



長榮鋼鐵股份有限公司
EVERGREEN STEEL CORPORATION

Stock Code: 2211

EVERGREEN STEEL CORPORATION

2023 Annual General Shareholders' Meeting

Meeting Handbook

June 20, 2023

THIS IS A TRANSLATION OF THE HANDBOOK FOR THE 2023 ANNUAL SHAREHOLDERS' MEETING (THE "HANDBOOK") OF EVERGREEN STEEL CORPORATION (THE "COMPANY"). THIS TRANSLATION IS INTENDED FOR REFERENCE ONLY AND NOTHING ELSE, THE COMPANY HEREBY DISCLAIMS ANY AND ALL LIABILITIES WHATSOEVER FOR THE TRANSLATION. THE CHINESE TEXT OF THE HANDBOOK SHALL GOVERN ANY AND ALL MATTERS RELATED TO THE INTERPRETATION OF THE SUBJECT MATTER STATED HEREIN.

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EVERGREEN STEEL CORPORATION

2023 Annual General Shareholders' Meeting

Type of Meeting: Physical Meeting

Meeting Time: 2:00 PM on June 20 (Tuesday), 2023

Meeting Location: Meeting Room on the 10th floor, International Convention Center of Chang Yung-Fa Foundation
No.11, Zhongshan S. Rd., Taipei City, Taiwan (R.O.C)

Attendance: There are _____ shares represented by attending shareholders, reaching ____% of entire 417,091,463 shares issued by the Company.

Chairman: Lin, Keng-Li

I. Report the total number of shares represented at this AGM.

II. Chairman calls meeting to order and address.

III. Report Items:

A. Business Report of the year 2022 (Handbook pages 5-9).

B. Independent Director's Opinion of the year 2022 (Handbook page 31).

C. 2022 Compensation of Employees and Directors Report:

The Board of Directors appropriated NT\$13,600,000 as Employees' Compensation in cash and NT\$7,000,000 as Directors' Compensation pursuant to the Articles of Incorporation.

D. 2022 Directors' Remuneration Report (Handbook page 32-34).

IV. Ratification Items

Proposed by the Board of Directors

Proposal 1: Ratification of the 2022 Business Report and Audited Financial Report (Handbook pages 5-29). Please ratify.

Description: The 2022 Financial Report of the Company has been audited by Ms. Chang, Ching-Hsia and Mr. Chao, Yung-Hsiang, the CPA of Deloitte & Touche Taiwan.

Resolution:

Proposed by the Board of Directors

Proposal 2: Ratification of 2022 earnings distribution (Handbook page 30). Please ratify.

Description:

1. The Company is planning to distribute cash dividend NT\$5 per share. The total amount of cash dividends shall be NT\$2,085,457,315. The cash dividend distribution will be calculated to the nearest round NT dollar, the remainder will be recognized as “Other Non-Operating Income” of the Company.
2. If the number of total shares in circulation has changed, such that the cash dividends ratio per share should be adjusted, the Chairman of the Board of Directors is authorized to adjust the ratio and deal with relative matters.
3. Subject to the approval of the Annual General Shareholders’ Meeting, the ex-dividend date and payment date for the cash dividend would be decided by the Chairman of the Board.

Resolution:

V. Election Item

Proposed by the Board of Directors

Proposal: Proposal to elect the Directors of the Company.

Description:

1. The term of office of the current Directors will expire on June 9, 2025. But due to the change of shareholding structure, the Board of Directors resolved on March 10, 2023 to handle the election of Directors at this Shareholders' Meeting. It is proposed to re-elect seven Directors (including three Independent Directors) according to Article 15 and Article 16 of the Articles of Incorporation of the Company. The new Directors, whose term of office shall be three years from June 20, 2023 to June 19, 2026, shall take office after Annual General Shareholders' Meeting, and the current Directors shall be discharged simultaneously.
2. The election of the Directors is conducted under the "candidate nomination system". Considering board diversity and development needs of the Company, the Board of Directors nominates 7 Director Candidates (including 3 Independent Director Candidates). The Roster of Director Candidates and relevant information are as Handbook Pages 35-39.

Election Results:**VI. Other Item**

Proposed by the Board of Directors

Proposal: Discussion on approving the release of restrictions of competitive activities of new Directors. Please discuss.

Description:

1. Directors who, for themselves or others run businesses which are similar to the business of the Company, shall report to and obtain permission from the Shareholders' Meeting.
2. The major concurrent positions of the Director Candidates are as Handbook Pages 35-39. If there is a competitive activity of Directors, approval to allow the release of restrictions of competitive activities of Directors elected is proposed to the Shareholders' Meeting and will be supplemented before the

discussion and resolution of this proposal.

Resolution:

VII. Extraordinary Motion.

VIII. Meeting Adjournment.

Evergreen Steel Corporation

Business Report of the year 2022

I. Business Performance in 2022

The Company's 2022 performance was impacted by the poor economy, characterized by inflation and rate spikes as well as declining demand for factory and high-rise construction. Conversely, the government's continuous demand for public construction has supported the market and the Company has fulfilled orders with high margins, helping the steel structure business yield satisfactory profit. Concerning the environmental protection business, Ever Ecove Corporation is in the test run phase with steady growth in profit. Following is an overview of the Company's business areas :

1. Steel Structure Business Division

In 2022, orders received amounted to 120,000 tons (public construction accounted for 16%, high-rise construction accounted for 52%, and factory construction accounted for 32%). This drop can be mainly attributed to a declining business cycle, which has decreased demand for high-rise construction. However, under the government's continuous requirement for public construction, orders for public construction accounted for a higher proportion than in 2021. Despite a drop in revenue in 2022 due to the business cycle and delays in construction schedules, which have affected order fulfilment, the Company still met its profit target thanks to effective cost management across all departments.

Steel structure products sold by the Company in 2022 reached about 130,000 tons, down 39.04% from 2021, while operating revenue reached NT\$8,857.31 million, down 22.64% from 2021.

2. Container Department

The operating revenue for 2022 was NT\$182.55 million, up 10.84% from 2021.

3. Environmental Protection Business

(1) Hsin Yung Enterprise Corporation : the company's 2022 operating revenue was NT\$1,190.35 million, a decrease of 3.88% from 2021, because of the reduced volume of waste it processed compared to 2021. This is due to the inevitable decrease of waste treatment capacity and efficiency after over

20 years of operation, shutdowns for unplanned inspections/repairs of the incinerators, and extended scheduled inspections, repairs and upgrades of the steam turbine generators.

- (2) Super Max Engineering Enterprise Co., Ltd. : the company's 2022 operating revenue was NT\$705.85 million, a decrease of 6.6% from 2021, due to more competition (more processing plants have been established) and more frequent shutdowns and load reduction of the facilities, which affected the company's waste treatment capacity. However, the company actively solicited more business of complicated treatment of high-priced waste and therefore only suffered a slight decrease of revenue.
- (3) Ever Ecove Corporation : the company's test run in 2022 generated an income of NT\$503.68 million and expects to officially begin commercial operations in 2023.

II. Business Targets and Performance Overview

The Group's forecasted consolidated revenue for 2022 was NT\$ 14,682.56 million; the actual revenue was NT\$11,439.15 million. The achievement rate was 77.91%. The forecasted EBT was NT\$ 2,605.59 million. Actual EBT was NT\$3,448.8 million. The achievement rate was 132.36%.

III. Financial Revenue and Profit Analysis

1. Revenue

The Group's consolidated revenue for 2022 was NT\$ 11,439.15 million, a year on year decrease by NT\$ 2,169.44 million, or 15.94%, mainly due to the decrease in the number of tons of steel structures recognized for revenue. The operating cost was NT\$ 8,486.39 million, a year on year decrease by NT\$ 2,766.29 million. Other net income was NT\$ 1,058.92 million, a year on year increase by NT\$ 858.23 million from 2021, mainly due to the increase in dividend income. EAT was NT\$ 3,089.16 million, a year on year increase of NT\$ 1,484.9 million.

2. Profit Analysis

The year 2022's return on assets was 9.34%; return on equity was 12.11%; net profit margin was 27.01%; and earnings per share was NT\$ 6.22.

IV. Research and Development

1. Steel Structure Business

- (1) In 2022, the Company replaced and added a BOX steel plate parallel cutting machine, box station lifting crane with magnetic suction cup system, and renewed the dust collector for the plasma cutter. A number of cranes must be replaced, and it will be done in stages beginning in 2023.
- (2) The Company's collaboration from 2022 to 2025 with the National Center for Research on Earthquake Engineering allows both parties to work together to develop AI-assisted automated diaphragm welding. By incorporating AI, robotic arms, laser scanning/monitoring and welding machines, the two institutions are developing efficient AI-driven automated welding technology.
- (3) To better manage the component manufacturing process, the Company is actively promoting the scanning of stamped component numbers to keep track of inventory items and improve efficiency.
- (4) The submerged arc welding machine for the box line at the Hsinying Factory has been renewed to improve efficiency and reduce labor costs.
- (5) To fulfill orders from bridge construction projects, the Hsinying Factory improved the drilling operation on the bridge production line and added an NC driller for steel bridge components, which improves precision and makes assembly easier later.
- (6) The Company improved the environment for the coating area and coating pollution prevention measures at the Hsinying Factory, which has enhanced the quality of the painting, improved the painting process, and reduced the impact of volatile organic compounds on the environment.

2. Environment Protection Business

- (1) Hsin Yung Enterprise Corporation : Hsin Yung completed the trial and adjustment for its fly ash water-washing facility and post-wash wastewater treatment equipment in 2022. The Company will continue to increase the amount of treatment equipment and improve treatment techniques to strengthen its efficiency, lower operational costs and maintain its competitiveness.
- (2) Super Max Engineering Enterprise Co., Ltd. :
 - a. The company's Guanyin Factory began construction of another incinerator in August, 2022, which will add 43 tons of daily waste processing capacity. The new incinerator will effectively improve the efficiency of the factory's air

pollution prevention facility and is expected to complete its trial and adjustments and gain acceptance in December, 2023. Once the new incinerator has completed its trial burns in June, 2024, it will officially begin operation after receiving an operational permit from the Industrial Development Bureau of the MOEA, increasing the plant's capacity and revenue.

- b. In December, 2022, the company began the construction of a fly ash water-washing facility, which will begin operation after its trial and adjustments in April, 2023. With this new facility, fly ash, after being washed, can be recycled and the company will no longer need to hire a third party to solidify and dispose of fly ash in a landfill, which will lower the cost of fly ash treatment.

V. Corporate Sustainability Strategies

The Company embraces the Evergreen Group's business motto of "challenge, innovation and teamwork" and attaches importance to corporate sustainability and development.

