as a consultant who is not an employee): none.																						

Remuneration of President and vice presidents

Unit: NT\$ thousand

Job Title	Name	Salary (A)		Retirement pension (B)		Rewards and Special expenses etc. (C)		Employee compensation amount (D)				Ratio of total amount of A, B, C, and D as percentage of income after tax (%)		Any remuneration received from reinvested businesses other than subsidiaries
		The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company		All companies included in the financial statements		The Company	All companies included in the financial statements	
								Amount in cash	Amount in shares	Amount in cash	Amount in shares			
President	Wang Ji-Kai	2,517	2,517	0	0	515	515	0	0	0	0	1.03	1.00	0
Vice President	Huang Chin-Hsiung	1,920	1,920	0	0	401	401	155	0	155	0	0.84	0.81	0

Remuneration of top five executives with the highest remuneration of a TWSE/TPEX listed company

Unit: NT\$ thousand

Job Title	Name	Salary (A)		Retirement pension (B)		Bonuses and special expenses (C)		Employee compensation amount (D)				Ratio of the total amount of A, B, C and D vs. net profit after tax (%)		Remuneration received from investee companies outside of subsidiaries, or from the parent company
		The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company		All companies included in the financial statements		The Company	All companies included in the financial statements	
								Amount in cash	Amount in shares	Amount in cash	Amount in shares			
President	Wang Ji-Kai	2,517	2,517	0	0	515	515	0	0	0	0	1.03	1.00	0
Vice President	Huang Chin-Hsiung	1,920	1,920	0	0	401	401	155	0	155	0	0.84	0.81	0

Finance Manager	Huang Luo-Hui	1,531	1,531	0	0	360	360	123	0	123	0	0.68	0.66	0
Engineering & Material Manager	Chiang Chin-Yi	1,448	1,448	0	0	316	316	117	0	117	0	0.64	0.62	0
Chief Governance Officer	Tsai, Chia-Lin	1,448	1,448	0	0	316	316	117	0	117	0	0.64	0.62	0

In the most recent year, full-time employees of the Company who are not in supervisory positions and whose average annual salary is less than NT\$500,000: None

(IV) Names of managerial officers entitled to employee bonuses and amounts entitled

Unit: NT\$ thousand March 31, 2026

	Job Title	Name	Amount in shares	Amount in cash	Total	As percentage of income after tax (%)
Manager	Vice President	Huang Chin-Hsiung	0	278	278	0.09
	Finance Supervisor	Huang Luo-Hui				

The scope of the application of managers is stipulated by the former Securities and Futures Commission of the Ministry of Finance in letter Tai-Cai-Zheng-San-Zi-No. 0920001301 dated March 27, 2003. Its scope is as follows:

- (1) President and equivalent
- (2) Vice president and equivalent
- (3) Associate manager and equivalent
- (4) Head of Finance Department
- (5) Head of Accounting Department
- (6) Other persons who have the right to manage affairs and sign for the Company

(V) Analysis of ratios of remuneration paid to directors, supervisors, the President and vice presidents of the Company and of all companies in the consolidated financial statements to net profit after tax in the parent company only or individual financial statements in the last two years; and explanation of the correlation between the policies, standards, and combinations of payment, and the relation between procedures for determination of remuneration, business performance and future risks:

1. Analysis table of remuneration for directors, supervisors, the President, and vice presidents Unit: NT\$ thousand

ID classification	2024				2025			
	The Company's	financial statements all companies therein	Proportion after tax Net profit (%)		The Company's	financial statements all companies therein	Proportion after tax Net profit (%)	
Director	5,763	5,763	1.67	1.60	6,772	6,772	2.30	2.22
President	2,993	2,993	0.87	0.83	3,032	3,032	1.03	1.00
Vice President	2,368	2,368	0.69	0.66	2,475	2,475	0.84	0.81
Total	11,124	11,124	3.23	3.09	12,279	12,279	4.17	4.03

2. Remuneration policy, standards and combinations of payment, and procedures for determining remuneration:

(1) Matters concerning the President, vice presidents, CFO and Chief Accountant, and other persons who have the right to sign the Company's management affairs shall be handled in accordance with Article 32 of the Personnel Management Regulations.

(2) Remuneration of directors and supervisors:

Except for the stipulations given in the Articles of Incorporation on distributions of earnings, salaries shall not be higher than the highest grade salary in the Company's employee salary scale; and the payment standard shall be submitted to the Board of Directors for resolution after being set by the Remuneration Committee.

(3) Dividend policy:

If the Company's year-end final accounts reflect a current net profit, any losses should be made up for and then 10% of the balance shall be allocated to legal reserve, and the amount of the shareholder's equity deduction that

occurred in the current year will be set aside as special reserve. The rest shall be combined with the accumulated undistributed surplus earnings at the beginning of the period and the adjusted amount of undistributed surplus earnings in the current year, in addition to paying dividends and setting aside replacement reserves, whose amounts are to be authorized by the Board of Directors.

The dividends referred to in the preceding paragraph may be retained in whole or some as undistributed surplus earnings by resolution of the shareholders' meeting. Funding needs with future capital budget planning shall be measured according to the overall environment and industry growth characteristics of the Company and in line with the Company's long-term financial planning. After first using retained earnings to finance fund requirements, cash dividends shall primarily be distributed if there is no major capital expenditure for the remaining surplus. Partial stock dividends shall be distributed in the case of major capital expenditures. The stock dividend distribution ratio will be between 20% and 100%, and the cash dividend will be between 80% and 0%.

Remark: This article is as per the amendment content approved by the 2019 General Meeting of Shareholders.

3. Business performance:

- (1) Operating revenue for 2025 was NT\$1,568,123 thousand, after-tax earnings came to NT\$304,723 thousand, and after-tax earnings per share was NT\$2.45.
- (2) Investment income in 2025 came to NT\$160,771 thousand.
- (2) Relevance of future risks: None.

IV. Corporate Governance Report

(I) Information on the operation of the Board of Directors

The Board of Directors met 4 times in the most recent year and directors and supervisor attendance was as follows:

Job Title	Name	Number of times actually attending (observing) B	Frequency of attendance	Actual attendance (observation) rate (%) [B/A]	Note
Chairman	Tongde Investment Co., Ltd. Chen Chien-Tung	5	0	100%	
Director	Tongde Investment Co., Ltd. Chuang Wen-Yuan	5	0	100%	
Director	Tongde Investment Co., Ltd. Huang Chin-Hsiung	5	0	100%	
Director	Veterans Affairs Council: Wang Ji-Kai	5	0	100%	
Director	Rongqiao Investment Co., Ltd.: Sun Lian-Sheng	5	0	100%	
Director	Veterans Affairs Council: Liu Ya-Kwei	5	0	100%	
Independent Director	Chen Po-Hsun	5	0	100%	
Independent Director	Fang Wei-Lien	5	0	100%	
Independent Director	Ji Ya-Qi	5	0	100%	

Other matters to be recorded:

1. If any of the following occurs in the operation of the Board, specify the date, the session, the content of the motion, the opinions of the Independent Directors, and the response of the Company to the opinions of the Independent Directors: None
 - (1) Matters specified in Article 14-3 of the Securities and Exchange Act.
 - (2) Further to the aforementioned matters, any adverse opinion or qualified opinion of the Independent Directors against the resolutions of the Board that have been noted in the record or declared in writing.
2. For recusal of directors from motions due to conflicts of interest, specify the names of the Directors, the content of the motions, the reasons for recusal, and the participation in voting: No such situation
3. TWSE/TPEX listed companies should disclose information such as the evaluation cycle and period, evaluation scope, method, and the evaluation of board members' performance of the Board of Directors:

Evaluation cycle	Evaluation period	Evaluation scope	Evaluation method	Evaluation content
Implemented each year	January 1, 2025 to December 31, 2025	The overall board of directors Individual director members Functional Committee	Director self-evaluation	Detailed as stated

1. These Measures are formulated in accordance with Article 37 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies as well as the Company's "Regulations of Board of Directors Self-Evaluation" in order to implement corporate governance and enhance the functions of the Company's Board of Directors, establishing performance targets to enhance the operational efficiency of the Board, in order to carry out the 2025 Board of Directors Performance Evaluation. The scope of evaluation includes performance evaluation of the overall Board of Directors, individual directors and functional committees.

2. Performance evaluation process

- (1) The 2025 Board of Directors Performance Evaluation was handled in the form of a Board of Directors internal self-evaluation and director members' self-evaluations. The Secretary's Office collected information about Board of

Directors activities, and distributed the self-evaluation questionnaire to the directors to fill in individually.

- (2) The evaluation results were recorded at the end of January 2026 after uniform collection of the questionnaire data by the Secretary's Office in accordance with scoring standards of the evaluation indicators, and they were submitted as a report to the Board of Directors on March 13, 2026.

3. Targets of self-evaluation questionnaire

- (1) Performance evaluation of the overall Board of Directors: The self-evaluation questionnaire should be filled out by the nine current directors who were in office as of December 31, 2024.
- (2) Board member self-evaluation: The self-evaluation questionnaire should be filled out by the 9 current directors who were in office as of December 31, 2025.
- (3) Functional committee performance evaluations: The self-evaluation questionnaire should be filled out by the 3 current committee members who were in office as a member of December 31, 2025.

4. Evaluation items

- (1) Performance evaluation measurement items of this Board of Directors include five aspects: degree of participation in the Company's operations, the improvement of the decision-making quality of the Board of Directors, the composition and structure of the Board of Directors, the selection and continuous education of directors, and internal control.

Based on the self-assessment results of each director across the five key aspects, the overall performance evaluation of the board of directors meets the assessment standards, indicating that the board's overall operations are functioning well.

- (2) Self-evaluation items for this board member evaluation include six parameters: mastery of the Company's goals and tasks, the directors' awareness of responsibilities, the degree of participation in the Company's operations, management and communication of internal relations, directors' professional and continuous education, and internal control.

Based on the self-assessment results of each director across the six key aspects, all board members comply with relevant laws and regulations and fulfill their responsibilities as directors.

- (3) Measurement items of the functional committee performance evaluation includes five parameters: Participation in the Company's operations, awareness of functional committee responsibilities, improvement of functional committee decision-making quality, functional committee composition and member selection, and internal control.

Based on the self-assessment results of each director across the five key aspects, the functional committees are effectively fulfilling their roles.

5. Evaluation results

A total of 4 meetings of the Company's Board of Directors meetings were held in 2025 with a good director attendance rate of 100%. Each director contributed full expression and suggestions regarding each of the Company's proposals and lent the utmost support.

(II) Information on the operation of the Audit Committee:

4 meetings have been held by the Audit Committee in the most recent year. The records of attendance by independent directors are shown as follows:

Job Title	Name	Actual number of attendances	Frequency of attendance	Actual attendance rate	Remarks
Independent Director	Chen Po-Hsun	4	0	100%	
Independent Director	Fang Wei-Lien	4	0	100%	
Independent Director	Ji Ya-Qi	4	0	100%	
Other matters to be recorded:					
I. If any of the following circumstances arises in the operation of the Audit Committee, the meeting date, period, motion content, and any objections of independent directors should be stated, as well as contents of reserved opinions or major recommendations, the results of the audit committee's resolutions, and the Company's handling of the Audit Committee's opinions.					
(I) Matters listed in Article 14-5 of the Securities and Exchange Act. No such situation.					

(II) Further to the aforementioned matters, motions rejected by the Auditing Committee but passed by the Board at the consent of more than 2/3 of the Directors: No such situation.

II. Implementation status of independent directors' recusals due to conflicts of interest, including the name of the independent director, the content of the proposal, the reasons for recusal and voting status.

III. Communication between independent directors and internal audit supervisors and accountants: In 2025, the Company's finances and business experienced no major events. If there is a need to communicate matters, independent directors shall use the Company's mailbox and telephone for communication.

(III) Difference between corporate governance operations and the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies, and reasons

Evaluation Criteria	Operational status (Note 1)			Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary Explanation	
I. Has the Company prepared and disclosed the Corporate Governance Best-Practice Principles in accordance with the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies?	✓		In accordance with the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies," the Company has established its own Corporate Governance Best Practice Principles, which are disclosed on the Market Observation Post System (MOPS) and the official company website.	None
II. The equity structure and shareholders' equity of the Company				
(I) Does the Company have internal operating procedures in place to deal with shareholder recommendations, doubts, disputes and litigation matters according to the procedures?		✓	(1) The Company has established the "Management Measures for Stock Affairs" and "Management Measures for Shareholders' Rights." Furthermore, a dedicated stock affairs unit and a spokesperson system have been implemented, with designated personnel responsible for handling shareholder suggestions or disputes in strict accordance with the established management measures..	None
(II) Does the Company have a list of the major shareholders who actually control the Company, and the ultimate controllers of the major shareholders?	✓		(2) The Company obtains shareholder data through its stock transfer agent to maintain a clear and accurate list of major shareholders who exercise actual control over the Company, as well as the ultimate controllers of such major shareholders.	None
(III) Has the Company established and implemented the risk management, control and prevention mechanisms for affiliated companies?	✓		(3) The Company and its subsidiaries maintain independent financial and accounting systems. All relevant operational processes are audited and controlled in accordance with the Company's internal control system.	None
(IV) Has the Company established internal regulations that prohibit insiders from using unpublished information in the market to buy and sell securities?	✓		(4) The Company has established the "Procedures for Handling Material Inside Information and Prevention of Insider Trading," which stipulates that insiders must not violate regulations prohibiting insider trading. Periodic updates and educational training sessions are conducted to ensure ongoing compliance and awareness.	None
III. Composition and Duties of the Board of Directors				
(I) Has the Board developed its policies in diversity relevant to the composition of the members and has it properly pursued these policies?	✓		(1) The Company has established a Board Diversity Policy, which was approved during the 7th meeting of the 14th Board of Directors on November 4, 2024. Additionally, the "Corporate Governance Best Practice Principles" were adopted on August 10, 2015, with Chapter 3, "Strengthening the Functions of the Board of Directors," explicitly outlining the board structure diversification guidelines, which are disclosed on the Market Observation Post System (MOPS). The Board currently consists of 9 directors (including 3 independent directors), with 1 female director. The goal of gender equality has not yet been fully achieved, primarily because the Company operates as a public natural gas utility, where core	None

