



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 Minutes

June 20, 2023

THIS IS A TRANSLATION OF THE MINUTES FOR THE 2023 ANNUAL SHAREHOLDERS' MEETING (THE "MINUTES") 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 VERSION OF THE MINUTES SHALL GOVERN ANY AND ALL MATTERS RELATED TO THE INTERPRETATION OF THE SUBJECT MATTER STATED HEREIN.

EVERGREEN STEEL CORPORATION

Minutes of 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

Attendance: There are 287,608,700 shares represented by attending shareholders (including electronic voting or by proxy), reaching 68.95% of entire 417,091,463 shares issued by the Company.

Chairman: Mr. Lin, Keng-Li, the Chairman of the Board

Secretary: Ms. Kuo, Yen-Yu

Attendants as guest: Mr. Lien, Yuan-Lung, Independent Director and the Convener of Remuneration Committee / Ms. Ko, Lee-Ching, Director/ Ms. Lee, Mon-Ling, Director / Ms. Chen, Jiin-Shian, Lawyer/ Mr. Chang, Ching-Hsia, CPA

(All 4 directors currently in office of the Company attended the Annual General Shareholders' Meeting.)

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

II. Chairman calls meeting to order and address: Omitted.

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).

Summary of the Essential Points of the Proceedings —

Summary of Shareholders' Statements:

Shareholder (Account No. 11292) inquired about the plan to dispose of stocks of EVA Airways Corp., the operating conditions of Ever Ecove Corp., and the plan to invest the industries related to livestock biomass power generation.

Summary of the Chairman's Response:

1. The Company will decide whether to sell stocks of EVA Airways Corp. depending on capital needs.
2. To explain the operating conditions of Ever Ecove Corp., a subsidiary of the Company.
3. The Company is actively studying the possibility of investing in industries related to livestock biomass power generation.

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: The vote was in favor of the proposal, and the vote report was as follows –

Voting Results	Electronic Votes	Aggregated Votes (Including Electronic Votes)	% of the total Votes at the time of voting
Approval	234,151,202	280,569,219	97.55
Disapproval	46,561	46,561	0.01

Voting Results	Electronic Votes	Aggregated Votes (Including Electronic Votes)	% of the total Votes at the time of voting
Invalidation	0	0	0.00
Abstention/Unvoted	4,271,187	6,992,920	2.43
Total	238,468,950	287,608,700	100.00

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: The vote was in favor of the proposal, and the vote report was as follows –

Voting Results	Electronic Votes	Aggregated Votes (Including Electronic Votes)	% of the total Votes at the time of voting
Approval	234,189,725	280,607,742	97.56
Disapproval	48,113	48,113	0.01
Invalidation	0	0	0.00
Abstention/Unvoted	4,231,112	6,952,845	2.41
Total	238,468,950	287,608,700	100.00

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: The newly elected directors were as follows –

Item	A/C Number/ ID Number	Name	Shares held	Votes Received
Director	10	Evergreen Marine Corp. (Taiwan) Ltd. Representative: Lin, Keng-Li	79,248,000	310,675,509
	10	Evergreen Marine Corp. (Taiwan) Ltd. Representative: Ko, Lee-Ching	79,248,000	290,178,810
	37958	HUI Corp. Representative: Tai, Jiin-Chyuan	3,200,000	274,520,270
	1924	Wei-Dar Development Co., Ltd. Representative: Lee, Mon-Ling	12,823,245	271,847,541
Independent Director	H12121*****	Liu, Nai-Ming	0	269,214,154
	Y12016*****	Lien, Yuan-Lung	0	262,045,460
	R10018*****	Young, Chune-Ching	0	260,477,483

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: None of the newly elected directors of the Company has engaged in competitive activities, this proposal was not discussed.

VII. Extraordinary Motion: None.

VIII. Meeting Adjournment.

Note 1: The meeting minutes was recorded in accordance with the provision of paragraph 4 of Article 183 of the Company Law. The meeting audio recording still prevails regarding the meeting content, proceedings and shareholders' statements.

Note 2: Because the percentage of approval votes, disapproval votes, invalid votes, abstention votes and no votes held by total votes is calculated rounding down to two decimal places, as result, the total percentage will not be exactly equal to 100.00%.

Note 3: This translation of the minutes is intended for reference only and nothing else. In the event of any inconsistency between the English and Chinese versions, the Chinese version shall prevail.

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>

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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)

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)

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>	