1. Achieving and promoting corporate governance

- (1) The Company's 2021 "Sustainability Report" has been compiled and uploaded to the Market Observation Post System and the Company's official website.
- (2) To further our sustainability efforts, the Company has invited external consultants to participate in our 2022 ESG kick-off meeting alongside department heads and ESG staff.
- (3) In addition to supplier/contractor evaluations, the Company's main suppliers/contractors (totaling 143) have all signed supplier/contractor corporate sustainability commitments.

2. Environmental Sustainability Strategies

- (1) To ensure proper waste treatment and management, the Company has established a dedicated EHS task force, who will, along with EHS staff, convene an environmental protection meeting monthly. The Company has also hired professional environmental protection consultants whose responsibility includes improving the operational environment at various plants, conducting training and promoting environmental awareness.
- (2) Goals include improving waste separation and recycling, transforming more industrial waste into resources, boosting environmental facilities effectiveness, and enhancing waste disposal efficiency to meet legal requirements.

- (3) To achieve low-carbon manufacturing, the Company has gradually replaced energy-inefficient equipment (such as submerged arc welding machines, air compressors for steel processing machines, and duct collectors for CNC machines), and LED lighting has been installed in workspaces.
- (4) Company cars have been replaced with hybrid counterparts to decrease emissions associated with employee movements.
- (5) The Company has promoted green procurement for environmental protection and obtained a “Green Procurement Business Excellence Award” from the Tainan City Government in 2022.
- (6) In compliance with Financial Supervisory Commission requirements and to promote greenhouse gas management, the Company has established a “Greenhouse Gas Emission Task Force”, which promotes greenhouse gas inventory tallies and verification and reports progress to the board of directors quarterly.

VI. Charity works and social care projects

The Company believes in giving back to the community and continues to sponsor various charity and environmental initiatives. In 2022, the Company earmarked approximately NT\$3.25 million in funds that provided financial assistance to the disadvantaged and scholarships for students with outstanding skills from low-income households. Sponsored activities also included creek-cleaning and tree planting-events, Evergreen Symphony Orchestra concerts, the “Ocean Education Exhibition” campaign, and the campus tour of the Environment Protection Drama. The Company also donated to Kaohsiung Municipal Nanzih Special Schools (for dropouts).

The Company has actively participated in charity activities and fulfilled its social responsibility through continued social care. It has effectively managed its endeavors for corporate governance, environmental protection, and charity work in order to enhance its corporate sustainability.

EVERGREEN STEEL CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

ASSETS	2022		2021	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents	\$ 1,556,034	5	\$ 4,313,668	13
Financial assets at amortized cost - current	3,332,682	11	32,894	-
Contract assets - current	3,134,531	10	3,272,392	10
Notes receivable, net	98,124	-	38,159	-
Trade receivables, net	1,101,350	3	1,747,619	5
Trade receivables from related parties, net	31,520	-	32,645	-
Other receivables	29,621	-	28,443	-
Inventories	3,096,562	10	3,161,609	9
Other current assets	37,720	-	63,520	-
Total current assets	<u>12,418,144</u>	<u>39</u>	<u>12,690,949</u>	<u>37</u>
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current	10,287,438	32	13,771,717	40
Financial assets at amortized cost - non-current	45,126	-	37,602	-
Investments accounted for using equity method	175,944	1	157,509	1
Property, plant and equipment	3,389,378	11	3,220,187	9
Right-of-use assets	48,983	-	26,378	-
Investment properties	100,805	-	103,528	-
Intangible assets	4,959,787	16	4,223,106	12
Deferred tax assets	68,397	-	61,366	-
Refundable deposits	14,489	-	9,784	-
Net defined benefit assets - non-current	62,444	-	3,522	-
Other non-current assets	219,610	1	181,339	1
Total non-current assets	<u>19,372,401</u>	<u>61</u>	<u>21,796,038</u>	<u>63</u>
TOTAL	<u>\$ 31,790,545</u>	<u>100</u>	<u>\$ 34,486,987</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings	\$ -	-	\$ 100,000	-
Short-term bills payable	-	-	449,937	2
Contract liabilities - current	1,050,122	3	1,388,916	4
Notes payable, net	268,080	1	394,003	1
Trade payables, net	1,195,535	4	1,740,979	5
Other payables	730,860	2	445,656	1
Current tax liabilities	184,369	1	214,091	1
Provisions - current	71,737	-	61,408	-
Lease liabilities - current	24,903	-	13,626	-
Current portion of long-term borrowings	150,000	1	-	-
Other current liabilities	34,702	-	60,890	-
Total current liabilities	<u>3,710,308</u>	<u>12</u>	<u>4,869,506</u>	<u>14</u>
NON-CURRENT LIABILITIES				
Long-term borrowings	3,165,824	10	3,194,646	10
Deferred tax liabilities	83,046	-	71,262	-
Lease liabilities - non-current	20,798	-	11,278	-
Net defined benefit liabilities - non-current	7,244	-	8,579	-
Guarantee deposits received	24,393	-	25,399	-
Other non-current liabilities	26,008	-	23,791	-
Total non-current liabilities	<u>3,327,313</u>	<u>10</u>	<u>3,334,955</u>	<u>10</u>
Total liabilities	<u>7,037,621</u>	<u>22</u>	<u>8,204,461</u>	<u>24</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY				
Share capital				
Ordinary shares	4,170,915	13	4,199,820	12
Capital surplus	1,319,454	4	1,340,352	4
Retained earnings				
Legal reserve	2,441,847	8	2,294,939	6
Unappropriated earnings	8,106,299	25	6,839,705	20
Total retained earnings	<u>10,548,146</u>	<u>33</u>	<u>9,134,644</u>	<u>26</u>
Other equity				
Exchange differences on translation of the financial statements of foreign operations	(362)	-	(470)	-
Unrealized gain on financial assets at fair value through other comprehensive income	5,567,935	18	8,584,546	25
Total other equity	<u>5,567,573</u>	<u>18</u>	<u>8,584,076</u>	<u>25</u>
Treasury shares	-	-	(49,938)	-
Total equity attributable to owners of the Company	21,606,088	68	23,208,954	67
NON-CONTROLLING INTERESTS	<u>3,146,836</u>	<u>10</u>	<u>3,073,572</u>	<u>9</u>
Total equity	<u>24,752,924</u>	<u>78</u>	<u>26,282,526</u>	<u>76</u>
TOTAL	<u>\$ 31,790,545</u>	<u>100</u>	<u>\$ 34,486,987</u>	<u>100</u>

EVERGREEN STEEL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
OPERATING REVENUE	\$ 11,439,152	100	\$ 13,608,597	100
OPERATING COSTS	<u>(8,486,393)</u>	<u>(74)</u>	<u>(11,252,685)</u>	<u>(83)</u>
GROSS PROFIT	<u>2,952,759</u>	<u>26</u>	<u>2,355,912</u>	<u>17</u>
OPERATING EXPENSES				
Selling and marketing expenses	(297,682)	(3)	(314,054)	(2)
General and administrative expenses	(277,050)	(2)	(248,198)	(2)
Expected credit gain (loss)	<u>11,853</u>	<u>-</u>	<u>(39,722)</u>	<u>-</u>
Total operating expenses	<u>(562,879)</u>	<u>(5)</u>	<u>(601,974)</u>	<u>(4)</u>
PROFIT FROM OPERATIONS	<u>2,389,880</u>	<u>21</u>	<u>1,753,938</u>	<u>13</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income	40,825	-	24,858	-
Other income	974,799	9	172,044	1
Other gains (losses)	5,487	-	(11,470)	-
Finance costs	(8,275)	-	(16,630)	-
Share of profit of associates	<u>46,084</u>	<u>-</u>	<u>31,891</u>	<u>-</u>
Total non-operating income and expenses	<u>1,058,920</u>	<u>9</u>	<u>200,693</u>	<u>1</u>
PROFIT BEFORE INCOME TAX	3,448,800	30	1,954,631	14
INCOME TAX EXPENSE	<u>(359,639)</u>	<u>(3)</u>	<u>(350,369)</u>	<u>(2)</u>
NET PROFIT FOR THE YEAR	<u>3,089,161</u>	<u>27</u>	<u>1,604,262</u>	<u>12</u>
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	30,184	-	2,213	-
Unrealized (loss) gain on investments in equity instruments at fair value through other comprehensive income	(3,131,008)	(27)	7,839,240	57
Income tax relating to items that will not be reclassified subsequently to profit or loss	<u>(6,037)</u>	<u>-</u>	<u>(443)</u>	<u>-</u>
	<u>(3,106,861)</u>	<u>(27)</u>	<u>7,841,010</u>	<u>57</u>

(Continued)

EVERGREEN STEEL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	\$ 351	-	\$ (181)	-
Income tax related to items that may be reclassified subsequently to profit or loss	(97)	-	423	-
	<u>254</u>	<u>-</u>	<u>242</u>	<u>-</u>
Other comprehensive income (loss) for the year, net of income tax	<u>(3,106,607)</u>	<u>(27)</u>	<u>7,841,252</u>	<u>57</u>
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR	<u>\$ (17,446)</u>	<u>-</u>	<u>\$ 9,445,514</u>	<u>69</u>
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	\$ 2,594,677	23	\$ 1,278,260	9
Non-controlling interests	<u>494,484</u>	<u>4</u>	<u>326,002</u>	<u>3</u>
	<u>\$ 3,089,161</u>	<u>27</u>	<u>\$ 1,604,262</u>	<u>12</u>
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:				
Owners of the Company	\$ (351,727)	(3)	\$ 8,886,972	65
Non-controlling interests	<u>334,281</u>	<u>3</u>	<u>558,542</u>	<u>4</u>
	<u>\$ (17,446)</u>	<u>-</u>	<u>\$ 9,445,514</u>	<u>69</u>
EARNINGS PER SHARE				
Basic	<u>\$ 6.22</u>		<u>\$ 3.11</u>	
Diluted	<u>\$ 6.22</u>		<u>\$ 3.11</u>	

(Concluded)