Evaluation Criteria	Operational status (Note 1)			Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary Explanation	
			operations rely heavily on mechanical engineering and energy safety expertise. Due to these industrial characteristics, the pool of high-level female talent with deep relevant experience is currently limited. In future re-elections, the Company will expand its search beyond technical backgrounds to prioritize female candidates with expertise in finance, law, or ESG, and will strengthen the participation of female executives in decision-making to build an internal board succession pipeline. Currently, 2 directors concurrently serve as company executives, which does not exceed one-third of the total board seats. Specific management objectives and implementation status are disclosed on the Company's website; please refer to the "Board Diversity and Independence" section of the Annual Report.	
(II) Has the Company voluntarily set up other functional committees other than the Remuneration Committee and the Audit Committee according to law?		✓	(2) In addition to the legally mandated Remuneration Committee and Audit Committee, the Company will establish other functional committees in the future as required by regulations and operational needs.	None
(III) Has the Company formulated the board's performance assessment and evaluation method, conduct performance evaluation annually and regularly, and report the results of the performance evaluation to the Board of Directors, and apply it to individual directors' remuneration and nomination renewal?	✓		(3) The Company has established the "Board Performance Evaluation Measures," which are disclosed on the Company's website and MOPS. These measures mandate that an internal board performance evaluation be conducted at least once a year. Future plans include engaging external professional independent institutions or teams of external experts and scholars to conduct evaluations.	None
(IV) Has the Company assessed the independence status of the CPAs at regular intervals?	✓		(4) The Company periodically evaluates the independence and suitability of its external auditors annually. In accordance with the Bulletin of Norms of Professional Ethics for Certified Public Accountants No. 10, "Integrity, Objectivity, and Independence," the Company has formulated an "External Auditor Independence Evaluation Form" and obtained the "Statement of Independence" from the auditors. The Company also utilizes the "Audit Quality Indicators (AQI)" provided by the accounting firm to perform evaluations based on 13 AQI benchmarks. It has been confirmed that, aside from audit and tax-related fees, the auditors maintain no financial interests or business relationships with the Company, and their family members do not violate independence requirements. Based on AQI data, the auditors and their firm possess extensive audit experience, and their continuing education hours comply with regulations. The auditors have years of experience auditing natural gas utilities and are well-versed in relevant laws; furthermore, the firm continues to implement digital audit tools to enhance audit quality. The most recent annual evaluation results were approved by the Audit Committee on March 10, 2025, and subsequently submitted to and approved by the	None

Evaluation Criteria	Operational status (Note 1)			Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary Explanation	
			Board of Directors on the same day.	
IV. Is the TWSE/TPEX listed company equipped with qualified and appropriate number of corporate governance personnel, and appoint a corporate governance director responsible for corporate governance related matters (including but not limited to providing information needed by directors and supervisors to carry out business, assisting directors and supervisors to comply with laws and regulations, handling matters related to meetings of the Board of Directors and shareholders' meeting in accordance with the law, and producing minutes of board meetings and shareholders' meetings)?	✓		On May 29, 2023, the Board of Directors approved the appointment of a Corporate Governance Officer. The Secretariat has been designated to execute and promote corporate governance affairs, including the legal handling of matters related to Board of Directors and Shareholders' meetings, and providing directors with the regulatory information necessary for the execution of their business to ensure legal compliance. The Company has allocated an appropriate number of personnel dedicated to overseeing corporate governance operations.	None
V. Has the Company established channels for the communications with the stakeholders (including but not limited to the shareholders, employees, customers, and suppliers), and the section for the shareholders on the official website of the Company to respond to all concerns of the stakeholders on corporate social responsibility?	✓		The Company's website features a dedicated Stakeholder Section, providing contact emails and telephone numbers for various matters. This ensures smooth communication channels for stakeholders, including customers, suppliers, employees, shareholders, the local community, the general public, and the media. Respective departments and units are responsible for responding to material Corporate Social Responsibility (CSR) issues of concern to these stakeholders. The status of stakeholder communication is reported to the Board of Directors on a regular annual basis.	None
VI. Has the Company appointed a professional share registration and investors service agent for handling matters pertaining to the Shareholders' Meeting?	✓		The Company's stock transfer agent is Capital Securities Corp., which handles shareholder meeting matters and other stock-related services.	None
VII. Disclosure of Information (I) Has the Company installed a website for the disclosure of information on financial position and operation, as well as corporate governance?	✓		(1) In compliance with applicable regulations, the Company discloses information on the Market Observation Post System (MOPS) both periodically and as required by specific events. Additionally, comprehensive financial, business, and corporate governance data are made available on the Company's official website.	None
(II) Has the Company adopted other means for disclosure (such as the installation of a website in the English language,	✓		(2) The Company has designated specific personnel responsible for the collection and disclosure of all corporate information. The corporate website features dedicated Investor Relations and Stakeholder sections, where the spokesperson's contact information and investor-related data are published for public	None

Evaluation Criteria	Operational status (Note 1)			Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary Explanation	
appointment of designated persons for the collection and disclosure of information on the Company, the implementation of spokesman system, and videotaping institutional investor conferences)? (III) Does the Company announce and declare its annual financial report within two months after the end of the fiscal year, and announce and declare the first, second, and third quarter financial reports and the monthly operating situation as early as possible within the prescribed time limit?			access. (3) The Company consistently completes the announcement and filing of its annual financial reports ahead of the statutory deadlines. For detailed information regarding quarterly financial reports and monthly operational results, please refer to the filings on the Market Observation Post System (Website: https://mops.twse.com.tw/).	None
VIII. Is there any other material information that would facilitate an understanding the pursuit of corporate governance (including but not limited to employee rights, employee care, investor relations, supplier relations, stakeholder rights, the continuing education of directors and supervisors, the pursuit of a risk management policy and standard of risk assessment, the pursuit of a customer policy, and professional liability insurance coverage for the directors and supervisors)?	✓		(1) Employee Rights: The Company safeguards employee rights in strict accordance with the Labor Standards Act, the Labor Pension Act, and the Company's internal regulations. (2) Employee Care: In addition to the Employee Welfare Committee's initiatives—including overseas corporate trips, educational scholarships for children, holiday bonuses, and subsidies for childbirth, marriage, and bereavement—the Company provides funeral allowances for relatives, inpatient medical benefits, and group tours. Furthermore, diversified communication channels are established to allow employees to express suggestions, which serve as a basis for operational improvements. (3) Investor Relations: The Company has established the "Management Measures for Long-term Investment," "Management Measures for Re-invested Enterprises," "Procedures for Acquisition or Disposal of Assets," and a formal "Delegation of Authority" system. These clearly define responsibilities at all levels. The Company does not engage in high-risk investments and has provided no external endorsements or guarantees. (4) Supplier Relations: On September 25, 2024, the Company established its "Supplier Management Policy and Standards," which are published on the corporate website. Suppliers are required to comply with environmental protection, safety, and health regulations, working together to enhance corporate social responsibility and ethical standards. (5) Rights of Stakeholders: (i) The Company's directors attend Board meetings regularly and strictly adhere to recusal protocols regarding agenda items involving potential conflicts of interest. (ii) Stakeholders maintain unimpeded communication with the Company to ensure their legitimate rights and interests are protected. (6) Continuing Education for Directors and Managers: The Company regularly provides information on regulatory updates and professional development courses, arranging continuing education for its directors and management team.	None

Evaluation Criteria	Operational status (Note 1)			Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary Explanation	
			(7) Risk Management Policy, Risk Measurement Standards, and Customer Policy Implementation: The Company consistently prioritizes the safety and maintenance of gas pipelines and conducts safety awareness campaigns for users to protect consumer interests. (8) Liability Insurance for Directors and Officers: The Company procures Liability Insurance for its directors and managers on an annual basis.	
IX. Corrective action taken in response to the result of the Corporate Governance Evaluation conducted by the Corporate Governance Center of Taiwan Stock Exchange Corporation, and the priority of action on issues pending for corrective action in the most recent year.	✓		The Company's annual Corporate Governance Evaluation results are categorized within the 81% to 100% range. A summary of the key implementation results and improvement progress is as follows: I. Key Implementation Achievements and Improvements 1.Enhanced Disclosure: English versions of the Shareholders' Meeting Handbook, Annual Report, and Financial Reports have been introduced and uploaded to the Market Observation Post System (MOPS) within the prescribed deadlines. 2.Corporate Governance Officer: The appointment of a Corporate Governance Officer has been completed, with their scope of authority and continuing education status duly disclosed. 3.Audit Committee: The Audit Committee has been established, and its operational status is now fully disclosed. II. Priority Enhancement Items and Measures for 2025 For areas requiring further improvement, the following priority measures have been identified for 2025: 1.Shareholders' Meeting Minutes: Include significant details of shareholder inquiries and the Company's responses in the minutes of the Annual General Meeting. 2.Meeting Transparency: Upload continuous, uninterrupted audio and video recordings of the Shareholders' Meeting following its conclusion. 3.Auditor Evaluation: The Board of Directors plans to evaluate the independence and suitability of the external auditors at least once a year, utilizing Audit Quality Indicators (AQIs), and will disclose the evaluation procedures in the Annual Report. 4.Committee Performance: Continue to conduct annual internal performance evaluations for functional committees and disclose the implementation and results on the Company website. 5.Insider Shareholding: Ensure that changes in the shareholdings of insiders for the preceding month are uploaded to MOPS by the 10th of each month. 6.English Corporate Website: Establish an English-language version of the corporate website featuring financial, business, and corporate governance-related information. 7.Sustainability Reporting: Prepare and upload a Sustainability Report to both MOPS and the Company website by the end of August, in accordance with GRI Standards. 8.Environmental Disclosure: Maintain the periodic disclosure of greenhouse gas emissions, water consumption,	None

Evaluation Criteria	Operational status (Note 1)			Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary Explanation	
			and total waste weight for the past two years.	

Note 1: Regardless of whether “Yes” or “No” is checked, the operation status should be described in the summary description field.

Note 2: The term “corporate governance self-evaluation report” refers to a report based on the corporate governance self-evaluation project that is self-assessed and explained by the Company to report on the Company’s current operations and implementation of each self-evaluation project.

(IV) Remuneration Committee composition, responsibilities, and operations:

Composition: The Company established the Remuneration Committee in December 2013. The organization charter was formulated at the same time and approved by the 3rd meeting of the 10th Board of Directors.

Responsibilities: Establish remuneration for directors and managers (including the President, vice presidents, associate managers, financial supervisor, chief accountant, other persons who have the right to sign for the Company's management affairs, and supervisors of each department and branch), severance (retirement) pay, distribution of earnings, business execution expenses, and compensation from concurrently serving as an employee; and regularly evaluate the policies, systems, standards, and structures of business performance and salary compensation.

Information of Remuneration Committee Members

ID Classification	Condition	Has at least five years of relevant working experience and the following professional qualifications			Degree of independence										Number of other public companies where he/she serves as a member of the Remuneration Committee	Note
		Lecturer or above in a department related to business, legal affairs, finance, accounting or area related to the Company's business at a public or private college or university	Judges, prosecutors, lawyers, accountants or other certified professional personnel who have passed national examinations required for corporate business	Have work experience required for business, legal affairs, finance, accounting, or Company business	1	2	3	4	5	6	7	8	9	10		
Convener	Chen Po-Hsun			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0	N
Member	Fang Wei-Lien	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0	N
Member	Ji Ya-Qi			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0	N

1. Not an employee of the Company or its affiliates.
2. Not a director or supervisor of the Company or its affiliates. (However, in the case of independent directors established and concurrently serving in the Company and its parent company, subsidiary company or subsidiary company of the same parent company in accordance with this Act or local laws, this limitation shall not apply.)
3. Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others'

names, in an aggregate amount of one percent or more of the total number of outstanding shares of the Company or ranking in the top ten in holdings.

4. Not management of those listed in (1), or someone having a relationship with those listed in (2) or (3) including a spousal relationship, a second-degree kinship or closer, or an immediate blood relative within three degrees of kinship.
5. Not a director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of outstanding shares of the Company or that holds shares ranking in the top five in holdings, or is designated as a representative in accordance with Article 27, Paragraph 1 or 2 of the Company Act. (However, in the case of independent directors established and concurrently serving in the Company and its parent company, subsidiary company or subsidiary company of the same parent company in accordance with this Act or local laws, this limitation shall not apply.)
6. Not a director, supervisor, or employee of another company controlled by the same person with more than half of the shares with voting rights on the Company's Board of Directors. (However, in the case of independent directors established and concurrently serving in the Company and its parent company, subsidiary company or subsidiary company of the same parent company in accordance with this Act or local laws, this limitation shall not apply.)
7. Not a director, supervisor, or employee of another company or institution whose chairman, general manager, or equivalent position is the same person as that of the Company, or the spouse thereof. (However, in the case of independent directors established and concurrently serving in the company and its parent company, subsidiary company or subsidiary company of the same parent company in accordance with this Act or local laws, this limitation shall not apply.)
8. Not a director, supervisor, or manager of a specific company or institution having financial or business dealings with the Company, or a shareholder holding 5% or more of shares. (However, if a specific company or institution holds more than 20% of the total issued shares of the Company but not more than 50%, and the established independent director concurrently serves in the Company and its parent company, subsidiary company or subsidiary company of the same parent company in accordance with this Act or local laws, this limitation shall not apply.)
9. Not a partner, director, supervisor, manager, or spouse thereof of a company or institution that provides commercial, legal, financial, financial, accounting services or consultation to the company or any affiliate of the Company for amounts exceeding NT\$500,000 in the past two years. (However, for members

of the Remuneration Committee, Public Acquisitions Review Committee, or M&A Special Committee who perform their functions and powers in accordance with the relevant laws and regulations of the Securities and Exchange Act or the Corporate Mergers & Acquisitions Act, this limitation shall not apply.)

10. Not exhibiting any of the circumstances specified under Article 30 of the Company Act.

Information on the operation of the Remuneration Committee

1. There are 3 members of the Remuneration Committee of the Company.
2. Current term committee members: From May 29, 2023 to May 28, 2026, the most recent year Remuneration Committee met 3 times (A). The qualifications and attendance of the members are as follows:

Job Title	Name	Actual number of attendances (B)	Frequency of attendance	Actual attendance rate (%) (B/A) (Note)	Note
Convener	Chen Po-Hsun	3	0	100%	
Member	Fang Wei-Lien	3	0	100%	
Member	Ji Ya-Qi	3	0	100%	

Other matters to be recorded:

- I. If the Board of Directors does not adopt or amend the recommendations of the Remuneration Committee, the date and period of the Board of Directors, the content of the proposal, the resolution of the Board of Directors, and the Company's handling of the opinions of the Remuneration Committee should be stated. (If the remuneration approved by the Board of Directors exceeds the recommendation of the Remuneration Committee, the differences and reasons should be stated): No such situation.
- II. Should any committee member object or express qualified opinions to the resolution made by the Remuneration Committee, whether on-record or in writing, please describe the date and session of the meeting, details of the motion, the entire members' opinions, and how their opinions were addressed: No such situation.
- III Remuneration Committee Meetings in the Most Recent Year: Dates, sessions, proposals, resolutions, and the Company's handling of the Remuneration Committee's opinions:

Date and Session	Agenda Content	Resolution Result	Company's Handling of the Remuneration Committee's Opinions

	5th Term, 4th Meeting (2025.03.10)	1. Proposal for the distribution of the Company's 2024 employee compensation (including executives). 2. Proposal for the distribution of the Company's 2024 remuneration for directors.	The Chairperson consulted all members present, and the proposal was approved as submitted.	Submitted to the Board of Directors and approved by resolution.
	5th Term, 5th Meeting (2025.06.02)	Proposal for the 2025 employee salary adjustment planning.	The Chairperson consulted all members present, and the proposal was approved as submitted.	Submitted to the Board of Directors and approved by resolution.
	5th Term, 6th Meeting (2025.11.03)	Proposal for the distribution of the Company's 2025 year-end bonuses and performance bonuses for executives.	The Chairperson consulted all members present, and the proposal was approved as submitted.	Submitted to the Board of Directors and approved by resolution.

Notes:

- (1) If a member of the Remuneration Committee resigns before the end of the fiscal year, the date of resignation shall be noted in the remarks column. The actual attendance rate (%) shall be calculated based on the number of Remuneration Committee meetings held and the number of meetings attended by the member during their period of tenure.
- (2) If a re-election of the Remuneration Committee occurs before the end of the fiscal year, both the incoming and outgoing members shall be listed. The remarks column shall specify whether the member is outgoing, newly appointed, or re-elected, along with the date of the re-election. The actual attendance rate (%) shall be calculated based on the number of Remuneration Committee meetings held and the number of meetings attended by the member during their period of tenure.

The Company has not established a Nominating Committee

(V) Implementation of sustainable development promotions and the deviation from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof

Promotion Item	Implementation (Note 1)			Deviation from Sustainable Development Best-Practice Principles for TWSE/ TPEX Listed Companies and causes thereof				
	Yes	No	Summary Explanation					
I. Does the Company establish a governance structure to promote sustainable development, and set up a designated full-time (or part-time) unit to promote Sustainable Development, and the Board of Directors authorizes senior management to handle this and the Board of Directors supervises the situation?	✓		To implement and promote sustainable development goals, the company has established a Sustainability Development Task Force under the board of directors. The Chairman serves as the convener, the General Manager as the Chief Executive Officer, and the Deputy General Manager as the Deputy Chief Executive Officer. The Governance Officer is responsible for overseeing the formulation of corporate social responsibility and sustainability strategies and objectives, compiling the sustainability report for board review and publication, and regularly reviewing performance and progress toward goals. The task force also guides various departments in addressing corporate ethics issues, improving processes, and regularly reporting sustainability initiatives to the board, which supervises these projects. Meetings are held at least once a year, with additional meetings convened as needed for significant issues. 2025 Annual Report to the Board on Sustainability Implementation : <table><tr><th>Date</th><th>Agenda Items</th></tr><tr><td>2025/1/22</td><td>•Establish 2025 as the base year for GHG inventory. •2024 Carbon Footprint</td></tr></table>	Date	Agenda Items	2025/1/22	•Establish 2025 as the base year for GHG inventory. •2024 Carbon Footprint	no major abnormalities
Date	Agenda Items							
2025/1/22	•Establish 2025 as the base year for GHG inventory. •2024 Carbon Footprint							

			<table><tr><td></td><td>Inventory Status Report. ●2025 Corporate Governance Evaluation Readiness Report.</td></tr><tr><td>2025/5/5</td><td>●2024 Sustainability Report Proposal ●Revision of Risk Management Policies and Procedures</td></tr><tr><td>2025/8/4</td><td>●Establishment of the "Operational Procedures for the Preparation and Assurance of the Corporate Sustainability Report" ●Amendment to the "Organizational Charter of the Corporate Sustainability Task Force"</td></tr><tr><td>2025/11/3</td><td>●2025 Sustainability Report Progress Report ●2025 Performance Report on Ethical Corporate Management ●2025 Risk Management Report ●2025 Communication Report on Stakeholder Engagement ●2025 Cybersecurity Operation Report</td></tr></table>		Inventory Status Report. ●2025 Corporate Governance Evaluation Readiness Report.	2025/5/5	●2024 Sustainability Report Proposal ●Revision of Risk Management Policies and Procedures	2025/8/4	●Establishment of the "Operational Procedures for the Preparation and Assurance of the Corporate Sustainability Report" ●Amendment to the "Organizational Charter of the Corporate Sustainability Task Force"	2025/11/3	●2025 Sustainability Report Progress Report ●2025 Performance Report on Ethical Corporate Management ●2025 Risk Management Report ●2025 Communication Report on Stakeholder Engagement ●2025 Cybersecurity Operation Report	
	Inventory Status Report. ●2025 Corporate Governance Evaluation Readiness Report.											
2025/5/5	●2024 Sustainability Report Proposal ●Revision of Risk Management Policies and Procedures											
2025/8/4	●Establishment of the "Operational Procedures for the Preparation and Assurance of the Corporate Sustainability Report" ●Amendment to the "Organizational Charter of the Corporate Sustainability Task Force"											
2025/11/3	●2025 Sustainability Report Progress Report ●2025 Performance Report on Ethical Corporate Management ●2025 Risk Management Report ●2025 Communication Report on Stakeholder Engagement ●2025 Cybersecurity Operation Report											
II. Does the Company follow the principle of materiality, conduct risk assessments on environmental, social and corporate governance issues related to company operations, and formulate relevant risk management policies or strategies? (Note 2)	✓	<table><tr><td colspan="3">(I) This disclosure covers the period from January 2025 to December 2025. The boundary for risk assessment is primarily focused on the Company’s office building. (II) Based on the assessed risks, the relevant management policies have been established as follows:</td></tr><tr><td>Material Issues</td><td>Risk Assessment Items</td><td>Description</td></tr><tr><td>Environment</td><td>Environmental Impact and Management</td><td>1.The Company has established the "Energy Saving, Carbon Reduction, Water and Electricity Reduction, and Waste Management Policy" as well as the "Greenhouse Gas (GHG) Inventory and Verification Schedule Plan." Aiming at the</td></tr></table>	(I) This disclosure covers the period from January 2025 to December 2025. The boundary for risk assessment is primarily focused on the Company’s office building. (II) Based on the assessed risks, the relevant management policies have been established as follows:			Material Issues	Risk Assessment Items	Description	Environment	Environmental Impact and Management	1.The Company has established the "Energy Saving, Carbon Reduction, Water and Electricity Reduction, and Waste Management Policy" as well as the "Greenhouse Gas (GHG) Inventory and Verification Schedule Plan." Aiming at the	no major abnormalities
(I) This disclosure covers the period from January 2025 to December 2025. The boundary for risk assessment is primarily focused on the Company’s office building. (II) Based on the assessed risks, the relevant management policies have been established as follows:												
Material Issues	Risk Assessment Items	Description										
Environment	Environmental Impact and Management	1.The Company has established the "Energy Saving, Carbon Reduction, Water and Electricity Reduction, and Waste Management Policy" as well as the "Greenhouse Gas (GHG) Inventory and Verification Schedule Plan." Aiming at the										

				business items and facilities of various departments, we promote feasible energy-saving measures and encourage employees to participate through practical actions to implement carbon reduction and effectively enhance the efficiency of resource recycling.	
				2.GHG inventory operations are conducted in accordance with ISO 14064-1. We regularly inventory GHG emissions and, based on the results, continue to promote energy-saving control schemes. These are reviewed and tracked periodically to improve energy-saving performance.	
				Occupational Safety	Fire drills and occupational safety training sessions are conducted annually to cultivate employees' emergency response and self-safety management capabilities.
			Society	Product Safety	To appropriately mitigate the risk of accidental incidents, the Company handles public liability insurance renewals on an annual basis and submits the relevant documentation to the Ministry of Economic Affairs for record-keeping in accordance with regulations.
			Corporate Governance	Social, Economic, and Legal Compliance	1.Ensure that all personnel and operations strictly adhere to relevant laws and regulations by establishing a

				governance framework and implementing internal control mechanisms. 2.Each department conducts an annual self-assessment of internal controls to review the implementation status of internal control and legal compliance from the preceding year.	
			Enhancing Board Functions	1.The Company periodically provides information on regulatory updates and continuing education courses relevant to directors; directors are required to complete a designated number of continuing education hours annually to strengthen the operation and structure of the Board. 2.The Company procures Directors and Officers (D&O) Liability Insurance annually to provide coverage against potential litigation or claims.	
			Stakeholder Communication	1.Strengthen communication with stakeholders and engage proactively to minimize misunderstandings, while developing response strategies regarding their key areas of concern. 2.Establish diverse communication channels, including a designated "Stakeholder Section" and "Stakeholder Contact Point" on the corporate website, with the Spokesperson and	

				Deputy Spokesperson responsible for processing and responding to inquiries.	
III. Environmental Issues (I) Has the Company established an appropriate environmental management system based on its industry characteristics?	✓		The Company prioritizes environmental management. In addition to conducting regular inspections of building structures, electrical systems, fire safety equipment, emergency generators, and elevator systems, the Company periodically organizes safety awareness campaigns, fire safety drills, and earthquake protection training.		no major abnormalities
(II) Has the Company committed itself to improving energy efficiency and to using recycled materials with low impact on the environment?	✓		To achieve sustainable energy goals, the company enhances energy management efficiency, enforces procurement controls to reduce energy consumption, and integrates these practices into product manufacturing and maintenance operations.		no major abnormalities
(III) Does the Company assess the potential risks and opportunities of climate change for the Company now and in the future, and has it taken relevant countermeasures?	✓		Starting in 2024, the Company commenced greenhouse gas inventories and assessments of the potential risks and opportunities presented by climate change to our current and future operations. We have established risk management policies and procedures, whereby various departments are required to submit "Risk Management Records" on a regular basis to facilitate the identification of climate risks and the implementation of corresponding mitigation measures.		no major abnormalities
(IV) Does the Company count greenhouse gas emissions, water consumption and the volume of total waste in the past two years, and formulate policies for greenhouse gas reduction, water reduction, or other waste management	✓		The Company established the "Greenhouse Gas Inventory and Verification Implementation Plan" on March 30, 2023. Starting from 2024, we have commenced operations regarding GHG inventory, supervision, control, and system construction. The implementation results are reported to the Board of Directors on a regular basis. Statistical Summary of Water and Electricity Consumption and Carbon Emissions for the Company's Hsin Min-Chuan Building		no major abnormalities

			<table><tr><td>YEAR</td><td>2024</td><td>2025</td></tr><tr><td>Greenhouse Gas Emissions (Metric Tons)</td><td>198.51</td><td>222.32</td></tr><tr><td>Water Consumption (Cubic Meters)</td><td>1208</td><td>1374</td></tr><tr><td>Electricity Consumption (kWh)</td><td>256000</td><td>255520</td></tr></table>	YEAR	2024	2025	Greenhouse Gas Emissions (Metric Tons)	198.51	222.32	Water Consumption (Cubic Meters)	1208	1374	Electricity Consumption (kWh)	256000	255520	
YEAR	2024	2025														
Greenhouse Gas Emissions (Metric Tons)	198.51	222.32														
Water Consumption (Cubic Meters)	1208	1374														
Electricity Consumption (kWh)	256000	255520														
IV. Social Issues (I) Has the Company established related policies and procedures in accordance with applicable legal rules and the International Convention on Human Rights?	✓	In accordance with labor laws and relevant personnel regulations, the Company administers labor and health insurance and provides for employee retirement funds. Furthermore, with reference to the core labor standards of the International Labour Organization (ILO) Fundamental Conventions, we implement relevant human rights protection policies and ensure equal treatment regardless of religion, political affiliation, or gender, thereby safeguarding the legal rights and interests of our colleagues.	no major abnormalities													
(II) Has the Company formulated and implemented reasonable employee welfare measures (including salary, vacation and other benefits), and appropriately reflected business performance or results in employee compensation?	✓	1.The company has implemented comprehensive employee welfare measures, including salary, leave, and other benefits. A Employee Welfare Committee oversees related matters, ensuring that business performance and results are reflected in employee compensation. 2.Labor union agreements have been drawn up and an industrial union established to enforce the rights and interests of employees. The group agreement has been published on our company's website: http://www.hkgas.com.tw	no major abnormalities													
(III) Has the Company provided a safe and healthy work	✓	The company prioritizes a safe, comfortable, and healthy work environment as a fundamental occupational safety	no major abnormalities													

environment for the employees, and related education on occupational safety and health for the employees at regular intervals?			principle. The Workplace Safety and Health Guidelines establish a safe environment, aiming for zero workplace accidents. Annual employee health check-ups are provided. Nurses from Kaohsiung Medical University Chung-Ho Memorial Hospital visit weekly to provide employee health care and education.	
(IV) Has the Company provided effective training in career planning for employees?	✓		To align with employee competencies and career planning, the company conducts annual training programs, including: 1. Professional and career development training 2. Technical training and certification support A total of 2 employees obtained professional certifications during the year.	no major abnormalities
(V) Regarding issues such as customer health and safety, customer privacy, and marketing and labeling of products and services, does the Company comply with relevant regulations and international standards, and formulate relevant consumer and customer protection policies and complaint procedures?	✓		The Company has established "Guidelines for Personal Data Protection." The scope of application includes the personal data of customers, responsible departments, and personnel, ensuring the effective fulfillment of management and protection responsibilities. These measures are designed to prevent unauthorized manual exploitation that could lead to information security incidents involving personal data breaches. A total of 9 employees participated in personal data protection training organized by the Administration of Energy during the year.	no major abnormalities
(VI) Has the Company formulated supplier management policies, where suppliers are required to follow relevant regulations on issues such as environmental protection, occupational safety and health or labor	✓		On November 4, 2024, the Board of Directors approved the Supply Chain Management Policy, mandating suppliers to comply with environmental protection, occupational safety, and labor rights regulations. A total of 10 suppliers completed the annual evaluation.	no major abnormalities

and their implementation?				
V. Does the Company refer to the internationally prepared reporting standards or guidelines, preparation of sustainability reports and other reports that disclose the Company's non-financial information? Did the preliminary report obtain the confidence or assurance opinion of the third-party verification unit?	✓		The Company has published its 2024 Sustainability Report, which was prepared in accordance with the GRI Standards issued by the Global Reporting Initiative. At present, the report has not yet obtained an assurance or guarantee opinion from a third-party verification body.	no major abnormalities
VI. If the Company has its own sustainable development code in accordance with the "Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies", please describe the differences between its operation and the Principles: A formal code of conduct has not yet been established.				
VII. Other important information helpful to understand the implementation of the promotion of sustainable development: 1. We have strengthened the promotion and implementation of environmental protection concepts, conducting 1 awareness session during the year with a total of 116 participants. 2. Attaching great importance to social welfare, the Company donated NT\$650,000 for the "Adoption of Veterans' Orphans" program this year, benefiting a total of 83 individuals (including 2 preschool children, 20 elementary school students, 14 junior high school students, 26 senior high school students, and 21 university students). Additionally, a donation of NT\$150,000 was made for the "0923 Hualien Maitan River Barrier Lake Disaster Relief" to provide timely support to underprivileged groups, promote community harmony, and fulfill our commitment to social care.				