EVERGREEN STEEL CORPORATION AND SUBSIDIARIES

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)**

	Equity Attributable to Owners of the Company										
	Share Capital		Capital Surplus	Retained Earnings		Other Equity		Treasury Stock	Total	Non-controlling Interests	Total Equity
	Shares (In Thousands)	Amount		Legal Reserve	Unappropriated Earnings	Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income				
BALANCE AT JANUARY 1, 2021	399,426	\$ 3,994,260	\$ 396,542	\$ 2,190,673	\$ 6,347,269	\$ (648)	\$ 1,166,832	\$ (93,113)	\$ 14,001,815	\$ 2,795,754	\$ 16,797,569
Appropriation and distribution of 2020 retain earnings											
Legal reserve	-	-	-	104,266	(104,266)	-	-	-	-	-	-
Cash dividend to shareholders	-	-	-	-	(872,378)	-	-	-	(872,378)	-	(872,378)
Dividends from claims extinguished by prescription	-	-	100	-	-	-	-	-	100	-	100
Net profit for the year ended December 31, 2021	-	-	-	-	1,278,260	-	-	-	1,278,260	326,002	1,604,262
Other comprehensive income for the year ended December 31, 2021, net of income tax	-	-	-	-	915	178	7,607,619	-	7,608,712	232,540	7,841,252
Total comprehensive income for the year ended December 31, 2021	-	-	-	-	1,279,175	178	7,607,619	-	8,886,972	558,542	9,445,514
Issuance of ordinary shares for cash	20,556	205,560	837,090	-	-	-	-	-	1,042,650	-	1,042,650
Disposal of treasury shares	-	-	106,620	-	-	-	-	43,175	149,795	-	149,795
Changes in percentage of ownership interests in subsidiaries	-	-	-	-	-	-	-	-	-	(1)	(1)
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	(280,723)	(280,723)
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	189,905	-	(189,905)	-	-	-	-
BALANCE AT DECEMBER 31, 2021	419,982	4,199,820	1,340,352	2,294,939	6,839,705	(470)	8,584,546	(49,938)	23,208,954	3,073,572	26,282,526
Appropriation and distribution of 2021 retain earnings											
Legal reserve	-	-	-	146,908	(146,908)	-	-	-	-	-	-
Cash dividend to shareholders	-	-	-	-	(1,251,274)	-	-	-	(1,251,274)	-	(1,251,274)
Dividends from claims extinguished by prescription	-	-	135	-	-	-	-	-	135	-	135
Net profit for the year ended December 31, 2022	-	-	-	-	2,594,677	-	-	-	2,594,677	494,484	3,089,161
Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax	-	-	-	-	22,270	108	(2,968,782)	-	(2,946,404)	(160,203)	(3,106,607)
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	2,616,947	108	(2,968,782)	-	(351,727)	334,281	(17,446)
Cancelation of treasury shares	(2,891)	(28,905)	(21,033)	-	-	-	-	49,938	-	-	-
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	(261,017)	(261,017)
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	47,829	-	(47,829)	-	-	-	-
BALANCE AT DECEMBER 31, 2022	417,091	\$ 4,170,915	\$ 1,319,454	\$ 2,441,847	\$ 8,106,299	\$ (362)	\$ 5,567,935	\$ -	\$ 21,606,088	\$ 3,146,836	\$ 24,752,924

EVERGREEN STEEL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 3,448,800	\$ 1,954,631
Adjustments for:		
Depreciation expense	372,480	397,178
Amortization expense	4,246	4,465
Expected credit (reversed) loss recognized on trade receivables	(11,853)	39,722
Finance costs	8,275	16,630
Interest income	(40,825)	(24,858)
Dividend income	(960,613)	(140,612)
Ordinary shares transferred to employees at cost	-	39,660
Share of profit of associates	(46,084)	(31,891)
Gain on disposal of property, plant and equipment	(910)	(3,913)
Gain on disposal of investment properties	(6,517)	-
Net loss on disposal of inventories	10,491	2,159
Gain on lease modification	(14)	(7)
Other income	(679)	-
Changes in operating assets and liabilities		
Decrease in contract assets	150,482	878,682
(Increase) decrease in notes receivable	(59,965)	88,751
Decrease (increase) in trade receivables	646,626	(883,493)
Decrease in other receivables	758	14,905
Decrease (increase) in inventories	54,556	(2,155,010)
Decrease in other current assets	25,800	112,277
Increase in net defined benefit assets	(29,879)	(848)
(Decrease) increase in contract liabilities	(338,794)	1,006,107
(Decrease) increase in notes payable	(125,923)	38,620
(Decrease) increase in trade payables	(545,444)	568,002
(Decrease) increase in other payables	(23,460)	37,357
Increase in provisions	10,329	616
(Decrease) increase in other current liabilities	(26,188)	3,993
Decrease in net defined benefit liabilities	(194)	(27,906)
Increase in other non-current liabilities	2,217	8,275
Cash generated from operations	2,517,718	1,943,492
Interest received	38,889	24,978
Interest paid	(60,504)	(53,418)
Income tax paid	(390,742)	(326,390)
Net cash generated from operating activities	<u>2,105,361</u>	<u>1,588,662</u>

(Continued)

EVERGREEN STEEL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	\$ (2,732)	\$ (5,240)
Proceeds from sale of financial assets at fair value through other comprehensive income	81,082	848,274
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	274,921	-
Purchase of financial assets at amortized cost	(3,307,312)	(47,844)
Proceeds from sale of financial assets at amortized cost	-	800
Payments for property, plant and equipment	(507,172)	(194,488)
Proceeds from disposal of property, plant and equipment	910	5,541
Increase in refundable deposits	(4,705)	(1,781)
Payments for intangible assets	(388,981)	(1,449,532)
Proceeds from disposal of investment properties	7,238	-
Increase in other non-current assets	(38,271)	(63,935)
Other dividends received	960,613	140,612
Dividends received from associates	<u>28,000</u>	<u>25,000</u>
Net cash used in investing activities	<u>(2,896,409)</u>	<u>(742,593)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of short-term borrowings	(100,000)	(590,000)
Repayments of bills payable	(449,937)	(1,349,234)
Proceeds from long-term borrowings	121,178	1,601,177
Repayments of long-term borrowings	-	(400,000)
(Decrease) increase in guarantee deposits	(1,006)	165
Repayment of principal portion of lease liabilities	(24,665)	(13,575)
Repayments of cash dividend	(1,251,274)	(872,378)
Proceeds from issuance of ordinary shares	-	1,002,990
Proceeds from disposal of treasury shares	-	149,795
Decrease in non-controlling interests	-	(1)
Dividends paid to non-controlling interests	(261,017)	(280,723)
Dividends from claims extinguished by prescription	<u>135</u>	<u>100</u>
Net cash used in financing activities	<u>(1,966,586)</u>	<u>(751,684)</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(2,757,634)	94,385
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>4,313,668</u>	<u>4,219,283</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 1,556,034</u>	<u>\$ 4,313,668</u>

(Concluded)

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Evergreen Steel Corporation

Opinion

We have audited the accompanying consolidated financial statements of Evergreen Steel Corporation and its subsidiaries (collectively referred to as the “Group”), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the related notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the “consolidated financial statements”).

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters identified in the Group's consolidated financial statements for the year ended December 31, 2022 are described as follows:

Contract Revenue Recognition

The Company's contract revenue mainly comes from providing steel structure engineering contracting business; during the contract period, the contract revenue is recognized based on the degree of completion. Contract revenue recognition from construction depends on the degree of completion of the contract which involves subjective judgment which may result in profit or loss or certain risks that are not recognized in the correct period. Therefore, we identified contract revenue recognition with risk characteristics as a key audit matter.

The main audit procedures that we performed for testing the contract revenue recognition are as follows:

1. We obtained an understanding of the design and implementation of the Company's contract revenue evaluation method and control system by performing control tests.
2. We selected samples of the contract revenue with risk characteristics in the current year which are subject to detailed tests including checking the price accepted by the customers with construction contracts, assessing the adequacy of the contract cost estimation, recalculating the degree of completion, and verifying the correctness of the contract revenue recognition.
3. We performed an analytical review of contract revenue and performed a retrospective review of construction costs.

Refer to Note 4 to the financial statements for the accounting policy on the assessment of construction contracts. Refer to Notes 5 and 25 for critical accounting judgments and key sources of estimation uncertainty.

Other Matter

We have also audited the parent company only financial statements of Evergreen Steel Corporation as of and for the years ended December 31, 2022 and 2021 on which we have issued an unmodified opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRS, IAS, IFRIC and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2022 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Ching-Hsia Chang and Yung-Hsiang Chao.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 10, 2023

Notice to Readers

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

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

EVERGREEN STEEL CORPORATION

BALANCE SHEETS DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

ASSETS	2022		2021	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents	\$ 774,052	3	\$ 739,752	3
Financial assets at amortized cost - current	569,600	2	3,600	-
Contract assets - current	2,995,342	12	3,272,392	12
Notes receivable, net	97,624	1	38,159	-
Trade receivables, net	986,739	4	1,540,748	5
Trade receivables from related parties, net	31,111	-	32,275	-
Other receivables	27,487	-	21,796	-
Inventories	3,075,372	12	3,143,166	11
Other current assets	32,339	-	56,829	-
Total current assets	<u>8,589,666</u>	<u>34</u>	<u>8,848,717</u>	<u>31</u>
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current	9,814,285	40	12,743,751	45
Investments accounted for using equity method	4,026,939	16	4,106,942	15
Property, plant and equipment	2,317,450	10	2,383,645	9
Right-of-use assets	48,983	-	26,378	-
Investment properties	7,102	-	7,823	-
Intangible assets	4,670	-	5,688	-
Deferred tax assets	63,479	-	32,094	-
Refundable deposits	9,565	-	7,071	-
Net defined benefit assets - non-current	54,217	-	548	-
Other non-current assets	10,261	-	16,636	-
Total non-current assets	<u>16,356,951</u>	<u>66</u>	<u>19,330,576</u>	<u>69</u>
TOTAL	<u>\$ 24,946,617</u>	<u>100</u>	<u>\$ 28,179,293</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings	\$ -	-	\$ 100,000	-
Short-term bills payable	-	-	449,937	2
Contract liabilities - current	1,038,140	4	1,380,717	5
Notes payable, net	267,916	1	390,502	2
Trade payables, net	1,045,623	4	1,638,382	6
Other payables	214,936	1	214,832	1
Current tax liabilities	42,921	-	105,662	-
Provisions - current	71,737	-	61,408	-
Lease liabilities - current	24,903	-	13,626	-
Current portion of long-term borrowings	150,000	1	-	-
Other current liabilities	31,825	-	32,892	-
Total current liabilities	<u>2,888,001</u>	<u>11</u>	<u>4,387,958</u>	<u>16</u>
NON-CURRENT LIABILITIES				
Long-term borrowings	350,000	2	500,000	2
Deferred tax liabilities	81,400	-	70,667	-
Lease liabilities - non-current	20,798	-	11,278	-
Other non-current liabilities	330	-	436	-
Total non-current liabilities	<u>452,528</u>	<u>2</u>	<u>582,381</u>	<u>2</u>
Total liabilities	<u>3,340,529</u>	<u>13</u>	<u>4,970,339</u>	<u>18</u>
EQUITY				
Share capital				
Ordinary shares	4,170,915	17	4,199,820	15
Capital surplus	1,319,454	5	1,340,352	5
Retained earnings				
Legal reserve	2,441,847	10	2,294,939	8
Unappropriated earnings	8,106,299	32	6,839,705	24
Total retained earnings	<u>10,548,146</u>	<u>42</u>	<u>9,134,644</u>	<u>32</u>
Other equity				
Exchange differences on translation of the financial statements of foreign operations	(362)	-	(470)	-
Unrealized gain on financial assets at fair value through other comprehensive income	5,567,935	23	8,584,546	30
Total other equity	<u>5,567,573</u>	<u>23</u>	<u>8,584,076</u>	<u>30</u>
Treasury shares	-	-	(49,938)	-
Total equity	<u>21,606,088</u>	<u>87</u>	<u>23,208,954</u>	<u>82</u>
TOTAL	<u>\$ 24,946,617</u>	<u>100</u>	<u>\$ 28,179,293</u>	<u>100</u>