1. Execution Status of Climate-Related Information

Promotion Item	Execution Status
1. Description of the supervision and governance by the board of directors and management	1. Given the increasing impact of climate change on business operations, the composition of the company's board of directors considers the importance of professional knowledge related to sustainable corporate management. Therefore, in the nomination of independent directors, in addition to

regarding climate-related risks and opportunities.	expertise in financial institution management, business operations, financial management, accounting, law, and corporate governance, practical experience and knowledge in climate change-related issues are also emphasized. 2. Since 2024, the company has regularly reported various work progress and implementation results to the board of directors. Additionally, the company encourages departments and employees to achieve corporate sustainability goals, ensuring that management at all levels pursues profitability while also striving to meet sustainability objectives.		
2.Explanation of how identified climate risks and opportunities affect the company's operations, strategies, and finances (short-term, medium-term, long-term).	1. On August 5, 2024, the company’s risk management task force’s organizational structure, policies, and procedures were reviewed and approved by the audit committee and the board of directors. 2. Committee members from various departments are responsible for identifying and assessing climate-related risks and opportunities within their respective areas of responsibility and formulating response strategies.		
	Short-term	Mid-term	Long-term
	Transition Risks: 1.Policy and regulatory changes, pressure to disclose carbon emissions. 2.The inclusion of a carbon fee system under the Climate Change Response Act will impose greenhouse gas emission management fees, increasing operational costs. Physical Risks: Extreme climate events and damage to transportation and storage facilities increase operational risks.	Transition Risks: 1.Increased obligations for carbon emissions reporting, costs of transitioning to a low-carbon economy, changes in customer behavior, and heightened concerns and negative feedback from stakeholders. 2.Pressure from technological transformation and energy policy incentives. 3.The inclusion of a carbon fee system under the Climate Change Response Act will impose greenhouse gas emission management	Transition Risks: 1.Energy structure transformation and international regulatory impacts. 2.The inclusion of a carbon fee system under the Climate Change Response Act will impose greenhouse gas emission management fees, increasing operational costs. Physical Risks: 1.Rising sea levels and ongoing climate change. 2.Extreme climate events and damage to transportation and storage

	Market Opportunities: Growing energy demand and regulatory policy incentives. Physical Risks: 1. Supply chain disruption risks. 2. Extreme climate events and damage to transportation and storage facilities increase operational risks. Market Opportunities: Investment in new energy sources (solar, wind, etc.).	fees, increasing operational costs.	facilities increase operational risks.	
3. Description of the financial impact of extreme weather events and transition actions.	1. Extreme climate events, such as floods, droughts, heatwaves, and tropical cyclones (typhoons), may cause physical damage to the Company's pipelines and equipment assets. Furthermore, these events increase operational costs related to the allocation of human and material resources required for emergency response. 2. While extreme climate events have a more significant impact on the agricultural, fishery, and livestock industries, the Company—which receives gas from CPC Corporation to supply industrial, commercial, and residential users within its service area—is a sustainable enterprise. Therefore, even if the frequency of extreme climate events increases, the Company's business model is not expected to undergo significant changes. 3. Regarding acute risks such as typhoons, floods, and earthquakes that pose immediate threats to pipelines and equipment, the Company has established relevant Standard Operating Procedures (SOPs) for disaster prevention and mitigation to minimize the impact of such incidents.			
4. Explanation of how the process of identifying, assessing, and managing climate risks is integrated into the overall risk management system.	The company has established a comprehensive risk management organizational structure, policies, and management standards, covering operational, legal, and compliance risks, as well as environmental risks (including climate risks). The risk management policy integrates environmental risks (including climate risks), demonstrating that the company views climate change as a strategic risk and incorporates its identification, assessment, and management processes into the overall risk management framework.			

5. If scenario analysis is used to assess resilience to climate change risks, provide details on the scenarios, parameters, assumptions, analysis factors, and major financial impacts.	Planning in progress
6.If there are transition plans to manage climate-related risks, explain the contents of the plan, and indicators and targets used to identify and manage physical and transition risks.	The Company receives its natural gas supply from CPC Corporation to serve industrial, commercial, and residential customers within its designated service area. As a sustainable enterprise, the Company's core business model is expected to remain resilient and undergo no significant changes, even in the event of an increased frequency of extreme weather occurrences.
7.If internal carbon pricing is used as a planning tool, explain the basis for price setting.	The Company has not yet implemented internal carbon pricing as a strategic planning tool.
8.If climate-related goals are set, provide information on the activities covered, scope of greenhouse gas emissions, planning schedule, annual progress towards achieving the goals, etc. If carbon offsets or Renewable Energy Certificates (RECs) are used to achieve the goals, explain the sources and quantities of the offset carbon credits or the quantity of RECs.	The Company has formally issued the "Policy for Energy Saving, Carbon Reduction, Water and Electricity Conservation, and Waste Management." Taking 2025 as the base year, the policy will be reviewed every five years. Our phased targets include an annual 1% reduction in greenhouse gas emissions and a 3% reduction in water resource consumption. Key measures for energy saving and carbon reduction include the leasing (procurement) of electric motorcycles, an annual increase of 300 kWh in green energy usage, and a target of 1,000 kg in annual resource recycling. We strictly implement these reduction control measures to achieve our corporate carbon reduction goals. The carbon reduction targets for Category 1 and Category 2 encompass operational activities, such as electricity consumption at our business locations.
9.Greenhouse gas inventory and assurance situation, reduction targets, strategies, and specific action plans	In accordance with the "Sustainable Development Roadmap for Listed Companies" issued by the Financial Supervisory Commission (FSC), the Company plans to complete its greenhouse gas (GHG) inventory by 2026, followed by verification in 2028. Furthermore, we intend to disclose our

(to be filled in Sections 1-1 and 1-2).	GHG reduction targets, strategies, and concrete action plans in 2027. The Company completed its GHG inventory in 2025 and conducted its first GHG inventory verification in 2026.
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1-1 Greenhouse gas inventory and confirmation status of the company in the last two years.

Scope	Total Emissions (Metric Tons CO ₂ e)	Emission Intensity (Metric Tons CO ₂ e/ NTD Million)	Assurance Provider	Description of Assurance
Scope 1	86.36	0.0550	Assurance Provider	First verification conducted in 2026.
Scope 2	136.7	0.0871	Assurance Provider	First verification conducted in 2026.
Total	223.1	0.1422		
Scope 3	Not disclosed at this time.			

1-2 1-1-1 Greenhouse Gas Inventory Information

The greenhouse gas emissions for the past two years (in metric tons CO₂e), intensity (metric tons CO₂e per million dollars), and the scope of data coverage are described.

The company has been tracking carbon emissions since January of 2024.

Note 1: Direct emissions (Scope 1, emissions directly from sources owned or controlled by the company), energy indirect emissions (Scope 2, emissions from purchased electricity, heat, or steam that result indirectly from greenhouse gas emissions), and other indirect emissions (Scope 3, emissions from activities of the company not included in Scope 2, but from sources owned or controlled by other companies).

Note 2: The scope of data coverage for direct emissions and energy indirect emissions shall be conducted according to the schedule prescribed in Article 10, paragraph 2 of these regulations. Other indirect emissions information may be disclosed voluntarily.

Note 3: Greenhouse Gas Inventory Standard: The Greenhouse Gas Protocol (GHG Protocol) or ISO 14064-1 published by the International Organization for Standardization (ISO).

Note 4: The intensity of greenhouse gas emissions may be calculated per unit of product/service or revenue, but data should be disclosed at least based on revenue (in million New Taiwan Dollars).

1-1-2 Greenhouse Gas Assurance Information

Provide an explanation of the assurance status for the two most recent years as of the date of the annual report printing, including the scope of assurance, assurance provider, assurance standards, and assurance opinions.

The Company has commenced carbon emission statistics since January 2024, with 2025 designated as the base year. External verification is scheduled to be conducted in 2026.

Note 1: The company should follow the schedule specified in Article 10, paragraph 2 of these regulations. If the company fails to obtain a complete greenhouse gas assurance opinion as of the date of the annual report printing, it should be noted that "Complete assurance information will be disclosed in the Sustainability Report." If the company has not prepared a Sustainability Report, it should be noted that "Complete assurance information

will be disclosed on the Market Observation Post System (MOPS)," and complete assurance information should be disclosed in the next year's annual report.

Note 2: Assurance providers should comply with the relevant regulations of the Taiwan Stock Exchange Corporation and the Taipei Exchange Foundation regarding assurance providers for sustainability reports.

Note 3: The disclosure content can refer to the best practice reference examples on the Corporate Governance Center website of the Taiwan Stock Exchange.

1-2 Greenhouse Gas Reduction Targets, Strategies, and Specific Action Plans

The greenhouse gas reduction baseline year and its data, reduction targets, strategies, specific action plans, and progress toward achieving reduction targets are described.
The Company has formally issued the "Energy Saving, Carbon Reduction, Water and Electricity Conservation, and Waste Management Policy." With 2025 established as the base year, the policy is subject to review every five years. Our phased targets include an annual 1% reduction in greenhouse gas emissions and a 3% reduction in water resource consumption.
Key carbon reduction measures include the leasing (procurement) of electric motorcycles, an annual increase of 300 kWh in renewable energy usage, and a target of 1,000 kg in annual resource recycling. We strictly implement reduction plan control measures to achieve our corporate energy-saving and carbon-reduction goals.
Carbon reduction targets for Category 1 and Category 2 encompass operational activities, such as electricity consumption at our business locations.

Note 1: The schedule should be followed according to the provisions of Article 10, paragraph 2 of these regulations.

Note 2: The baseline year should be the year in which the greenhouse gas inventory is completed based on the scope of the consolidated financial statements. For example, according to the provisions of Article 10, paragraph 2 of these regulations, companies with a capital of over 10 billion NT dollars should complete the greenhouse gas inventory for the fiscal year 113 in 114. Therefore, the baseline year is 113. If the company has completed the greenhouse gas inventory for the consolidated financial statements in an earlier year, that earlier year may be used as the baseline year. Additionally, the data for the baseline year may be calculated as a single year or as an average of multiple years.

Note 3: The disclosure content can refer to the best practice reference examples on the Corporate Governance Center website of the Taiwan Stock Exchange.

(VI) Ethical business performance conditions, as well as differences and reasons for differences with Ethical Corporate Management Best-Practice Principles for TWSE/GTSM Listed Companies

Evaluation Criteria	Status			Deviation from Corporate Governance Best-Practice Principles for TWSE/ TPEX Listed Companies and causes thereof
	Yes	No	Summary Explanation	
I. Formulation of ethical management policy and plans				
(I) Has the Company formulated the ethical management policy approved by the board of directors, and in the regulations and external documents expressed the policies and practices of operating in good faith, and the commitment of the board of directors and senior management to actively implement business policies?	✓		(1) The Company has established the "Ethical Corporate Management Best Practice Principles" approved by the Board of Directors. Members of the Board and the senior management team strictly adhere to the Company Act, Securities and Exchange Act, Business Accounting Act, and other relevant regulations governing listed companies as the foundation for implementing ethical management. These principles are also disclosed on the corporate website and the Market Observation Post System (MOPS).	no major abnormalities
(II) Has the Company established an assessment mechanism for the risk of dishonesty, regularly analyzing and evaluating business activities with a high risk of dishonesty in the business scope, and formulated a plan to prevent dishonesty, and cover at a	✓		(2) The Company has formulated the "Procedures for Ethical Management and Guidelines for Conduct" to standardize relevant operational procedures. The Ethical Management	no major abnormalities

Evaluation Criteria	Status			Deviation from Corporate Governance Best-Practice Principles for TWSE/ TPEX Listed Companies and causes thereof
	Yes	No	Summary Explanation	
minimum the preventive measures for various acts under Paragraph 2, Article 7 of "Ethical Corporate Management Best-Practice Principles for TWSE/GTSM Listed Companies?" (III) Has the Company defined and enforced operating procedures, behavioral guidelines, penalties and grievance systems as part of its preventive measures against dishonest conduct, and are the above measures reviewed and revised on a regular basis?	✓		Promotion Team has been designated as the dedicated unit, equipped with sufficient resources and qualified personnel for implementation. This team monitors and executes tasks according to their assigned duties and reports the implementation status to the Board of Directors on a regular annual basis. (3) The Company's "Procedures for Ethical Management and Guidelines for Conduct" explicitly define operational procedures, conduct guidelines, and grievance systems. To ensure the fulfillment of ethical management, the Company has established effective accounting and internal control systems, which provide specific guidelines for personnel when performing business duties. Internal auditors periodically verify compliance with the aforementioned systems.	no major abnormalities
II. Implementation of Ethical Corporate				

Evaluation Criteria	Status			Deviation from Corporate Governance Best-Practice Principles for TWSE/ TPEX Listed Companies and causes thereof
	Yes	No	Summary Explanation	
Management				
(I) Does the Company assess a trading counterpart's ethical management record and expressly state the ethical management clause in the contract to be signed with the trading counterpart?	✓		(1) The Company has established the Ethical Corporate Management Best Practice Principles and incorporates specific prevention and penalty clauses for violations of ethical principles into its commercial contracts.	no major abnormalities
(II) Has the Company set up a dedicated (or part-time) position under the Board of Directors that promotes ethical corporate management, and reports to the Board of Directors on a regular basis?	✓		(2) The Board of Directors has approved the establishment of the Ethical Management Promotion Team, with the General Manager serving as the convener. This task force integrates the Secretariat, Audit Unit, Finance Department, Management Department, and Personnel Office. It operates in accordance with the Procedures for Ethical Management and Guidelines for Conduct and reports significant matters to the Board at least once a year. The unit reported its implementation status to the Board on November 3, 2025. Actual implementation for 2025	no major abnormalities

Evaluation Criteria	Status			Deviation from Corporate Governance Best-Practice Principles for TWSE/ TPEX Listed Companies and causes thereof
	Yes	No	Summary Explanation	
			included: •Disciplinary Measures: Issued the "Contractor and Supplier Management Policy and Regulations," requiring suppliers to proactively sign the "Statement of Compliance with Professional Ethics and Supplier Code of Conduct." A total of 10 suppliers signed in 2025. • Promotion of Ethical Management: On September 17, 24, October 16, and November 3, educational sessions were conducted for all employees and directors, totaling 122 participants and 241 training hours. The training materials utilized "Ethical Management is Good Business (Part I): What is Corporate Integrity?" from the Taipei e-Campus digital learning platform of the Taipei City Government, with the URL published on the official notice board. Additionally, a	

Evaluation Criteria	Status			Deviation from Corporate Governance Best-Practice Principles for TWSE/ TPEX Listed Companies and causes thereof
	Yes	No	Summary Explanation	
(III) Has the Company developed a policy to prevent conflicts of interest, provided a proper presentation channel, and put such policy in place?	✓		total of 122 "Ethical Management Declarations" (covering relevant ethical management policies) were signed during the year, achieving a 100% completion rate. •Whistleblowing System: A dedicated unit for handling whistleblowing has been established. A reporting hotline and email address are disclosed on the corporate website for use by both internal and external personnel. (3) The Company's Rules of Procedure for Board of Directors Meetings and Procedures for Ethical Management and Guidelines for Conduct stipulate a recusal system for conflicts of interest. Directors who have a personal interest or represent a legal entity with an interest in a proposal that may conflict with the Company's interests may state their opinions but shall not	no major abnormalities

Evaluation Criteria	Status			Deviation from Corporate Governance Best-Practice Principles for TWSE/ TPEX Listed Companies and causes thereof
	Yes	No	Summary Explanation	
(III) Has the Company established an effective accounting system for the implementation of ethical management, internal control system, and the evaluation result of the risk of dishonesty by the internal audit unit, to formulate relevant audit plans, and check the compliance with the plan to prevent dishonesty, or entrusted an accountant to perform the for auditing?	✓		participate in discussions or voting. They must recuse themselves during such deliberations and may not act as a proxy for other directors. The Company provides appropriate channels for disclosure to enforce conflict-of-interest policies; any such conflicts must be reported to a direct supervisor or the dedicated unit. (4) The Company has established effective accounting and internal control systems. In addition to regular compliance audits by internal auditors, external certified public accountants (CPAs) are engaged to audit the Company's financial statements and report findings to the Board of Directors.	no major abnormalities
(V) Does the Company hold education training in ethical corporate management inside and outside the Company on a regular basis?	✓		(5) The Company has established Ethical Corporate Management Best Practice Principles and regularly promotes them through employee	no major abnormalities

Evaluation Criteria	Status			Deviation from Corporate Governance Best-Practice Principles for TWSE/ TPEX Listed Companies and causes thereof
	Yes	No	Summary Explanation	
			training and general staff meetings. Employees are required to adhere to ethical management while performing their duties. Internal announcements were used to conduct 2025 legal advocacy for all colleagues, covering ethical management, ethics, and the prevention of insider trading, with a total of 116 participants.	
III. Operation of the Company's reporting system (I) Has the Company put in place the specific whistleblowing and reward system, established a convenient reporting channel, and assigned appropriate personnel to deal with whistleblowing?	✓		(1) In accordance with the "Procedures for Ethical Management and Guidelines for Conduct," the Company has established a whistleblowing system, designated a specialized handling unit, and created accessible reporting channels along with a whistleblower protection system. The dedicated whistleblowing email address and telephone number are publicly disclosed on the Company's official	no major abnormalities

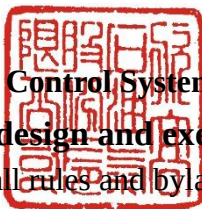
Evaluation Criteria	Status			Deviation from Corporate Governance Best-Practice Principles for TWSE/ TPEX Listed Companies and causes thereof
	Yes	No	Summary Explanation	
(II) Has the Company established standard operating procedures for accepting complaints, follow-up measures to be taken after the investigation is completed, and relevant confidentiality mechanisms?	✓		website. (2) The Company's "Grievance and Communication Procedures" explicitly stipulate that relevant supervisors are responsible for maintaining the confidentiality of the parties involved. The Company has established a dedicated unit for receiving reports, which is responsible for executing the relevant confidentiality protocols.	no major abnormalities
(III) Has the Company taken measures to protect whistleblowers from retaliation due to reporting?	✓		(3) The Company ensures the anonymity of whistleblowers throughout the reporting process. Pursuant to the "Procedures for Ethical Management and Guidelines for Conduct," the Company pledges to protect whistleblowers from any forms of retaliation or adverse treatment resulting from their reports.	no major abnormalities
IV. Strengthening information disclosure	✓		The Company has	no major

Evaluation Criteria	Status			Deviation from Corporate Governance Best-Practice Principles for TWSE/ TPEX Listed Companies and causes thereof
	Yes	No	Summary Explanation	
Has the Company disclosed the contents and implementation effectiveness of the Ethical Corporate Management Best-Practice Principles on its website and the Market Observation Post System?			disclosed its Ethical Corporate Management Best Practice Principles, business policies, financial information, and the implementation results of corporate governance on the corporate website and the Market Observation Post System (MOPS).	abnormalities
V. If the Company has enacted the Ethical Corporate Management Best-Practice Principles in accordance with the “Ethical Corporate Management Best-Practice Principles for TWSE/GTSM Listed Companies”, please describe the difference between its operation and the Principles: None				
VI. Other information that enables a better understanding of the Company’s ethical corporate management (for example, the Company’s review and revision the Ethical Corporate Management Best-Practice Principles): None				

(VII) Other important information that is sufficient to enhance the understanding of corporate governance and operational conditions must be disclosed together:

- 1.The Company has established the Corporate Governance Best Practice Principles and related regulations as follows:
 - (1)Rules of Procedure for Shareholders' Meetings
 - (2)Rules of Procedure for Board of Directors Meetings
 - (3)Procedures for Election of Directors
 - (4)Procedures for Acquisition or Disposal of Assets
 - (5)Operational Procedures for Financial and Business Transactions Between Related Parties
 - (6)Charter of the Remuneration Committee
 - (7)Internal Material Information Handling and Insider Trading Prevention Management Procedures

- (8)Procedures for Application for Trading Suspension and Resumption
 - (9)Ethical Corporate Management Best Practice Principles
 - (10)Procedures for Ethical Management and Guidelines for Conduct
 - (11)Regulations Governing the Performance Evaluation of the Board of Directors
 - (12)Corporate Governance Best Practice Principles
 - (13)Charter of the Audit Committee
 - (14)Supplier Chain Management Policy
 - (15)Management Practices for Energy Saving, Carbon Reduction, and Water, Electricity, and Waste Reduction
 - (16)Charter of the ESG Sustainable Development Task Force
 - (17)Procedures for the Preparation and Assurance of Sustainability Reports
- 2.Please refer to the "Corporate Governance" section of the Market Observation Post System (MOPS) (<http://mops.twse.com.tw/>) or visit the "Key Corporate Regulations" section under Public Information on the Company's official website. (<https://www.hkgas.com.tw/compwork.aspx>).



(XIII) Statement of Internal Control System of Hsin-Kao Gas Co., Ltd.

Indicates that both design and execution are effective

(This statement is applicable when all rules and bylaws are declared in compliance with the laws and regulations)

Internal Control System Statement

Date: March 13, 2026

For the Company's Internal Control System of 2025, based on the results of self-assessment, the following is hereby declared:

- I. The Company acknowledges and understands that the establishment, implementation and maintenance of the internal control system are the responsibility of the Board and managerial officers of the Company, and that such a system has been implemented within the Company. The purpose of the system is to reasonably ensure that the effectiveness and efficiency of operations (including profits, performance, and protecting the security of assets), reliability, timeliness, transparency, and regulatory compliance of reporting, as well as the compliance with applicable laws, regulations, and bylaws are achieved.
- II. The internal control system is designed with inherent limitations. No matter how perfect the internal control system is, it can only provide a reasonable assurance to the fulfillment of the three objectives referred to above. Moreover, the effectiveness of the internal control system could be affected by the changes of environment and circumstances. However, the company's internal control system has a self-supervision mechanism. Once the missing element is recognized, the company takes corrective action.
- III. The Company evaluates the design and execution of its internal control system based on the criteria specified in the "Regulations Governing Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as the "Regulations") to determine whether the existing system continues to be effective. The criteria defined in "the Regulations" include five elements depending on the management control process: 1. environment control, 2. risk assessment, 3. control process, 4. information and communication, and 5. supervision. Each element further encompasses several sub-elements. Please refer to the "The Governing Principles" for more details.
- IV. The Company has adopted the said criteria to validate the effectiveness of its internal control system design and execution.
- V. Based on the assessments described above, the Company considers the design and execution of its internal control system to be effective as at December 31, 2025. This system (including supervision and management of subsidiaries) has provided assurance with regards to the Company's business results, target accomplishments, reliability, Immediate and transparency of reported financial information, and its compliance with relevant laws.

- VI. The Statement of Declaration will be the major contents of the annual report and prospectus of the Company and to be publicly disclosed. The Company shall be held liable for misrepresentation or nondisclosure in the above content, according to Articles 20, 32, 171, and 174 of the Securities and Exchange Act.
- VII. This Statement has been approved by the Company's Board of Directors at the meeting held on March 13, 2026, at which this Statement was unanimously endorsed by all nine attending directors without any opposing opinions.

Hsin-Kao Gas Co., Ltd.

Chairman: Chen Chien-Tung



President: Wang Ji-Kai



The special internal control audit report issued by the CPA, if any: None

(IX) In the most recent year and as of the printing date of the annual report, important resolutions of the shareholders' meeting and Board of Directors:

(I) 2025 Board of Directors:

- (1) Discussed distribution of 2024 earnings in cash at NTD 1.80 per share;
- (2) Amendments to the Articles of Incorporation.

(II) 2025 General Meeting of Shareholders:

- (1) Approved 2024 business report and financial statements.
- (2) Approved distribution of 2024 earnings in cash at NTD 1.80 per share;

Implementation:

1. For cash dividends, June 23, 2025 was set to be the record date and distribution occurred on July 18, 2025.

(III) First quarter of 2026 Board of Directors:

Discussed distribution of 2025 earnings in cash at NTD 1.8 per share.

(X) Directors (including independent directors) holding adverse opinions on the resolutions of the Board in the most recent year to the day this report was printed on Record or in written declaration, and the summary of the content: None

IV. Information about CPA Professional Fees:

(XIII) Resignations and dismissals of the Company's Chairman, President, head of accounting (finance), head of internal audit and head of corporate governance: none

Information about CPA professional fees:

Monetary unit: NT\$ thousand

Accounting firm name	Accountant name	Accountant Audit period	Audit remuneration	Non-Audit Fees	Total	Note
Baker Tilley Clock & Co.	Wu Hsin-Lian	2025.01.01 – 2025.12.31	1,920	20	1,940	None
	Lin Chi-Pin	2025.01.01 – 2025.12.31				

If the Company has replaced CPAs or the accounting firm in the current year, please list the respective audit periods and explain the reasons for replacement in the remarks column.

Item of fees Range of amount		Audit remuneration	Non-Audit Fees	Total
1	Less than NTD 2,000 thousand	1,920	20	1,940
2	NTD 2,000 thousand (inclusive) – NTD 4,000 thousand			
3	NTD 4,000 thousand (inclusive) – NTD 6,000 thousand			
4	NTD 6,000 thousand (inclusive) – NTD 8,000 thousand			
5	NTD 8,000 thousand (inclusive) – NTD 10,000 thousand			
6	NTD 10,000 thousand (inclusive) and above			

- (I) If the audit fees and non-audit fees paid to the CPAs and their affiliated firms and affiliated enterprises are over one-fourth of the audit fees, the content of non-audit services and amount of non-audit fees should be disclosed: No such situation
- (II) If the accounting fees paid during the year when the accounting firm is replaced are less than the previous year, the amount of the audit fees before and after the replacement and the reasons for reduction shall be disclosed: No such situation
- (III) If the audit fees are reduced by more than 10% compared with the previous year, the amount, proportion, and reasons for the reduction in the audit fees shall be disclosed: No such situation

(Audit fees referred to in the preceding paragraph refer to public fees paid by the

Company to CPAs for financial statement audit, review, re-examination, financial forecast review, and tax certification.)

V. Changes in Accountant Information:

If the Company has replaced CPAs within the last two years and subsequent periods, the following should be disclosed:

In accordance with the internal rotation procedure of Baker Tilley Clock & Co., the adjustment was approved by the Board of Directors on November 4, 2024.

(I) About previous CPA:

1. The date and reason for replacing the CPA and an explanation of whether it constitutes the CPA's voluntary termination of appointment or no longer accepting appointment, or an issuer's voluntary termination of appointment or no longer continuing to appoint: In accordance with the internal rotation procedure of Baker Tilley Clock & Co..
2. If the former CPA has issued an audit report with other than an unqualified opinion in the last two years, the opinion and reasons shall be stated: None
3. State whether there is any disagreement between the Company and the former CPA on the disclosure of accounting principles or practices, financial statements, and audit scope or steps. In case of disagreement, the nature of each dissenting opinion shall be specified in detail and the Company's processing method (including whether to authorize the former accountant to fully answer the successor accountant's related inquiries about the above-mentioned different opinions) and the final processing result should be given: None
4. State whether the previous CPA has notified the Company of the lack of a sound Internal Control System causing its financial statements to be unreliable: None
5. State whether the previous CPA had notified the Company of an inability to rely on the Company's statements or an unwillingness to have any

association with the Company's financial statements: None

6. State whether the previous CPA had notified the Company that the audit scope must be enlarged, or that information shows that expansion of audit scope may damage the credibility of previously issued or upcoming issuances of financial statements, but the former CPA did not expand the audit scope due to the replacement of CPAs or other reasons: None
7. State whether the previous CPA had notified the Company that previously issued or upcoming issuances of financial statements may be impaired based on the collected information, but the former CPA did not expand the audit scope due to the replacement of CPAs or other reasons: None

(II) About CPA in succession:

1. Name of successor accounting firm, name of CPA, and date of appointment:
Baker Tilley Clock & Co., Lin Chi-Pin, The third quarter of 2024
2. Before the Company formally appoints a CPA in succession, if there are opinions on accounting treatment methods or applicable accounting principles for specific transactions and the possible issuance of its financial statements when consulting with the CPA, the consultation matters and results should be disclosed: None
3. The Company should consult and obtain the written opinions of the CPA in succession on matters where it disagrees with the previous CPA for disclosure: None

(III) The Company shall send a letter to the former CPA with the matters specified in item 1 and item 3 of this subparagraph, and notify the former CPA if there is any disagreement; the letter should be replied to within ten days. The Company should disclose the reply letter from the former CPA: None

VI. Position held by the Company's Chairman, President, head of accounting (finance), head of internal audit, and head of corporate governance over the last year at the firm the CPAs belong or its affiliates: No such situation

VII.Changes to the shares held by directors, supervisors, managers, and shareholders holding more than 10% of the shares in the most recent year and through the printing date of the annual report. If the counterparty of the equity transfer or equity pledge is a related party, the name of the counterparty, relationship with the Company, directors, shareholders of supervisor, managers, and shareholding ratio exceeding 10%, and the number of shares acquired or pledged shall be disclosed.

- (I) Changes to the shares held by directors, supervisors, managers and majority shareholders: Unit: Shares

Job Title	Name	2025		From the current year up to March 31	
		Increase (decrease) in the number of shares held	Increase (decrease) in the number of pledged shares	Increase (decrease) in the number of shares held	Increase (decrease) in the number of pledged shares
		0	0	0	0

- (II) Share transfer information: In 2025 and through March 31, 2026, the Company's directors, supervisors, and major shareholders holding 10% of shares are not related parties to share transfers or equity pledges.