EVERGREEN STEEL CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
OPERATING REVENUE	\$ 9,039,860	100	\$ 11,614,440	100
OPERATING COSTS	<u>(7,515,827)</u>	<u>(83)</u>	<u>(10,394,215)</u>	<u>(90)</u>
GROSS PROFIT	<u>1,524,033</u>	<u>17</u>	<u>1,220,225</u>	<u>10</u>
OPERATING EXPENSES				
Selling and marketing expenses	(280,987)	(3)	(297,454)	(3)
General and administrative expenses	(156,642)	(2)	(139,938)	(1)
Expected credit gain (loss)	<u>11,853</u>	<u>-</u>	<u>(39,722)</u>	<u>-</u>
Total operating expenses	<u>(425,776)</u>	<u>(5)</u>	<u>(477,114)</u>	<u>(4)</u>
PROFIT FROM OPERATIONS	<u>1,098,257</u>	<u>12</u>	<u>743,111</u>	<u>6</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income	10,321	-	6,086	-
Other income	838,635	10	151,502	1
Other gains (losses)	5,843	-	1,615	-
Finance costs	(8,210)	-	(16,607)	-
Share of profit of subsidiaries	<u>739,302</u>	<u>8</u>	<u>530,361</u>	<u>5</u>
Total non-operating income and expenses	<u>1,585,891</u>	<u>18</u>	<u>672,957</u>	<u>6</u>
PROFIT BEFORE INCOME TAX	2,684,148	30	1,416,068	12
INCOME TAX EXPENSE	<u>(89,471)</u>	<u>(1)</u>	<u>(137,808)</u>	<u>(1)</u>
NET PROFIT FOR THE YEAR	<u>2,594,677</u>	<u>29</u>	<u>1,278,260</u>	<u>11</u>
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	25,207	-	282	-
Unrealized (loss) gain on investments in equity instruments at fair value through other comprehensive income	(2,968,782)	(33)	7,607,619	66
Share of the other comprehensive income of subsidiaries accounted for using the equity method	2,104	-	690	-

(Continued)

EVERGREEN STEEL CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
Income tax relating to items that will not be reclassified subsequently to profit or loss	\$ (5,041)	-	\$ (57)	-
	<u>(2,946,512)</u>	<u>(33)</u>	<u>7,608,534</u>	<u>66</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	135	-	60	-
Income tax relating to items that may be reclassified subsequently to profit or loss	<u>(27)</u>	<u>-</u>	<u>118</u>	<u>-</u>
	<u>108</u>	<u>-</u>	<u>178</u>	<u>-</u>
Other comprehensive (loss) income for the year, net of income tax	<u>(2,946,404)</u>	<u>(33)</u>	<u>7,608,712</u>	<u>66</u>
TOTAL COMPREHENSIVE (LOSS) INCOME FOR THE YEAR	<u>\$ (351,727)</u>	<u>(4)</u>	<u>\$ 8,886,972</u>	<u>77</u>
EARNINGS PER SHARE				
Basic	<u>\$ 6.22</u>		<u>\$ 3.11</u>	
Diluted	<u>\$ 6.22</u>		<u>\$ 3.11</u>	

(Concluded)

EVERGREEN STEEL CORPORATION

**STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)**

	Share Capital		Capital Surplus	Retained Earnings		Other Equity		Treasury Shares	Total Equity
	Shares (In Thousands)	Amount		Legal Reserve	Unappropriated Earnings	Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income		
BALANCE AT JANUARY 1, 2021	399,426	\$ 3,994,260	\$ 396,542	\$ 2,190,673	\$ 6,347,269	\$ (648)	\$ 1,166,832	\$ (93,113)	\$ 14,001,815
Appropriation of 2020 earnings									
Legal reserve	-	-	-	104,266	(104,266)	-	-	-	-
Cash dividends to shareholders	-	-	-	-	(872,378)	-	-	-	(872,378)
Dividends from claims extinguished by prescription	-	-	100	-	-	-	-	-	100
Net profit for the year ended December 31, 2021	-	-	-	-	1,278,260	-	-	-	1,278,260
Other comprehensive income for the year ended December 31, 2021, net of income tax	-	-	-	-	915	178	7,607,619	-	7,608,712
Total comprehensive income for the year ended December 31, 2021	-	-	-	-	1,279,175	178	7,607,619	-	8,886,972
Issuance of ordinary shares for cash	20,556	205,560	837,090	-	-	-	-	-	1,042,650
Disposal of treasury shares	-	-	106,620	-	-	-	-	43,175	149,795
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	189,905	-	(189,905)	-	-
BALANCE AT DECEMBER 31, 2021	419,982	4,199,820	1,340,352	2,294,939	6,839,705	(470)	8,584,546	(49,938)	23,208,954
Appropriation of 2021 earnings									
Legal reserve	-	-	-	146,908	(146,908)	-	-	-	-
Cash dividends to shareholders	-	-	-	-	(1,251,274)	-	-	-	(1,251,274)
Dividends from claims extinguished by prescription	-	-	135	-	-	-	-	-	135
Net profit for the year ended December 31, 2022	-	-	-	-	2,594,677	-	-	-	2,594,677
Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax	-	-	-	-	22,270	108	(2,968,782)	-	(2,946,404)
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	2,616,947	108	(2,968,782)	-	(351,727)
Cancellation of treasury shares	(2,891)	(28,905)	(21,033)	-	-	-	-	49,938	-
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	47,829	-	(47,829)	-	-
BALANCE AT DECEMBER 31, 2022	417,091	\$ 4,170,915	\$ 1,319,454	\$ 2,441,847	\$ 8,106,299	\$ (362)	\$ 5,567,935	\$ -	\$ 21,606,088

EVERGREEN STEEL CORPORATION

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 2,684,148	\$ 1,416,068
Adjustments for:		
Depreciation expense	154,170	144,241
Amortization expense	3,207	3,278
Expected credit (reversed) loss recognized on trade receivables	(11,853)	39,722
Finance costs	8,210	16,607
Interest income	(10,321)	(6,086)
Dividend income	(830,706)	(122,674)
Ordinary shares transferred to employees at cost	-	39,660
Share of profit of subsidiaries	(739,302)	(530,361)
Gain on disposal of property, plant and equipment	(178)	(5,124)
Gain on disposal of investment properties	(6,517)	-
Net loss on disposal of inventories	10,491	2,159
Realized gain on the transactions with subsidiaries	-	(955)
Gain on lease modification	(14)	(7)
Other income	(679)	-
Changes in operating assets and liabilities		
Decrease in contract assets	289,671	878,682
(Increase) decrease in notes receivable	(59,465)	88,066
Decrease (Increase) in trade receivables	554,405	(909,841)
Increase in other receivables	(5,053)	(6,832)
Decrease (increase) in inventories	57,303	(2,157,298)
Decrease in other current assets	24,490	107,641
Increase in net defined benefit assets	(28,462)	(267)
(Decrease) increase in contract liabilities	(342,577)	1,056,962
(Decrease) increase in notes payable	(122,586)	40,936
(Decrease) increase in trade payables	(592,759)	506,199
(Decrease) increase in other payables	(8,949)	68,029
Increase in provisions	10,329	616
Decrease in deferred revenue	(61)	(94)
(Decrease) increase in other current liabilities	(1,067)	861
Decrease in net defined benefit liabilities	-	(23,033)
Cash generated from operations	1,035,875	647,155
Interest received	9,683	6,047
Interest paid	(8,136)	(16,922)
Income tax paid	(177,932)	(110,499)
Net cash generated from operating activities	<u>859,490</u>	<u>525,781</u>

(Continued)

EVERGREEN STEEL CORPORATION

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	\$ -	\$ (5,240)
Proceeds from sale of financial assets at fair value through other comprehensive income	81,082	657,812
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	231,637	-
Purchase of financial assets at amortized cost	(566,000)	-
Acquisition of investments accounted for using the equity method	-	(1)
Payments for property, plant and equipment	(55,446)	(130,112)
Proceeds from disposal of property, plant and equipment	178	5,177
Increase in refundable deposits	(2,494)	(388)
Payments for intangible assets	(2,189)	(5,405)
Proceeds from disposal of investment properties	7,238	-
Decrease in other non-current assets	6,375	63,011
Dividends received	830,706	122,674
Dividends received from subsidiaries	<u>469,509</u>	<u>764,627</u>
Net cash generated from investing activities	<u>1,000,596</u>	<u>1,472,155</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of short-term borrowings	(100,000)	(590,000)
Repayments of bills payable	(449,937)	(1,349,234)
Proceeds from long-term borrowings	-	300,000
Repayments of long-term borrowings	-	(400,000)
Decrease in guarantee deposits	(45)	-
Repayment of principal portion of lease liabilities	(24,665)	(13,575)
Repayments of cash dividend	(1,251,274)	(872,378)
Proceeds from issuance of ordinary shares	-	1,002,990
Dividends from claims extinguished by prescription	<u>135</u>	<u>100</u>
Net cash used in financing activities	<u>(1,825,786)</u>	<u>(1,922,097)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	34,300	75,839
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>739,752</u>	<u>663,913</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 774,052</u>	<u>\$ 739,752</u>

(Concluded)

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Evergreen Steel Corporation

Opinion

We have audited the accompanying financial statements of Evergreen Steel Corporation (the "Company"), which comprise the balance sheets as of December 31, 2022 and 2021, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the related notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters identified in the Company's financial statements for the year ended December 31, 2022 are described as follows:

Contract Revenue Recognition

The Company's contract revenue mainly comes from providing steel structure engineering contracting business; during the contract period, the project revenue is recognized based on the degree of completion. Contract revenue recognition from construction depends on the degree of completion of the contract which involves subjective judgment which may result in profit or loss or certain risks that are not recognized in the correct period. Therefore, we identified contract revenue recognition with risk characteristics as a key audit matter.

The main audit procedures that we performed for testing the contract revenue recognition are as follows:

1. We obtained an understanding of the design and implementation of the Company's contract revenue evaluation method and control system by performing control tests.
2. We selected samples of the contract revenue with risk characteristics in the current year which are subject to detailed tests including checking the price accepted by the customers with construction contracts, assessing the adequacy of the contract cost estimation, recalculating the degree of completion, and verifying the correctness of the contract revenue recognition.
3. We performed an analytical review of contract revenue and performed a retrospective review of construction costs.

Refer to Note 4 to the financial statements for the accounting policy on the assessment of construction contracts. Refer to Notes 5 and 23 for critical accounting judgments and key sources of estimation uncertainty.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the year ended December 31, 2022 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Ching-Hsia Chang and Yung-Hsiang Chao.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 10, 2023

Notice to Readers

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

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

EVERGREEN STEEL CORPORATION

2022 Profit Allocation Proposal

Unit: NT\$

Item	Amount
Unappropriated Retained Earnings at the Beginning of the Year	\$5,441,523,830
Add: Remeasurement of the Defined Benefit Plan Recorded in Retained Earnings	22,269,839
Add: Disposal of Investments in Equity Instruments Designated at Fair Value through Other Comprehensive Income	47,829,133
Adjusted Undistributed Earnings	5,511,622,802
Add: Net Income of 2022	2,594,676,494
Legal Reserve	(266,477,547)
Retained Earnings Available for Distribution as of December 31, 2022	7,839,821,749
Distribution Item:	
Cash Dividends of Ordinary Shares (NT\$5 per share)	2,085,457,315
Unappropriated Retained Earnings at the End of the Year	\$5,754,364,434
<p>Note : The Company uses earnings of 2022 to distribute dividends.</p>	

Opinion of Independent Director

TO: 2023 Annual General Shareholders' Meeting
Evergreen Steel Corporation (EGST)

The Board of Directors has prepared the Company's 2022 business report, financial report, and proposal for distribution of earnings. The CPA firm of Deloitte & Touche Taiwan has audited the financial report and issued the audit report.

The above business report, financial report, and proposal for distribution of earnings have been reviewed and determined to be correct and accurate by the Independent Director of EGST. In accordance with Article 14-4 of the Securities and Exchange Act, Article 219 of the Company Act, and Article 8 of the Regulations Governing the Exercise of Powers by Audit Committees of Public Companies, I hereby submit this report.

Evergreen Steel Corporation

Independent Director: Lien, Yuan-Lung

March 10, 2023

Evergreen Steel Corporation Remuneration of Directors and Independent Directors in 2022

Unit: NT\$ thousands

Title	Name	Directors Remuneration								Total Remuneration (A+B+C+D) and Ratio of Total Remuneration to Net Income		Relevant Remuneration Received by Directors Who are Also Employees								Total Compensation (A+B+C+D+E+F+G) and Ratio of Total Compensation to Net Income		Compensation Paid to Directors from an Invested Company Other than the Company's Subsidiaries or Parent Company		
		Base Compensation (A)		Severance Pay (B)		Directors Remuneration (C)		Allowances (D)				Salary, Bonuses, and Allowances (E)		Severance Pay (F)		Employees' Compensation (G)								
		The Company	Companies in the Consolidated Financial Statements	The Company	Companies in the Consolidated Financial Statements	The Company	Companies in the Consolidated Financial Statements	The Company	Companies in the Consolidated Financial Statements	The Company	Companies in the Consolidated Financial Statements	The Company	Companies in the Consolidated Financial Statements	The Company	Companies in the Consolidated Financial Statements	The Company	Companies in the Consolidated Financial Statements	Cash	Stock	Cash	Stock		The Company	Companies in the Consolidated Financial Statements
Chairman	HUI Corp. Representative: Lin, Keng-Li	4,851	4,851	0	0	2,500	5,200	54	54	7,405 0.29%	10,105 0.40%	0	0	0	0	0	0	0	0	7,405 0.29%	10,105 0.40%	None		
Director	HUI Corp. Representative: Ko, Lee-Ching	0	0	0	0	1,258	1,258	42	42	1,300 0.05%	1,300 0.05%	0	0	0	0	0	0	0	0	1,300 0.05%	1,300 0.05%	None		
Director	Evergreen International Corp. Representative: Chang, Kuo-Hua	0	0	0	0	415	415	12	12	427 0.02%	427 0.02%	0	0	0	0	0	0	0	0	427 0.02%	427 0.02%	None		
Director	Evergreen International Corp. Representative: Cheng, Shen-Chih	0	0	0	0	242	242	12	12	254 0.01%	254 0.01%	0	0	0	0	0	0	0	0	254 0.01%	254 0.01%	None		
Director	Evergreen International Corp. Representative: Chen, Chao-Lung	0	0	0	0	242	242	12	12	254 0.01%	254 0.01%	0	0	0	0	0	0	0	0	254 0.01%	254 0.01%	None		
Director	Kaiming Investment Co., Ltd. Director on its behalf: Lee, Kuan-Liang	0	0	0	0	843	843	24	24	867 0.03%	867 0.03%	0	0	0	0	0	0	0	0	867 0.03%	867 0.03%	None		

Title	Name	Directors Remuneration								Relevant Remuneration Received by Directors Who are Also Employees								Total Compensation (A+B+C+D+E+F+G) and Ratio of Total Compensation to Net Income		Compensation Paid to Directors from an Invested Company Other than the Company's Subsidiaries or Parent Company				
		Base Compensation (A)		Severance Pay (B)		Directors Remuneration (C)		Allowances (D)		Total Remuneration (A+B+C+D) and Ratio of Total Remuneration to Net Income		Salary, Bonuses, and Allowances (E)		Severance Pay (F)		Employees' Compensation (G)								
		The Company	Companies in the Consolidated Financial Statements	The Company	Companies in the Consolidated Financial Statements	The Company	Companies in the Consolidated Financial Statements	The Company	Companies in the Consolidated Financial Statements	The Company	Companies in the Consolidated Financial Statements	The Company	Companies in the Consolidated Financial Statements	The Company	Companies in the Consolidated Financial Statements	The Company	Companies in the Consolidated Financial Statements	Cash	Stock		Cash	Stock	The Company	Companies in the Consolidated Financial Statements
Director	Wei-Dar Development Co., Ltd. Representative: Lee, Mon-Ling	0	0	0	0	1,500	2,500	54	54	1,554 0.06%	2,554 0.10%	0	0	0	0	0	0	0	0	0	0	1,554 0.06%	2,554 0.10%	None
Independent Director	Lin, Shu-Ling	840	840	0	0	0	0	48	48	888 0.03%	888 0.03%	0	0	0	0	0	0	0	0	0	0	888 0.03%	888 0.03%	None
Independent Director	Lien, Yuan-Lung	1,240	1,240	0	0	0	0	84	84	1,324 0.05%	1,324 0.05%	0	0	0	0	0	0	0	0	0	0	1,324 0.05%	1,324 0.05%	None
Independent Director	Lin, Tian-Sung	840	840	0	0	0	0	60	60	900 0.03%	900 0.03%	0	0	0	0	0	0	0	0	0	0	900 0.03%	900 0.03%	None
Independent Director	Chiang, Jui-Chin	480	480	0	0	0	0	24	24	504 0.02%	504 0.02%	0	0	0	0	0	0	0	0	0	0	504 0.02%	504 0.02%	None
Independent Director	Lee, Kuan-Hsien	480	480	0	0	0	0	24	24	504 0.02%	504 0.02%	0	0	0	0	0	0	0	0	0	0	504 0.02%	504 0.02%	None

Policy, standards and composition of remuneration payment, process of remuneration decision-making and relevance of operation performance and future risks to the remuneration:

According to the Articles of Incorporation of the Company and its guidelines on payment for director remuneration, a ratio of distributable profit of the current year, if any, shall be distributed as directors' remuneration and the ratio shall not be higher than 2%. With the limit for the total amount of remuneration distributed to all directors in place, the remuneration distributed to each director is based on his/her director's participation in the operation and the contribution to the Company.

In addition, the Company can determine directors' remuneration based on individual director's participation in the operation and the contribution to the Company by reference to the director remuneration of peer companies in the same industry. The aforementioned "director's participation in the operation and the contribution to the Company" is determined by the performance of each director and Board performance assessment result (including their attendance of meetings and training, their participation in the Company's operations and their interaction with the management team, etc.).

The remuneration of directors shall be submitted to the Board of Directors for approval after the resolution of the Company's Remuneration Committee.

EVERGREEN STEEL CORPORATION

Roster of Directors (Including Independent Directors) Candidates

NO.	Item	Candidate	Gender Age	Expertise	Major Education and Experience	Major Concurrent Positions	Shares Held (Note)	In Person Attendance Rate for 2022 Board Meetings
1	Director	Evergreen Marine Corp. (Taiwan) Ltd. Representative: Lin, Keng-Li (Current Board Member)	Male 61~70	Business Management Environmental protection & Green Energy	<u>Education:</u> MBA, Shipping and Transportation Management, National Taiwan Ocean University <u>Experience:</u> Same as Concurrent Positions.	Chairman, Evergreen Steel Corp. (Stock Code: 2211) <u>Director:</u> <ul style="list-style-type: none"> ▪ Hsin Yung Enterprise Corp. ▪ Super Max Engineering Enterprise Co., Ltd. ▪ Ever Ecove Corp. ▪ Mingyu Investment Corp. 	79,248,000	100%
2	Director	Evergreen Marine Corp. (Taiwan) Ltd. Representative: Ko, Lee-Ching (Current Board Member)	Female 71~80	Business Management Finance Accounting	<u>Education:</u> National Keelung Girls' Senior High School <u>Experience:</u> <ul style="list-style-type: none"> ▪ Vice Group Chairman, Evergreen Group ▪ Chairman, Evergreen International Corp. 	<u>Director:</u> <ul style="list-style-type: none"> ▪ Evergreen Steel Corp. (Stock Code: 2211) ▪ Evergreen Marine Corp. (Taiwan) Ltd. (Stock Code: 2603) ▪ Evergreen International Storage & Transport Corp. (Stock Code: 2607) ▪ Taiwan High Speed Rail Corp. (Stock Code: 2633) <u>Supervisor:</u> Evergreen Sky Catering Corp. (Stock Code: 9978)	79,248,000	100%