- (III) Equity pledge information:

Name	Reasons for pledge changes	Change Date	Trade counterparty	The relationship between the counterparty of the transaction and the Company, its directors, supervisors, managers, and shareholders who hold more than 10% of shares	Number of shares	% of shareholding	Pledge ratio	Pledge (redemption) amount

VIII.Information about the relationships among top ten shareholders, such as related parties, spouses or relatives within the second degree of kinship

Unit: Thousand shares

Name	Number of shares personally held		Shares held by spouse and minor children		Total number of shares held in the name of others		Where top ten shareholders have a relationship with each other or a relative relationship within the scope of their spouse or relative within the second degree of kinship, the name or designation and the relationship.		Note
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Name (or designation)	Relationship	
Xinxiang Investment Co., Ltd. Chen Chien-Tung	27,044	22.47	0	0	0	0	Tongde Investment Co., Ltd.	Spouse	
	1	0.00	70	0.06	0	0	Chuang Wen-Yuan Qing Yuan Investment Co., Ltd.	Spouse	
							Chuang Wen-Yuan Hexin Construction Co., Ltd. Chen Chien-Ping	Brothers	
Veterans Affairs Council	25,596	21.26	0	0	0	0	None	None	
Wang Ji-Kai	0	0	0	0	0	0	None	None	
Liu Ya-Kwei	0	0	0	0	0	0	None	None	
Qing Yuan Investment Co., Ltd. Chuang Wen-Yuan	4,880	4.05	0	0	0	0	Xinxiang Investment Co., Ltd.	Spouse	
	70	0.06	1	0	0	0	Chen Chien-Tung		
Tongde Investment Co., Ltd. Chuang Wen-Yuan	4,295	3.57	0	0	0	0	Xinxiang Investment Co., Ltd.	Spouse	
	70	0.06	1	0	0	0	Chen Chien-Tung		
Shinhsiung Natural Gas Inc. Chu Wen-Huang	4,169	3.46	0	0	0	0	None	None	
	76	0.06	441	0.37	0	0	None	None	
Hexin Construction Co., Ltd. Chen Chien-Ping	3,403	2.83	0	0	0	0	Xinxiang Investment Co., Ltd.	Brothers	
	0	0	0	0	0	0	Chen Chien-Tung		
Hsin-Kao Gas Co., Ltd. Industry Union Labor Welfare Fund Lee Shu-Chin	2,764	2.30	0	0	0	0	None	None	
	71	0.06	0	0	0	0	None	None	
Chen Chih-Hui	2,662	2.18	0	0	0	0	Chen An-Pang	Father and son	
Shengmei Investment Co., Ltd. Luo Li-Chen	2,464	2.05	0	0	0	0	None	None	
	76	0.06	435	0.36	0	0			
Chen An-Pang	2,277	1.89	0	0	0	0	Chen Chih-Hui	Father and son	

IX. The total number of shares and total equity stake held in any single enterprise by the company, its directors and supervisors, managerial officers, and any companies controlled either directly or indirectly by the Company:

Comprehensive Shareholding Ratios

Units: Shares; %

Reinvestment business (Note)	The Company's investment		Directors, supervisors, managers and direct or indirect control of investment in the business		Comprehensive investment	
	Number of shares	Percentage of shareholding	Number of shares	Percentage of shareholding	Number of shares	Percentage of shareholding
Hexin International Co., Ltd.	12,000,000	92%	0	0	12,000,000	92.00%
Jieyang Construction Co., Ltd.	1,600,000	16.67%	1,600,000	16.67%	3,200,000	33.34%
Shengxinyuan Construction Co., Ltd.	2,000,000	8.00%	6,650,000	26.60%	8,650,000	34.60%

Note: Constitute invested affiliates listed by the Company using the equity method.

Three. Recorded Matters for Capital and Shares

I. Sources of equity

Unit: Thousand shares

Year month	Issuing price	Approved share capital		Paid-in capital		Note		
		Number of shares	Amount	Number of shares	Amount	Capital stock Source	Property other than cash contributed as equity capital	Others
2025	10	120,369	1,203,693	120,369	1,203,693	-	-	-
2026.3	10	120,369	1,203,693	120,369	1,203,693	-	-	-

Unit: Thousand shares

Shares Type	Approved share capital			Note
	Outstanding shares	Unissued shares	Total	
Common shares	120,369	0	(Listed) 120,369	

If approval is given to raise and issue securities under the collective reporting system, disclosure shall also be made of relevant information about the approved amount, scheduled issuance, and issued securities: No such situation

II. List of major shareholders (Shareholders holding 5% or more of shares) Unit: Shares

Shares Name of major shareholders	Number of shares held	Ratio of shareholding (%)
Xinxiang Investment Co., Ltd.	27,043,964	22.47%
Veterans Affairs Council	25,595,774	21.26%
Qing Yuan Investment Co., Ltd.	4,879,617	4.05%
Tongde Investment Co., Ltd.	4,294,581	3.57%
Shinhsiung Natural Gas Inc.	4,168,628	3.46%
Hexin Construction Co., Ltd.	3,403,022	2.83%
Hsin-Kao Gas Co., Ltd. Industry Union Labor Welfare Fund	2,764,425	2.30%
Chen Chih-Hui	2,622,372	2.18%
Shengmei Investment Co., Ltd.	2,463,536	2.05%
Chen An-Pang	2,277,438	1.89%

VI. Dividend policy and implementation status:

If the Company's year-end final accounts reflect a current net profit, any losses should be made up for and then other items added beyond current after-tax net profit to be included in the current year's undistributed surplus earnings. Afterward, 10% of the balance shall be allocated to legal reserve, and the amount of the shareholder's equity deduction that occurred in the current year will be set aside as special reserve. The rest shall be combined with the accumulated undistributed surplus earnings at the beginning of the period and the adjusted amount of undistributed surplus earnings in the current year, in addition to paying dividends and setting aside replacement reserves, whose amounts are to be authorized by the Board of Directors.

The dividends referred to in the preceding paragraph may be retained in whole or some as undistributed surplus earnings by resolution of the shareholders' meeting. Funding needs with future capital budget planning shall be measured according to the overall environment and industry growth characteristics of the Company and in line with the Company's long-term financial planning. After first using retained earnings to finance fund requirements, cash dividends shall primarily be distributed if there is no major capital expenditure for the remaining surplus. Partial stock dividends shall be distributed in the case of major capital expenditures. The stock dividend distribution ratio will be between 20% and 100%, and the cash dividend will be between 80% and 0%.

IV. The influence of stock dividends planned to the paid in the Shareholders' Meeting of this year on the operations performance and earnings per share of the Company: No such situation.

Item \ Year		2026 projection
Cash dividend		NT\$1.8
Stock dividends	Stock dividends from capitalization of retained earnings	0
	Stock dividends from capital reserve	0
Accumulated unpaid dividends		None

(I) Expected material changes to dividend policy: None

(II) The influence of stock dividends proposed at the Shareholders' Meeting of this year on the operations performance and earnings per share of the Company: None.

V. Remuneration of employees, directors, and supervisors:

- (I) The percentage or scope of employee compensation and director and supervisor compensation as set out in the Company's Articles of Incorporation:

If the Company has a profit for the year, it shall allocate 1.5% to 2.5% as employee remuneration (of which no less than 50% shall be distributed to junior-level employees) and no more than 0.5% as directors' remuneration. The distribution plan for employee and directors' remuneration shall be reported to the shareholders' meeting.

However, if the Company still has accumulated losses, an amount shall be reserved in advance to offset the losses.

- (II) The amount of remuneration for employees, directors and supervisors estimated and presented in the current period shall be calculated based on the number of shares distributed to employees as remuneration, or actual amount paid to employees if different from the estimated amount:

Estimates of employee compensation and director and supervisor compensation: These are based on the current pre-tax profit before deducting employee and director compensation, and is estimated on the basis of the percentage set out in the amended Articles of Incorporation.

For allocated employee compensation, director and supervisor compensation, and the number of shares of employee compensation distributed by stock, when there is a discrepancy between the actual amount and the estimated amount, then this is treated as a profit or loss of the following year listed under change of accounting estimates.

- (III) Remuneration distribution approved by the Board of Directors:

1. Allocation of employee compensation in cash or stock, and director and supervisor compensation amounts: Unit: NT\$

Item	Amount
Employee compensation in cash	5,159,019
Employee compensation in stock	0
Director and supervisor compensation	1,719,672

1. Differences between the amount of employee compensation distributed in cash or stock and director and supervisor compensation versus estimated amounts in the year when the expense is recognized: None

2. The amount of employee bonuses distributed in stock and its proportion to the total after-tax net profit and total employee bonuses in the parent company only or individual financial statements for the current period: No allocation of employee compensation in stock.

(IV) The actual allocation of remuneration to the employees, directors, and supervisors in the previous year (including the number of distributed shares, amounts, and stock price). If there is a difference with the recognized amount of remuneration for employees, directors, and supervisors, the number of differences, the reasons and the handling circumstances should be stated

1. Actual allocation of director and supervisor compensation in the prior year:

Unit: NT\$

Item	Prior year actual allocation	Original Board proposed allocation
Employee bonuses in cash	5,824,732	5,824,732
Employee cash dividends	0	0
Director and supervisor compensation	1,941,577	1,941,577

2. No employee stock dividends were paid in the prior year

3. Differences from the current year's recognized figures: None

VI. Repurchases of shares by the Company: None

(I) Repurchases already completed:

The Company has not bought back its shares in the most recent year and up to the publication date of the annual report.

(II) Still undergoing implementation:

The type, quantity, amount, and ratio of repurchases vs. scheduled repurchases of repurchased shares as of the publication date of the annual report: None

The ratio of shares cumulatively held to total shares authorized to issue: None

VII. Handling of corporate bonds: No such situation

VIII. Handling of preferred shares: No such situation

IX. Handling of overseas depositary receipts: No such situation

X. Handling of employee stock options: No such situation

- XI. Handling of restricted employee shares: No such situation
- XII. Completed handling of M&A or transfer of shares of other companies to issue new shares in the most recent year and as of the publication date of the annual report: No such situation
- XIII. Approved resolutions of the Board of Directors for M&A or transfer of shares of other companies to issue new shares in the most recent year and as of the publication date of the annual report: No such situation
- M&A or transfer of shares of other companies to issue new shares already in process and their impact on shareholders' rights and interests: No such situation

XIV. Implementation of fund utilization plan:

(I) Plan content:

Details of the securities issued by the Company are as follows:

Year month	Per share Face value	Approved share capital		Paid-in capital		Note		
		Number of shares	Amount	Number of shares	Amount	Source of share capital (NT\$)	Plan content:	Other
1994.10	10	60,000,000	600,000,000	60,000,000	600,000,000	(Capital increased by cash) 100,000,000	Replenish working capital	—
1995.09	10	70,000,000	700,000,000	70,000,000	700,000,000	(Capital increased by cash) 100,000,000	Replenish working capital	—
1997.09	10	85,000,000	850,000,000	85,000,000	850,000,000	(Capital increased by cash) 150,000,000	Replenish working capital and expand equipment	—
1998.08	10	89,250,000	892,500,000	89,250,000	892,500,000	(Capitalization of retained earnings) 42,500,000	Expand equipment	—
2000.	10	92,820,000	928,200,000	92,820,000	928,200,000	(Capitalization of retained earnings) 35,700,000	Expand equipment	—
2001.	10	94,676,400	946,764,000	94,676,400	946,764,000	(Capitalization of retained earnings) 18,564,000	Expand equipment	—
2014.	10	102,250,512	1,022,505,120	102,250,512	1,022,505,120	(Capitalization of retained earnings) 75,741,120	Expand equipment	-
2020.	10	110,430,553	1,104,305,530	110,430,553	1,104,305,530	(Capitalization of retained earnings) 81,800,410	Expand equipment	-
2023.	10	120,369,303	1,203,693,030	120,369,303	1,203,693,030	(Capitalization of retained earnings) 99,387,500	Expand equipment	-

Notes: I. The above-mentioned offerings of securities were all completed within the planned time limits and there were no changes to their plan content.

II. The Company has not privately placed securities from 2022 to the publication date of the annual report (3 years).

(II) Implementation status:

Year	Original plan	Implementation	Compared with original benefit
1994	Repay debt, NT\$100 million	Completed 1994 Q4	Conformed with plan
1995	Repay debt, NT\$100 million	Completed 1995 Q4	Conformed with plan
1997	Repay debt of NT\$30 million; refurbish equipment, NT\$120 million	Repay debt of NT\$30 million in October 1997; completed equipment expansion program in the fourth quarter of 1998	Conformed with plan
1998	Expand gas transmission equipment	Completed 1999 Q2	Conformed with plan
1990	Expand gas transmission equipment	Completed February 2001	Conformed with plan
2001	Expand gas transmission equipment	Completed February 2002	Conformed with plan
2014	Expand gas transmission equipment	Completed December 2014	Conformed with plan
2020	Expand gas transmission equipment	Completed December 2020	Conformed with plan
2023	Expand gas transmission equipment	Completed December 2023	Conformed with plan

Note: The Company has not privately placed or issued securities from 2024 to 2025 and as of the publication date of the annual report.

1. If the funds are used to merge, acquire, or purchase another company through share acquisition, to expand fixed assets, or to acquire new property, plant and equipment, the annual report shall compare and explain property, plant and equipment, operating revenues, operating costs, and operating income: Not applicable.
2. If the funds are invested in another company, the annual report shall describe the condition of the invested company and explain the effect of the investment upon gain or loss from investments: Not applicable.
3. If the funds are used to strengthen the company's working capital or pay off debts, the annual report shall: (1) note any increase or decrease in the company's current assets, current liabilities, and total liabilities; (2) compare and explain the company's interest expenses, operating revenues, and earnings per share; and (3) analyze the company's financial structure: Not applicable.

Four. Overview of Operations

I. Business content

(I) 1. Business Scope:

- (1) Gas Utility Enterprise.
- (2) Apparatus and Parts Manufacturing.
- (3) Fuel Catheter Installation Engineering.
- (4) Wholesale of Petroleum Products.
- (5) All business items that are not prohibited or restricted by law, except those that are subject to special approval.

2. Current business items and contributions:

Product items	Contribution
Natural gas	78%
Catheter devices	22%

3. New products planned for development: None

(II) Industry Overview:

Hsin Kao Gas Co., Ltd. is a local natural gas company based in Kaohsiung, focusing on natural gas sales and the installation and maintenance of gas pipeline systems. Since its establishment, Hsin Kao has earned a significant position in the natural gas market in Kaohsiung through stable service quality and professional technical support. With the increasing diversification of energy demands and the tightening of environmental regulations, the company is actively adjusting its operational strategies to respond to market challenges and seek long-term development.

As a local natural gas supplier in Kaohsiung, the company not only provides natural gas for residential use but also meets the needs of many industrial clients. By collaborating with major natural gas suppliers, the company ensures a stable gas supply while providing efficient logistics and storage facilities to meet customer demands.

In terms of gas pipeline installation, the company offers professional design and construction services, with a comprehensive management system for both the initial construction and subsequent maintenance. This ensures the safety and efficiency of the gas supply system. Additionally, the company provides related repair services, conducting regular pipeline system inspections and upgrading or adjusting equipment based on customer needs.

With the government placing increasing emphasis on energy security and environmental protection, the market demand for natural gas, as a relatively clean energy source, is steadily growing.

In the future, the company will face numerous opportunities and challenges. First, with Taiwan's energy policy transformation, the government is actively promoting energy diversification and carbon reduction goals, which are expected to drive continued growth in natural gas demand.

Furthermore, as competition in the energy market intensifies, there is a need to strengthen service innovation and technological improvements. For example, the use of digital technologies can enhance the efficiency of pipeline installation, maintenance, and repair, implementing intelligent monitoring and management systems. This will not only improve service quality but also reduce operational costs, further enhancing the company's market competitiveness.

Regarding environmental protection, as the government enforces stricter regulations in the energy sector, the company must actively adapt to environmental policies and strengthen the safety inspection and upgrading of natural gas equipment.

Overall, with the growth in market demand and the guidance of policies, the company has stable development potential in the future. The company should actively adjust its strategies, enhance technological innovation, and improve service quality to meet increasingly strict environmental requirements, achieving sustainable development.

(III) Technology and R&D overview:

Our company does not conduct technology or research and development work.

(IV) Long-term and short-term business development plans:

1. Short-term plan:

- (1) Completed the 2026 Operational Plan, with the number of users increasing by 4,000 households.
- (2) Reinforced promotion among users with existing pipelines to keep a growth of 1% a year in gas users.

2. Long-term plan:

- (1) Devote to the development of reinvestment businesses to increase the operating income through diversified operations.
- (2) Add communication equipment to regulating and metering stations in order to boost the gas supply safety factor.

II. Market and production/sales overview

(I) Market analysis

The company has established a strong presence in Kaohsiung, serving nine administrative districts, including Sanmin, Qianjin, Xinxing, Lingya, Qianzhen, Gushan, Zuoying, Nanzi, and Yancheng. The company provides stable natural gas supply to both commercial and residential customers. As consumer demand for travel and dining out continues to rise, natural gas consumption is expected to grow steadily. The post-pandemic economic recovery has further driven demand in the restaurant and tourism industries. Committed to safety, cost-effectiveness, and reliability, the company ensures uninterrupted and high-quality gas supply through its high-, medium-, and low-pressure pipeline systems.

1. Supply and Demand Trends:

A. Supply side:

Taiwan's domestic natural gas reserves are limited and insufficient to meet nationwide demand. As a result, most of the supply relies on imports. CPC Corporation has established a dedicated liquefied natural gas (LNG) terminal at Yong'an Port in Kaohsiung, securing long-term contracts with suppliers from the U.S., Australia, and Indonesia to maintain a stable gas supply.

B. Demand side:

With Taiwan's highly developed commercial sector, natural gas remains a critical energy source for both households and businesses. Annual demand growth is projected to be around 1%, and as economic policies continue to support industrial and urban development, the penetration rate of natural gas usage is expected to rise.

2. Future Development and Challenges:

(1) Opportunities:

- A. Natural gas is an essential commodity, ensuring stable and continuous demand growth.
- B. A reliable supply chain secures the stability of gas distribution.
- C. Government economic policies support regional development, contributing to increased gas consumption.

(2) Challenges:

- A. Infrastructure investments for gas transmission and distribution require significant capital, with long payback periods.
- B. Gas pricing is regulated by government authorities, limiting the ability to adjust prices in response to cost fluctuations.
- C. The gas industry is subject to public utility regulations, which may constrain business expansion and profitability.

(3) Strategic Responses:

- A. Expanding customer connections along existing pipeline networks to enhance asset utilization.
- B. Preparing for potential deregulation of natural gas imports, which would allow for greater pricing flexibility.
- C. Engaging with government agencies to advocate for more flexible policies that support business growth and shareholder interests.

With a well-structured market strategy and forward-looking development plans, Hsin-Kao Gas Co., Ltd. remains committed to providing high-quality natural gas services in Kaohsiung. The company

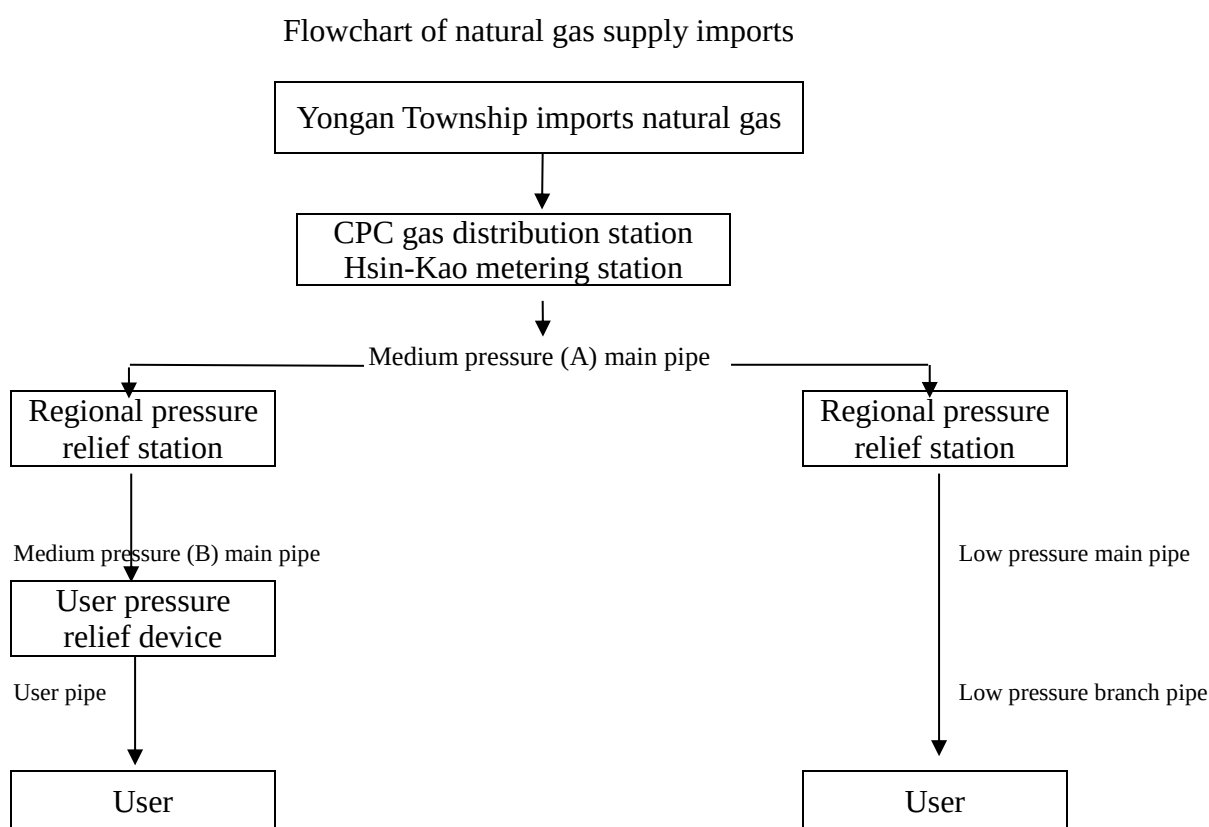
aims to drive sustainable growth while delivering greater value to businesses and consumers alike.

(II) Important applications and production processes of major products:

1. Important applications of major products

The Company is engaged in the operation of supply and marketing of natural gas. The natural gas imported by CPC Corporation, Taiwan is transported to residential and commercial users in the Company's operating area through gas pipelines for use as fuel.

2. Production processes



(III) Supply status of main raw materials

1. Gas sales

The government signs for Taiwan's natural gas sources with Indonesia, Malaysia, Qatar, and Papua New Guinea, and they are then imported by CPC

Corporation and supplied to downstream natural gas business units.

Therefore, the gas sold by the Company is supplied by CPC Corporation.

The main supply conditions of the most recent year are as follows:

Information on major suppliers of gas sales in the last two years (more than 10% of net purchases): Unit: NT\$ thousand

Item	2024				2025				Through 2026 prior quarter			
	Name	Amount	Percentage of total annual net purchases (%)	Relationship with issuer	Name	Amount	Percentage of total annual net purchases (%)	Relationship with issuer	Name	Amount	Percentage of total annual net purchases (%)	Relationship with issuer
1	CPC	530,236	99.95	None	CPC	729,047	99.96	None	CPC	222,766	99.97	None
2	Others	249	0.05	None	Others	256	0.04	None	Others	75	0.03	None
	Purchased goods Net amount	530,485	100		Purchased goods Net amount	729,303	100		Purchased goods Net amount	222,841	100	

The above financial information constitutes the 2026 CPA review report.

2. Pipeline installation:

In order to integrate the material procurement system and quality management, pipeline installation materials are all purchased by the Company and contractors then pick up the materials for construction. Ninety percent of material supply is produced domestically while another 10% is purchased from abroad, and the Company enters into annual contracts with key suppliers.

Information on major suppliers of pipeline installations in the last two years (more than 10% of net purchases): Unit: NT\$ thousand

Item	2024				2025				Through 2026 prior quarter			
	Name	Amount	Percentage of total annual net purchases (%)	Relationship with issuer	Name	Amount	Percentage of total annual net purchases (%)	Relationship with issuer	Name	Amount	Percentage of total annual net purchases (%)	Relationship with issuer
1	Yung Loong	52,595	21.36	None	Yung Loong	72,747	33.32	None	Yung Loong	30,508	51.52	None
2	Main Station Enterprise Co., Ltd.	52,563	21.35	None	Main Station Enterprise Co., Ltd.	31,733	14.53	None	Main Station Enterprise Co., Ltd.	8,698	14.69	None
3	An shu Co., Ltd.	36,411	14.79	None	Ta Shen Shing Steel & Iron Co., Ltd.	28,729	13.16	None	-	-	-	-

4	Ta Shen Shing Steel & Iron Co., Ltd.	31,244	12.69		-	-	-	-	-	-	-	-
	Others	73,405	29.81	None	Others	85,114	38.99	None	Others	20,008	33.79	None
	Purchased goods Net amount	246,219	100		Purchased goods Net amount	218,323	100		Purchased goods Net amount	59,214	100	

The above financial information constitutes the 2026 CPA review report.

(IV) Customers accounting for more than 10% of total sales

- (1) Customers whose gas sales accounted for more than 10% of total sales in 2024, 2025, and 2026 Q1: None
- (2) Customers whose pipeline installations accounted for more than 10% of total sales in 2024, 2025 and 2026 Q1: None

III. The number of employees employed in the past two years and as of the date of publication of the annual report, the average years of service, the average age, and education distribution ratio:

March 31, 2026

Year		2024	2025	From the current year through March 31, 2026
Number of employees	Staff	105	107	106
	Labor	13	9	11
	Total	118	116	117
Average age		44.83	44.37	45.05
Average years of service		15.68	15.25	15.94
Education distribution ratio	Ph.D.	0	0	0
	Master's degree	6	6	6
	Bachelor	85	81	82
	High school	25	27	27
	Below high school	2	2	2

IV. Environmental protection expenditures

- (I) The business operated by the Company does not involve environmental pollution, and there is no need to apply for a pollution facility permit or a pollution discharge permit according to law.
- (II) The total amount of damages and penalties due to environmental pollution in the

most recent year and as of the publication date of the annual report: No such situation.

(III) Current and future estimated amounts and possible response measures: The business operated by the Company does not involve environmental pollution.

V. Labor Relations:

(I) Various employee welfare measures, advanced education, training, retirement systems and their implementation status, as well as the agreements between labor and management and various employee rights protection measures:

1. Employee benefits measures:

- (1) Every month, 0.15% of operating revenue is allocated to the Employee Welfare Committee to handle domestic and foreign travel and life emergency assistance for employees.
- (2) Employee training and family member scholarships are provided.
- (3) Funds are allocated every year to help employees purchase medical insurance and accident insurance.
- (4) The employee retirement system is handled in accordance with the Labor Standards Act.
- (5) The Employee Work Rules are stipulated to protect the rights and interests of employees at work.
- (6) Free lunches are provided.

2. Further education and training in 2025:

Date	Course Title	Hours	Date	Course Title	Hours
01.22	Confined space operating procedures and SCBA breathing safety equipment operations	2	06.25	Safety and health education and training/ Safety inspection gauge installation operation training	3
02.19	Functional operation of AutoCAD graphics system	2	07.30	Daken airtight method of operation	4
03.26	Field introduction to Nanzi regulator station equipment/ Safety inspection gauge installation operation training	5	08.27	Operation for each type of computerized connected meter	2
04.23	Troubleshooting and adjustment of the	2	09.20	Emergency shutdown drill for the gas supply area ball	8

	overpressure cutoff failure for the small pressure regulator, along with maintenance and operational instructions.			valve.	
05.28	Operating instructions for remote laser gas detector	2	10.29	Operation instructions for mixed use shopping mall monitoring systems	2
Undecided	Continuous air drilling operations (in cooperation with on-site field work)	4	11.27	Operational instructions for regional pressure regulator stations	2
Undecided	Water Filling and Air Sealing for Tapping Saddles on Low-Pressure Mains	2	12.24	Field Operations for Manhole and Handhole Coordinate Surveying	2

3. Retirement system: Retirement of the Company's employees is handled in accordance with the Labor Standards Act, and a Pension Supervision Committee has been set up to withdraw pensions every month in accordance with the regulations.

Formulation of resignation and retirement methods: Employees of the company who have worked for more than 10 years can follow the resignation method and apply for severance pay in the same manner as retirement (adopting the old system of labor insurance).

4. Labor-management agreement and protection measures for the rights and interests of each employee: The Company has signed a labor-management agreement. If workers have differences of opinion with the Company, this will be coordinated by the industry union.

(II) Losses due to labor disputes for the most recent year and up to the date of publication of the annual report: None

(III) Estimated amounts from labor disputes that may occur at present and in the future, and countermeasures: None

VI. Information security management:

- (I) State the information security risk management framework, the information security policy, the specific management plan, resources invested in the security

management of information, etc.:

1. INFORMATION SECURITY MANAGEMENT STRUCTURE:

The Information Technology Department is responsible for and implements information security policies. It promotes information security information, enhances employees' information security awareness, collects and improves the effectiveness of the organization's Information Security Management System and associated technologies, products, or procedures, and so on. The current information security supervisor is held by the head of the Information Department, with members of the Information Department serving as security personnel. Additionally, AnChow Information Co., Ltd. has been commissioned to provide household security services.

2. INFORMATION SECURITY POLICIES:

In order to implement information security management, the Company has established our Internal Control System: Information Security Management Measures. Through the joint efforts of all colleagues, we expect to achieve the following policy objectives.

Ensure the confidentiality and data integrity of information assets.

Ensure that data access is regulated in accordance with division functional authority.

Ensure the continuous, stable, and normal operation of IT systems and gas supply equipment.

Prevent unauthorized modification or use of materials and systems.

Regularly perform IT system data recovery and system recovery drills to ensure uninterrupted information services.

3. SPECIFIC MANAGEMENT PLAN:

IT systems program inventory.

Set up firewall and set up storage device for firewall LOG record file.