NO.	Item	Candidate	Gender Age	Expertise	Major Education and Experience	Major Concurrent Positions	Shares Held (Note)	In Person Attendance Rate for 2022 Board Meetings
3	Director	HUI Corp. Representative: Tai, Jiin-Chyuan	Male 61~70	Business Management Law Environmental Protection & Green Energy	<u>Education:</u> Master of Maritime Law, National Taiwan Ocean University <u>Experience:</u> ▪ Director & President, Evergreen International Corp. ▪ Vice President of Legal Department, Evergreen International Corp.	<u>Director:</u> ▪ Evergreen Marine Corp. (Taiwan) Ltd. (Stock Code: 2603) ▪ Evergreen International Storage & Transport Corp. (Stock Code: 2607) ▪ Evergreen Sky Catering Corp. (Stock Code: 9978) ▪ Ever Ecove Corp. ▪ Super Max Engineering Enterprise Co., Ltd.	3,200,000	N/A (Not a Current Board Member)
4	Director	Wei-Dar Development Co., Ltd. Representative: Lee, Mon-Ling (Current Board Member)	Female 51~60	Business Management Finance Accounting Environmental protection & Green Energy	<u>Education:</u> MBA, Rensselaer Polytechnic Institute, Troy, New York, USA <u>Experience:</u> Same as Concurrent Positions.	<u>Director:</u> ▪ Evergreen Steel Corp. (Stock Code: 2211) ▪ Hsin Yung Enterprise Corp. ▪ Metropolis Property Management Corp. ▪ La Mer Corp.	12,823,245	100%

NO.	Item	Candidate	Gender Age	Expertise	Major Education and Experience	Major Concurrent Positions	Shares Held (Note)	In Person Attendance Rate for 2022 Board Meetings
5	Independent Director	Lien, Yuan-Lung (Current Board Member)	Male 61~70	Business Management Law	<p><u>Education:</u> EMBA, National Taiwan University LL.B., Department of Law, National Taiwan University</p> <p><u>Experience:</u></p> <ul style="list-style-type: none"> ▪ Supervisor, MSIG Mingtai Insurance Co., Ltd. ▪ Director/ Managing Director, the Taiwan Bar Association ▪ Commissioner, the Judicial Selection Committee for Selecting Judges of Specialized Courts, Judicial Yuan ▪ Commissioner, the Taiwan Attorney Disciplinary Committee ▪ Commissioner, the Reviewing Team for the Cases with Questions of Compulsory Retirement for Public Matters and Bereavement Compensation for Public Matters, Ministry of Civil Services 	<p>Attorney in Charge, Lien & Partners Law Offices</p> <p>Director, TWT Net Corp.</p> <p><u>Independent Director:</u></p> <ul style="list-style-type: none"> ▪ Evergreen Steel Corp. (Stock Code: 2211) ▪ MSIG Mingtai Insurance Co., Ltd. ▪ Taiwan Pelican Express Co., Ltd. (Stock Code: 2642) 	0	100%

NO.	Item	Candidate	Gender Age	Expertise	Major Education and Experience	Major Concurrent Positions	Shares Held (Note)	In Person Attendance Rate for 2022 Board Meetings
6	Independent Director	Young, Chune- Ching	Male 61~70	Business Management Material Research and Development Environmental protection & Green Energy	<u>Education:</u> Doctor of Philosophy, Materials Science and Engineering, Massachusetts Institute of Technology (MIT) Master of Mechanical Engineering, National Taiwan University Bachelor of Mechanical Engineering, National Taiwan University <u>Experience:</u> <ul style="list-style-type: none"> ▪ Team Leader, Team of Materials Examination and Evaluation, Materials Development Center, National Chung-Shan Institute of Science & Technology ▪ Technical Superintendent, Materials Development Center, National Chung-Shan Institute of Science & Technology 	Director & President, Taiwan Hodaka Technology Co., Ltd.	0	N/A (Not a Current Board Member)

NO.	Item	Candidate	Gender Age	Expertise	Major Education and Experience	Major Concurrent Positions	Shares Held (Note)	In Person Attendance Rate for 2022 Board Meetings
7	Independent Director	Liu, Nai-Ming	Male 61~70	Business Management Finance Accounting	<u>Education:</u> Master of Accounting, National Chengchi University Bachelor, Department of Accountancy, National Cheng Kung University <u>Experience:</u> <ul style="list-style-type: none"> ▪ Adjunct Assistant Professor, Department of Accounting Information, Hsing Wu University ▪ Independent Director, Inpaq Technology Co., Ltd. (Stock Code: 6284) ▪ Independent Director, Apaq Technology Co., Ltd. (Stock Code: 6449) ▪ Director, HH Leasing & Financial Corp. 	CPA, Cheng Yuan Certified Public Accountants <u>Independent Director:</u> <ul style="list-style-type: none"> ▪ Eclat Textile Co., Ltd. (Stock Code: 1476) ▪ Bioptik Technology, Inc. (Stock Code: 4161) 	0	N/A (Not a Current Board Member)

Note: The number of shares held by shareholders on the book closure date (April 22, 2023) for the Company's shareholders' meeting.

EVERGREEN STEEL CORPORATION

ARTICLES OF INCORPORATION

Chapter 1 General Provisions

Article 1

This Company is incorporated pursuant to the provisions governing a company limited by Shares of the Company Act of Republic of China with the name of 長榮鋼鐵股份有限公司 in Chinese and EVERGREEN STEEL CORPORATION in English.

Article 2

The Company may engage in the following activities:

1. CA01010 Iron and Steel Smelt;
2. CA01020 Iron and Steel Rolling and Extruding;
3. CA01030 Iron and Steel Casting;
4. CA01050 Steel Secondary processing;
5. CA05010 Powder Metallurgy;
6. CB01010 Mechanical Equipment Manufacturing;
7. CD01010 Ships and Parts Manufacturing;
8. CD01020 Rail Vehicle and Parts Manufacturing;
9. CD01030 Motor Vehicles and Parts Manufacturing;
10. D101050 Combined Heat and Power;
11. F213080 Retail Sale of Machinery and Tools;
12. F214060 Retail Sale of Ship and Component Parts Thereof;
13. F214080 Retail Sale of Track Vehicle and Component Parts Thereof;
14. F401010 International Trade;
15. I301020 Data Processing Services;
16. I501010 Product Designing;
17. J101060 Wastewater (Sewage) Treatment;
18. JZ99050 Agency Services;
19. CA02010 Metal Structure and Building Component Manufacturing/
Manufacture of Metal Structure and Architectural Components;
20. CA02990 Other Metal Products Manufacturing;
21. JA02990 Other Repair;
22. CB01990 Other Machinery Manufacturing;

23. E103011 Steel Structure Works Specialized Construction Enterprises;
24. JE01010 Rental and Leasing;
25. G801010 Warehousing;
26. F111090 Wholesale of Building Materials;
27. F211010 Retail Sale of Building Materials;
28. CB01030 Pollution Controlling Equipment Manufacturing;
29. E604010 Machinery Installation;
30. EZ02010 Crane and Hoist Services Engineering;
31. E599010 Piping Engineering;
32. CA02060 Metal Containers Manufacturing;
33. CA03010 Heat Treatment;
34. E401010 Dredging industry;
35. E402010 Sandstone, Silt Sea Throwing;
36. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

Article 3

The office of the Company is located at Taipei city, Taiwan, where necessary, the Company may have branches, factories or offices established within or outside the Republic of China as decided by resolution adopted by the Board of Directors.

Article 4

The total amount of investment by the Company shall not be subject to the restriction of 40 percent of the paid-up capital of the Company pursuant to Article 13 of the Company Act.

The Company may render external guarantees.

Chapter 2 Shares

Article 5

The total authorized capital of the Company shall be NT\$4,400,000,000 divided into 440,000,000 shares at NT\$10 each. The Board of Directors is hereby authorized to issue the unissued shares in installments.

When the Company transfers treasury stock to employees, issues share subscription warrants, issues restricted share for employees, or issues new shares reserved for subscription by employees, the employees of the subsidiaries of the Company may be included. Qualification requirements of the employees who are entitled to receive it shall be determined by the Board of Directors.

Article 6

Shares issued by the Company may be exempted from printing of share certificates. However, it shall be registered in the Securities Central Depository Business Institution.

Article 7

Registration of share transfer, within sixty (60) days before the date of Annual General Meeting of the Shareholders, thirty (30) days before the date of Extraordinary Meeting of Shareholders, or five (5) days before the date fixed by the Company for distribution of dividends, bonus or other benefits, shall not be conducted.

Chapter 3 Shareholders' Meeting

Article 8

The Shareholders' Meeting of the Company consists of two categories: the Annual General and Extraordinary Meetings;

1. The Annual General Meeting shall be duly held within six (6) months after the end of each fiscal year of the Company;
2. The Extraordinary Meeting of the Company may be duly held if necessary.

The Company's shareholders' meetings can be held by means of video conferencing network or other methods as promulgated by the central competent authority.

In the case where a shareholders' meeting is convened via a video conferencing network, the shareholders taking part in such a video conference meeting shall be deemed to have attended the meeting in person.

Article 9

Notices to convene the Annual General Meeting shall be given to each shareholder thirty (30) days in advance, and the one to convene the Extraordinary Meeting shall be given fifteen (15) days in advance. Notices of the Shareholders' Meeting shall specify the time and place of the meeting and the particulars of the business to be transacted, and shall be given to all the Shareholders.

Article 10

The shareholders of the Company shall have one voting right for each share, except the shares which set forth in Article 179 of the Company Act are no voting right.

Article 11

A shareholder who is unable to attend a Shareholders' Meeting may duly authorize another person as his proxy to attend and vote on his behalf pursuant to a power of attorney printed and distributed by the Company duly issued by the Shareholder stating the ambit of the proxy's authority.

The shareholders' meeting shall adopt the electronic voting system as one of the methods for exercising the voting rights, and the relevant matters shall be conducted in accordance with the Company Act and the relevant regulations.

Article 12

Unless otherwise provided under the Company Act and related regulations, the quorum for a Shareholders' Meeting shall be duly adopted by a majority in the meeting attended by Shareholders who represent a majority of the total issued shares.

Article 13

When Shareholders' Meeting is convened by the Board of Director, its Chairman shall be processed in accordance with the provision in Article 208 of the Company Act. When the meeting is convened by other party with right of summons other than the Board of Directors, the Chairman shall be undertaken by that party with right of summons. When there are two and more parties with right of summons, one party will be elected among these parties.

Article 14

The resolutions adopted by the Shareholders' Meeting shall be reported in the minutes. The content, distribution and other essentials of the minutes shall be made in accordance with the provision of Article 183 of the Company Act.

Chapter 4 Directors and Managers

Article 15

The Company shall have seven (7) to nine (9) Directors.

The election of the Directors shall adopt the candidate nomination system provided in Article 192-1 of the Company Act. The shareholders shall elect the Directors from the list of candidates announced by the Company. The following matters shall be processed according to the relevant regulations.

The total number of shares that should be held by all preceding Directors shall be subject to the provision established by the Securities Management Institution.

Article 16

The number of the Directors set forth in the preceding article shall include three (3) Independent Directors.

The Independent Directors and non-Independent Directors shall be elected at the same time, but the number of votes shall be calculated separately.

The professional qualifications, restrictions on shareholdings and concurrent positions held, assessment of independence, method of nomination and election, and other matters for compliance with respect to Independent Directors shall be subject to the Securities and Exchange Act and other relevant regulations.

Article 17

The Directors shall have a three-year term of office and are eligible for re-election. However, the Directors may, according to Article 199 of the Company Act, be discharged at any time by a resolution passed at a Shareholders' Meeting.

Article 18

When the number of vacancies of Directors reaches one-third of the total number of Directors, the Board of Directors shall convene a Shareholders' Meeting for supplementary election within 60 days from the date on which the situation arose. Its term of office shall only be limited to full replenishment of the original term of office.

When the dismissal of Independent Director(s) result in the number of Independent Directors less than the number providing in the paragraph 1 of the Article 16, the Company shall hold supplementary election for Independent Director(s) at the next following Shareholders' Meeting. When all Independent Directors have been dismissed, the Board of Directors shall convene a Shareholders' Meeting for electing Independent Directors within 60 days from the date on which the situation arose.

Article 19

The Directors shall constitute the Board. The Chairman shall be elected at a meeting attended by at least two-thirds (2/3) of the Directors and by a simple majority vote of the Directors present at the meeting and may also elect a Vice Chairman in the same manner. The Chairman of the Board of Directors shall internally preside at the Meetings of Shareholders and Board Meetings, and shall externally represent the Company. When the Chairman is on leave of absence or cannot exercise its job for any cause, agency of his/her job shall be handled in accordance with Article 208 of the Company Act.

Article 20

For execution of business of the Company, apart from items that are separately specified in related laws or the Articles of Incorporation to be resolved at the Shareholders' Meeting, all items shall be resolved by the Board of Directors.

Article 21

Notices of the Board Meeting shall be dispatched to each of the Directors 7 days prior to convening such meeting. Nevertheless, in case of emergency, the said meeting may be convened anytime.

The notice set forth in the preceding paragraph may be conducted in the form of writing or by way of e-mail or fax.

Where a Director is unable to attend a Board Meeting, he may authorize another Director to attend on his behalf by issuing a power of attorney in the latter's favor specifying the business to be conducted thereat and the scope of the authority to be granted.

Article 22

Unless otherwise provided under related regulations or the Articles of Incorporation, resolutions of the Board Meeting shall be adopted by a majority of the Directors at a meeting attended by a majority of the Directors.

Article 23

The Company shall establish the Audit Committee in accordance with Article 14-4 of the Securities and Exchange Act. The exercise of power and others of the Audit Committee and its members shall be in accordance with the Securities and Exchange Act and the relevant laws and regulations.

The Board of Directors may set up functional committees in accordance with the regulations or business needs. The Charters of those functional committees shall be separately stipulated by the Board of Directors.

Article 24

The compensation of the Directors (the "compensation") to be resolved by the Board of the Directors authorized herein will be based on the level of individual participation in and the value of individual's contribution to the Company's operation as well as the ordinary standard of the competitors' Compensation.

In order to cover the loss causing from liabilities of the Directors and to raise awareness of corporate governance, the Company may take out liability insurance for all Directors and the representatives who are designated by the Company to its investing companies to act as Director or Supervisor during their terms of offices.

Article 25

The company may have managers. Its appointment, discharge and remuneration shall be handled in accordance with the provision of Article 29 of the Company Act.

Chapter 5 Accounting

Article 26

After the end of each fiscal year of the Company, the Board of Directors shall prepare and submit the following reports to the Annual General Meeting of the Shareholders for approval according to legal procedures:

1. Business report.
2. Financial statements.
3. Proposal for allocation of surplus profit or making up loss.

Article 27

If the Company makes profit in a fiscal year, employees' compensation, no less than 0.5% of the profit, and directors' remuneration, no more than 2% of the profit, shall be set aside. However, in case the Company has accumulated losses, the Company shall reserve an amount to offset accumulated losses beforehand. The employees' compensation and directors' remuneration shall be set aside afterwards according to the principles mentioned above.

The profit in preceding paragraph refers to profit before tax without deducting employees' compensation and directors' remuneration.

The employees' compensation shall be distributed in the form of stock or cash; while the directors' remuneration shall be distributed only in the form of cash.

The employees' compensation may be distributed to the employees of subsidiaries of the Company. Qualification requirements of the employees who are entitled to receive the employees' compensation shall be determined by the Board of Directors.

The amount of employees' compensation and directors' remuneration as well as the payment method of employees' compensation shall be determined by a resolution adopted by a majority vote at a board of directors' meeting attended by two-thirds (2/3) or more of the directors and be reported at a shareholders' meeting.

Article 27-1

If the Company reports a surplus at the year end, after clearing taxes, the Company shall first offset losses from previous years (if any), then set aside 10% of the balance as the statutory surplus reserve, and set aside or reverse special surplus

reserve per the provisions. After that, the Board of Directors shall propose a surplus distribution plan of the balance plus the retained earnings accrued from prior years, submit the distribution plan to the shareholders' meeting for approval, and then distribute it.

Where the special surplus reserve set aside in the preceding paragraph belongs to a part not fully set aside accrued from prior years, the same amount thereof shall be set aside for the special surplus reserve from the retained earnings accrued from prior years. If the special surplus reserve is still insufficient, the amount from the net income after taxes for the current period plus the items other than the net income after taxes for the current period shall be included in the amount of the retained earnings for the current period to be set aside for such a purpose.

The Company is in the steady growth period. To match up with the Company's operation plan and consider the shareholders' right and interest, the Board of Directors shall propose a surplus distribution plan according to the following principles:

1. Every year the Company shall set aside an amount of no less than 50% of the profit after tax as the shareholder dividends.
2. The dividends shall be distributed in the combination of cash and stocks, provided that cash dividends shall not be less than 50% of the total amount of dividends.

Chapter 6 Miscellaneous

Article 28

The rules and regulations of the Company and various operation procedures shall be separately stipulated by the Board of Directors.

Article 29

Any matter not provided for by these Articles shall be subject to the Company Act and related regulations.

Article 30

These Articles were originally established on January 16, 1973;
The 1st amendment was made on April 25, 1974;
The 2nd amendment was made on November 10, 1976;
The 3rd amendment was made on March 15, 1980;
The 4th amendment was made on October 23, 1980;
The 5th amendment was made on December 3, 1980;
The 6th amendment was made on January 5, 1981;

The 7th amendment was made on June 29, 1982;
The 8th amendment was made on November 23, 1982;
The 9th amendment was made on August 4, 1983;
The 10th amendment was made on September 24, 1983;
The 11th amendment was made on January 24, 1984;
The 12th amendment was made on August 20, 1984;
The 13th amendment was made on December 18, 1984;
The 14th amendment was made on August 5, 1985;
The 15th amendment was made on December 5, 1985;
The 16th amendment was made on March 9, 1987;
The 17th amendment was made on June 12, 1987;
The 18th amendment was made on July 20, 1987;
The 19th amendment was made on September 10, 1987;
The 20th amendment was made on September 29, 1987;
The 21st amendment was made on October 19, 1987;
The 22nd amendment was made on December 31, 1987;
The 23rd amendment was made on December 20, 1988;
The 24th amendment was made on March 3, 1989;
The 25th amendment was made on May 17, 1989;
The 26th amendment was made on February 17, 1990;
The 27th amendment was made on September 12, 1990;
The 28th amendment was made on November 15, 1990;
The 29th amendment was made on December 12, 1990;
The 30th amendment was made on January 3, 1991;
The 31st amendment was made on April 15, 1992;
The 32nd amendment was made on July 20, 1992;
The 33th amendment was made on October 15, 1992;
The 34th amendment was made on December 7, 1992;
The 35th amendment was made on December 31, 1992;
The 36th amendment was made on April 1, 1993;
The 37th amendment was made on March 30, 1998;
The 38th amendment was made on September 25, 1998;
The 39th amendment was made on November 21, 1998;
The 40th amendment was made on April 17, 2000;
The 41st amendment was made on April 27, 2001;
The 42nd amendment was made on June 25, 2002;
The 43th amendment was made on April 29, 2004;
The 44th amendment was made on May 31, 2005;
The 45th amendment was made on October 5, 2005;
The 46th amendment was made on May 30, 2006;
The 47th amendment was made on May 22, 2008;

The 48th amendment was made on May 22, 2009;
The 49th amendment was made on May 21, 2010;
The 50th amendment was made on June 30, 2011;
The 51st amendment was made on May 22, 2012;
The 52nd amendment was made on May 26, 2016;
The 53th amendment was made on May 26, 2017;
The 54th amendment was made on May 30, 2019;
The 55th amendment was made on November 29, 2019;
The 56th amendment was made on June 10, 2022.

EVERGREEN STEEL CORPORATION

Chairman Lin, Keng-Li

EVERGREEN STEEL CORPORATION

RULES AND PROCEDURES OF SHAREHOLDERS' MEETING

Article 1

Shareholders' Meeting of the Company (the "Meeting") shall be conducted in accordance with these Rules and Procedures. Any matter not provided in these Rules and Procedures shall be handled in accordance with the Company Act and other relevant laws and regulations.

Article 2

Shareholders in these Rules refer to shareholders themselves or their designated proxies attending the Meeting.

The number of representatives appointed by any juristic person shareholders attending the shareholders' meeting shall not exceed the total number of the Company's directors of the current term.

Any juristic person designated as proxy by shareholders to be present at the Meeting may appoint only one representative to attend the Meeting.

Article 3

Shareholders attending the Meeting shall bring an attendance card and identification document. The number of shares represented by shareholders attending the Meeting shall be calculated in accordance with the attendance cards submitted by the shareholders.

The attendance of the Meeting shall be calculated based on shares.

The Company shall announce the number of non-voting shares, the number of shares in attendance and other relevant information.