Install anti-virus software to scan for viruses regularly.

Set IT systems to automatically ask users to change their passwords every six months.

Have all employees sign a confidentiality agreement. Third parties must sign the manufacturer's confidentiality agreement

Establish IT system data backup mechanisms and off-site storage.

Set up uninterruptible power system and generators to ensure uninterrupted operation and service of IT systems so that data damage can be avoided.

4. INVESTMENT IN INFORMATION SECURITY MANAGEMENT:

- (1) Hardware equipment: About NT\$800,000 in outdated hardware equipment and peripheral components are updated every year.
- (2) Annual maintenance contracts have been signed for software, anti-virus, and equipment maintenance equivalent to approximately NT\$1,000,000 per year.
- (3) Commissioning AnChow Information Co., Ltd. for vulnerability scanning once every two years costs approximately NT\$140,000.

- (II) Losses suffered due to major information security incidents in the most recent year and as of the publication date of the annual report, possible impact, and response measures. If this cannot be reasonably estimated, the fact that it cannot be reasonably estimated shall be stated: No such situation.

VII. Important contracts

- (1) Supply, marketing, and engineering contracts still valid as of the date of publication of the annual report:

Nature of contract	Contractual parties	Contract start and end date	Main content	Restrictive clauses
Procurement of natural gas	CPC Corporation, Taiwan	2026.01.31 – 2027.01.31	CPC Corporation agrees to sell natural gas to the Company	None
Gas supply support contract	ShinHsiung Natural Gas Inc.	Perpetual contract	Fengshan Ziyou Road pressure regulator station is set up to connect pipeline and meters to mutually support gas sourcing	None
Engineering contract	Tairui, Sanming, Huicheng, Xincheng, Banghong, Mingtong, Kuyu	2025.01.01 – 2028.01.31	Gas fuel catheter engineering installations, road repairs	None

- (2) Main contracts that expired over the past year:

Nature of contract	Contractual parties	Contract start and end date	Main content	Restrictive clauses
Procurement of natural gas	CPC Corporation, Taiwan	2024.01.31 – 2025.01.31	CPC Corporation agrees to sell natural gas to the Company	None

- (3) Technical cooperation contracts: None
- (4) Long-term loan contracts: None
- (5) Other important contracts potentially impacting shareholders' rights and interests: None

Five. Financial Status, and Review and Analysis of Financial Performance and Risk Management Matters

I. Financial status

Unit: NT\$ thousand

Item \ Year	2025	2024	Difference	
			Amount	%
Current assets	2,291,372	2,050,731	240,641	11.73%
Property, plant and equipment	3,309,224	3,240,553	68,671	2.12%
Intangible assets	32,499	0	32,499	100.00%
Other assets	1,073,840	998,387	75,453	7.56%
Total assets	6,706,935	6,289,671	417,264	6.63%
Current liabilities	2,226,043	2,072,766	153,277	7.39%
Non-current liabilities	1,089,309	1,098,079	(8,770)	-0.80%
Total liabilities	3,315,352	3,170,845	144,507	4.56%
Capital stock	1,203,693	1,203,693	0	0.00%
Capital reserve	30,113	30,113	0	0.00%
Retained earnings	1,385,251	1,295,881	89,370	6.90%
Other equity	686,671	519,775	166,896	32.11%
Equity attributable to owners of the parent company	3,305,728	3,049,462	256,266	8.40%
Non-controlling interest	85,855	69,364	16,491	23.77%
Total equity	3,391,583	3,118,826	272,757	8.75%

Main reasons for and impact of major changes in assets, liabilities, and equity in the last two years.

If the impact is significant, a future response plan should be outlined: None

Increase in intangible assets: Primarily attributable to the acquisition of information systems.

Increase in other equity interest: Resulting from changes in unrealized gains or losses on financial assets measured at fair value through other comprehensive income.

Increase in non-controlling interests: Due to the increase in net income attributable to non-controlling interests for the current period.

II. Financial performance

Unit: NT\$ thousand

Item	2025	2024	Amount of increase or decrease	Change percentage %
Operating revenue	1,568,123	1,948,285	(380,162)	-19.51%
Operating costs	(1,283,076)	(1,528,160)	(245,084)	-16.04%
Operating income	285,047	420,125	(135,078)	-32.15%
Operating expenses	(88,447)	(123,822)	(35,375)	-28.57%
Operating profit	196,600	296,303	(99,703)	-33.65%
Non-operating income and expenses	175,993	129,006	46,987	36.42%
Net profit before tax	372,593	425,309	(52,716)	-12.39%
Income tax expense	(67,870)	(65,757)	2,113	3.21%
Net profit after tax	304,723	359,552	(54,829)	-15.25%
Other comprehensive income (after tax)	184,699	191,341	(6,642)	-3.47%

Operating revenue, operating profit, and pre-tax net profit in the last 2 years, and expected sales volume and its basis, and possible impact on the Company's future financial business, and response plan:None.

Decrease in gross profit, operating expenses, and operating income: Primarily due to the decrease in revenue, costs, and expenses from the sale of real estate by subsidiaries.
Increase in non-operating income and expenses: Attributable to the increase in dividend income.

III. Cash flows

Unit: NT\$ thousand

Beginning cash balance (1)	Estimated net cash flow from proprietary business activities throughout the year (2)	Estimated annual cash outflow (3)	Estimated cash surplus (insufficiency) amount (1)+(2)-(3)	Remedial measures for cash shortages	
				Investment plan	Financing plan
159,398	234,296	326,563	67,131	—	—

1. Changes in cash flows for the current year:

(1) Operating activities: expected to increase in 2026, resulting in increased cash

inflows.

(2) Investing activities: Mainly for the expansion of business, an expected fixed assets purchase of NT\$103,020 thousand would result in an increase in cash outflows.

(3) Financing activities: Payment of 2025 cash dividends, employee compensation, and director and supervisor compensation would come to about NT\$223,543 thousand.

2. Improvement plan for estimated cash flow insufficiency in the most recent year and investment plan for the coming year: None

IV. The impact of major capital expenditures in recent years on financial operations: None

The use of major capital expenditures and sources of funds Unit: NT\$ thousand

Plan item	Actual or expected source of funds	Actual or expected completion date	Required funds total amount	Actual or projected use of funds				
				Year	Year	Year	Year	Year
Gas transmission equipment	Borrowing and operating revenue	2025	101,460	2025	-	-	-	-
Gas transmission equipment	Borrowing and operating revenue	2026	103,020	2026	-	-	-	-

Note: If it is expected that there will be major changes in the relative cost of capital or debt and capital increase policy in respect to debt and capital increases in the future, this should be stated: None

Expected possible production benefits: Not applicable

1. Expected increase in production and sales value and gross profit

Sales value and gross profit Unit: NT\$ thousand

Year	Item	Production volume	Sales volume	Sales value	Gross profit
2025	Gas sales revenue	6,803 x 10,000 kWh	6,803 x 10,000 kWh	1,128,064	156,296
2025	Installation revenue:	5,841 households	5,841 households	292,360	68,543

2. Other benefits (such as product quality, pollution prevention, cost reduction):
None

V. Reinvestment policy in the most recent year, main reasons for its profit or loss,

improvement plan and investment plan for the next year.

(I) Reinvestment policy for the most recent year: None

(II) 2026 investment plan: None

VI. Risk issues:

(I) The impact of interest rates, exchange rate changes, and inflation on the Company's profit and loss for the most recent year and future countermeasures:

The company's accounts receivable and accounts payable are primarily denominated in New Taiwan Dollars, which reduces their sensitivity to fluctuations in interest rates and exchange rates, resulting in no significant impact on the company. Additionally, since the company operates within the consumer goods industry, it is relatively less affected by inflation..

(II) Policies, main reasons for profit or loss, and future countermeasures for engaging in high risk and high leverage investments, loans of funds to others, endorsements/guarantees, and derivatives transactions:

1. The Company does not engage in high-risk and high-leverage activities and investments in derivative transactions.
2. Main reasons for profit or loss and future response measures: No such situation.
3. Loans of funds to other parties: No such situation.
4. Endorsements/guarantees:

Unit: NT\$ thousand

Name of company providing endorsement/ guarantee	Counterparty receiving endorsement/ guarantee		Endorsement/ guarantee quota for a single enterprise	Highest endorsement/ guarantee in this period balance	Ending endorsement/ guarantee balance	Endorsement/ guarantee amount subject to property guarantees	The ratio of accumulated endorsement/ guarantee amount to the net value of the latest financial statements	Endorsement/ guarantee ceiling
	Company name	Relationship						
Hsin-Kao Gas Co., Ltd.	Hexin International Co., Ltd.	Subsidiary	661,146	180,000	180,000	-	5.45%	1,652,864

Although the Company has engaged in endorsement/guarantee activities, no bad debt losses have occurred.

(III) Future research plans and estimated R&D expenses: please refer to page 46.

(IV) The impact of important domestic and foreign policies and legal changes on the Company's financial business and corresponding measures: None.

(V) The impact of technological changes and industrial changes on the Company's

financial business and corresponding measures: None.

- (VI) The impact of corporate image change on corporate crisis management and countermeasures: None.
- (VII) Expected benefits and possible risks of mergers and acquisitions and countermeasures: None.
- (VIII) Expected benefits and possible risks of plant expansion and countermeasures: None.
- (IX) Risks and countermeasures faced by purchase or sales concentration: None.
- (X) The influence and risk of the massive transfer of shares or the replacement of the directors, supervisors, or major shareholders holding more than 10% of the shares issued by the Company, and the response: None.
- (XI) The impact, risks, and countermeasures of a change of management rights on the Company: No such situation.
- (XII) Litigation or non-litigation events shall be stated for the Company and its directors, supervisors, general managers, substantive persons in charge, and major shareholders whose shareholding ratio exceeds 10%, and major litigation or non-litigation events or administrative disputes confirmed or still being adjudicated for affiliated companies, where the outcomes may have a significant impact on shareholders' equity or the price of securities; and the facts in dispute, the amount involved, the start date of the lawsuit, the main parties involved in the lawsuit, and the handling situation as of the publication date of the annual report shall be disclosed: None.
- (XIII) Other important risks and countermeasures:
 - 1. Information security risk assessment analysis:

The Company has about 230,000 users, and due to the need to obtain personal information for procedures such as gas pipeline installation, connected meters, and transfer of ownership, the protection of user files has become the most important part of the Company's personal information protection. The Company uses information to establish basic files of personal data of users, employees and suppliers. The Data Office and the Information Technology Office are managed by specialized personnel and set up as independent spaces, and the management personnel and business-related personnel have signed confidentiality clauses.
 - 2. The Company has established personal data protection rules that are followed by all employees while also establishing an Internal Control

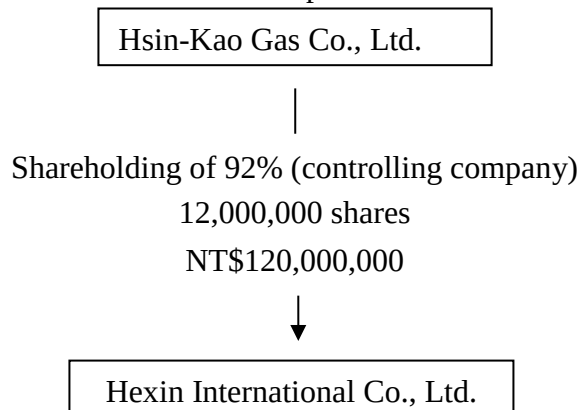
System. In addition to being audited by the Audit Office, cooperation is undertaken every year with the Bureau of Energy to check operation results based on the Personal Data Protection Operation Manual of the Ministry of Economic Affairs. After evaluation, it is assessed not to be a major operational risk.

VII. Other important matters: None

Six. Special Disclosures

I. Consolidated business report of affiliated enterprises

1. Organization chart of affiliated companies:



2. Name of each affiliated enterprise, date of establishment, address, paid-up capital amount, and major operating items

Unit: NT\$ thousand

Company Name	Date Established	Address	Paid-in capital amount	Main business or production items
Hexin International Co., Ltd.	2000.08.15	No. 56, Dayi Street, Yancheng District, Kaohsiung City	130,000	Residence and Buildings Lease Construction and Development, International Trade, General Investing

3. Information on identical shareholders presumed to have a controlling or subordinate relationship: No such circumstances.

4. Information on the directors, supervisors, and general manager of each affiliated company

Unit: New Taiwan Dollar (thousands); Shares; %

Company Name	Position	Name or Representative	Shares Held	
			Number of Shares	Shareholding Percentage
Hexin International Co., Ltd.	Chairman of the Board (Note 1)	Chen Chien-Tung	12,000,000	92.31%
	director (Note 1)	Wang Ji-Kai	12,000,000	92.31%
	director (Note 1)	Huang Chin-Hsiung	12,000,000	92.31%
	supervisor	Wan Jia-Hua		

(Note 1) The representative appointed by Hsin-Kao Gas Co., Ltd.

5. The industries covered by the business of the overall related company:

Industry	Names of affiliated companies	Relationship with other affiliated enterprise operations
Construction industry, international trade industry, General Investing	Hexin International Co., Ltd.	None

6. Financial status and operating results of each related company:

Unit: NT\$ thousand

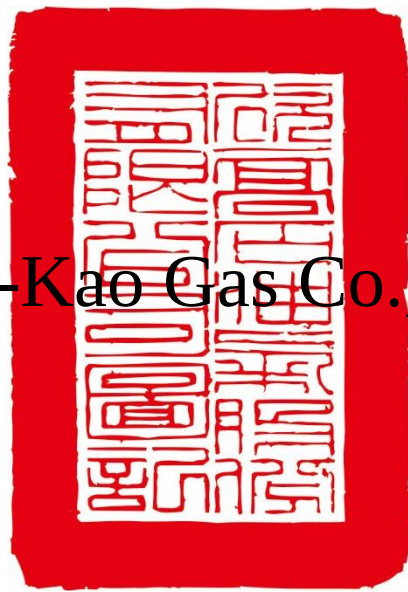
Company name	Capital	Assets Total amount	Liabilities Total amount	Net worth	Operating revenue	Operating profit	Profit and loss for the current period (after tax)	Earnings per share (after tax) : NT\$
Hexin International Co., Ltd.	130,000	1,128,180	12,063	1,116,117	89,490	24,280	132,219	10.17

7. Consolidated financial statements and affiliated company report:

Please refer to the Market Observation Post System for details.

- II. Handling of privately placed securities in the most recent year and as of the date of publication of the annual report: None.
- III. Status of holding or disposing of the Company's stocks by subsidiaries in the most recent year and as of the date of publication of the annual report: None.
- IV. Other necessary supplementary explanations: None
- V. In the most recent year and as of the printing date of the annual report, the occurrence of matters that have a significant impact on shareholders' equity or securities prices as specified in Item 2, Paragraph 3, Article 36 of the Securities and Exchange Act: None.

Hsin-Kao Gas Co., Ltd.



Chairman Chen Chien-Tung