Article 4

The Meeting shall be held at the head office of the Company or at any other appropriate place that is convenient for the shareholders to attend. The time to start the Meeting shall not be earlier than 9:00 a.m. or later than 3:00 p.m.

Article 5

Chairman shall call the Meeting to order at the time scheduled for the Meeting. If the number of shares represented by the shareholders present at the Meeting has not yet constituted the majority at the time scheduled for the Meeting, the chairman may postpone the Meeting. The postponements shall be limited to two times at the

most and Meeting shall not be postponed for longer than one hour in the aggregate. If after two postponements no quorum can yet be constituted but the shareholders present at the Meeting represent more than one-third of the total outstanding shares, tentative resolutions may be made in accordance with paragraph 1 of Article 175 of the Company Act.

If before the end of the Meeting the number of outstanding shares represented by the shareholders present becomes sufficient to constitute the quorum, the chairman shall submit the tentative resolutions to the Meeting for approval in accordance with Article 174 of the Company Act.

Article 6

The Chairman of the Board of Directors shall be the chairman presiding at the Meeting in the case that the Meeting is convened by the Board of Directors.

If the Meeting is convened by any other person entitled to convene the Meeting, such person shall be the chairman to preside at the Meeting. If there are more than two persons convening the Meeting, they should select one person to be the chairman.

Article 7

The agenda of the Meeting shall be set by the Board of Directors if the Meeting is convened by the Board of Directors. Unless otherwise resolved at the Meeting, the Meeting shall proceed in accordance with the agenda.

The above provision applies mutatis mutandis to cases where the Meeting is convened by any person, other than the Board of Directors, entitled to convene such Meeting.

Unless otherwise resolved at the Meeting, the chairman cannot announce adjournment of the Meeting before all the items (including special motions) listed in the agenda are resolved. In the event that the Chairman adjourns the Meeting in violation of these Rules and Procedures, the shareholders may designate, by a majority of votes represented by shareholders attending the Meeting, one person as chairman to continue the Meeting. The shareholders cannot designate any other person as chairman and continue the Meeting in the same or other place after the Meeting is adjourned.

Article 7-1

In accordance with Article 172-1 of the Company Act, the shareholders who hold one percent (1%) or more of the total number of outstanding shares of the Company may submit proposal in written form for discussion at the annual general meeting

of shareholders.

The proposals submitted by shareholders violating Article 172-1 of the Company Act shall not be included in the agenda of the Meeting and the minute of the Meeting, but the cause of exclusion of such proposals shall be listed in the appendix of the handbook for shareholders' meeting proceedings of the Company.

The shareholders' proposals complying with the Article 172-1 of the Company Act, which are classified into the same category of the proposal submitted by the Board of Directors, shall be deemed as the amendment of the proposal submitted by the Board of Directors, and the Chairman may combine them into one proposal to deal with.

Article 8

When a shareholder attending the Meeting wishes to speak, a Speech Note should be filled out with summary of the speech, the shareholder's number (or the number of the Attendance Card) and the name of the shareholder. The sequence of speeches by shareholders should be decided by the chairman.

If any shareholder presenting at the Meeting submits a Speech Note but does not speak, no speech should be deemed to have been made by such shareholder. In case the contents of the speech of a shareholder are inconsistent with the contents of the Speech Note, the contents of actual speech shall prevail.

Unless otherwise permitted by the chairman and the shareholder in speaking, no shareholder shall interrupt the speeches of the other shareholders; otherwise the chairman shall stop such interruption.

Article 9

If a juristic person shareholder designates two or more representatives to attend the Meeting, only one representative is entitled to speak for each discussion item.

When reporting the topic, speech for each shareholder is limited to once, and the speech shall not exceed five minutes for all reporting items.

Unless otherwise permitted by the chairman, each shareholder shall not speak more than two times concerning each motion and each preposition shall not exceed 5 minutes with regard to each proposal listed in ratification and discussion items listed on the agenda, proposals collected during special motion procedure.

When a shareholder speaks with regard to non-proposal matters and expresses other opinions during the special motion session, unless otherwise permitted by the chairman, each shareholder shall not speak more than two times and each preposition shall not exceed 5 minutes.

In case the speech of any shareholder violates the proceeding four provisions,

exceeds the scope of the discussion item, or disturbs the order of the meeting, the chairman is entitled to stop the speech of such shareholder.

Article 10

The Company may ask its lawyer, certified public accountant or related person to attend the Meeting.

After a shareholder speaks, chairman may answer the question personally or designate the related person to answer the question.

Article 11

Unless otherwise required by the Company Act or the Articles of Incorporation, a resolution of a shareholders' meeting shall be adopted by a majority of the votes represented by the Shareholders present at the Meeting.

Article 12

The resolution shall be voted on by casting ballots, and the chairman shall decide all voting (including the election votes) to be conducted separately or at the meantime.

Article 13

If there is an amendment to or a substitute for a proposal of a discussion topic, the chairman shall decide the sequence of voting for the amendment or the substitute, together with the original proposal. If any one of them has been adopted, the others shall be deemed vetoed and no further voting is necessary.

Article 14

Where the chairman believes that the proposal discussed may be resolved, he/she may announce the ending of the discussion, propose that votes be made and arrange adequate voting time.

Article 15

During the Meeting, the chairman may, at his/her discretion, set time for intermission.

Article 16

The election of directors at a shareholders' meeting shall be held in accordance with "Regulations for Electing Directors" of the Company.

Article 17

The personnel supervising and calculating the votes for the proposals shall be designated by the chairman, but the supervising personnel shall be a shareholder.

The result of the votes shall be announced on the spot and recorded.

Article 18

The process of the meeting shall be fully recorded via audio or video recording, and retained for at least one (1) year. However, if any shareholder files a lawsuit pursuant to Article 189 of the Company Act, the audio or video recording shall be retained until the final conclusion of the lawsuit.

Article 19

Logistics staff and disciplinary personnel (including security guards) assisting the Meeting shall wear badge or armband for identification purpose.

The chairman may command the disciplinary personnel (or security guards) to help safeguard the order of the meeting site.

Shareholders who violate these Rules and Procedures and defy the chairman's correction, or obstruct the proceeding of the meeting and refuse to stop, the chairman may direct the disciplinary personnel (including security guards) to escort the shareholder off the meeting.

Article 20

These Rules and Procedures shall be effective from the date it is approved by the Shareholders' Meeting. The same applies in case of revision.

The History of "RULES AND PROCEDURES OF SHAREHOLDERS' MEETING"

These Rules and Procedures were enacted on March 26, 1997.

The 1st amendment was made on March 30, 1998.

The 2nd amendment was made on June 25, 2002.

The 3rd amendment was made on May 30, 2006.

The 4th amendment was made on May 22, 2012.

The 5th amendment was made on November 29, 2019.

The 6th amendment was made on July 23, 2021.

EVERGREEN STEEL CORPORATION

REGULATIONS FOR ELECTING DIRECTORS

Article 1

The election of the Directors of the Company shall be handled in accordance with the Regulations.

Article 2

The election of the Directors shall adopt the candidate nomination system provided in the Article 192-1 of the Company Act. The shareholders shall elect the Directors from the list of candidates announced by the Company. The following matters shall be processed according to the relevant regulations.

Article 2-1

The election of the Directors of the Company shall be executed by adopting the method of accumulative voting by open vote. Each share held by a shareholder shall be entitled to the number of right-to-vote equal to the number of Directors to be elected. A shareholder may concentrate all the number of right-to-vote for one candidate or distribute the number of right-to-vote to several candidates. Shareholder account number or Attendance Certificate number printed on the vote may be used to represent the voter instead of the name of the voter.

The Independent Directors and non-Independent Directors shall be elected at the same time, but the number of votes shall be calculated separately.

Article 3

Before the votes are opened, the Chairman of the Shareholders' Meeting shall designate appropriate number of vote examiner who should be the Shareholder of the Company, vote counting personnel and related personnel for performing the relevant duty assigned to them.

Article 4

The required number of Independent Directors and non-Independent Directors shall be elected in accordance with the Articles of Incorporation, and the candidates who obtain more votes than others from the election will be deemed elected in turn. When the number of votes obtained by two or more than two candidates is the same but that exceed the required number of Directors to be elected, the case shall be determined by drawing lots, and the Chairman of the Shareholders' Meeting shall draw the lots for any candidate who is involved in the case but fails to attend the meeting.

Article 5

The vote shall be prepared by the Board of Directors, and shall note shareholder account number, Attendance Certificate number and number of voting right on the vote.

Article 6

If the elected person possesses shareholder status, in the “election candidate” column on the vote the voter shall fill in the name of the election candidate and shareholder account number. If the elected person does not possess shareholder status, the voter shall fill in the name and identity card number of the election candidate.

Article 7

Any vote that is in any of the following conditions shall be deemed ineffective:

- (1) Vote not specified in Article 5 of this regulation.
- (2) Blank vote.
- (3) Writing is blurred and cannot be identified.
- (4) If the filled in election candidate possesses shareholder status, when its account name, shareholder account number do not match the shareholder register; if the filled in election candidate does not possess shareholder status, his/her name and identity card number does not match.
- (5) Write other word apart from the name of the election candidate, shareholder account number, identity card number or the number of voting rights.
- (6) Two or more elected candidates are filled in the same vote.

Article 8

After the votes are completed, the votes shall be opened on the spot, and the results of the votes shall be announced by the Chairman of the shareholders’ meeting.

For the preceding election, the Company shall keep the voting papers for at least one year, but for any shareholder who files a litigation in accordance with Article 189 of the Company Act, the voting papers shall be kept until the end of the litigation.

Article 9

The Regulations shall come into force after the approval of the shareholders’ meeting, and the same shall apply after amendment.

The History of “REGULATIONS FOR ELECTING DIRECTORS”

The Regulations were duly established on March 26, 1997;

The 1st amendment was made on April 27, 2001;

The 2nd amendment was made on June 25, 2002;

The 3rd amendment was made on May 30, 2019;

The 4th amendment was made on November 29, 2019, and the name was revised to “REGULATIONS FOR ELECTING DIRECTORS”.

EVERGREEN STEEL CORPORATION

Shareholdings of Directors

Title	Name	Shares held
Chairman	HUI Corp. Representative: Lin, Keng-Li	3,200,000
Director	HUI Corp. Representative: Ko, Lee-Ching	
Director	Wei-Dar Development Co., Ltd. Representative: Lee, Mon-Ling	12,823,245
Independent Director	Lien, Yuan-Lung	0
Total		16,023,245

Notes:

1. As of April 22, 2023, the book closure date for the Company's shareholders' meeting, the total number of shares already issued is 417,091,463 shares.
2. The minimum shareholding required to be held by all directors is 20,000,000 shares.